



3rd ICP 2011 Executive Board Meeting
October 18, 2010, Washington DC
Minutes of Meeting

The third meeting of the ICP 2011 Executive Board was held on October 18, 2010, at the World Bank, Washington DC, as per the attached agenda. In attendance were the Board members as well as observers, as listed in the attached list of participants.

Welcome & Opening Remarks

Oystein Olsen, Chair of the Executive Board, welcomed Board members.

Shaida Badiie, Director of the World Bank Development Data Group, briefed members on the remaining events of the week, namely the World Statistics Day, held jointly by the IMF and the World Bank, the ICP user conference, the fourth Technical Advisory Group (TAG) meeting, and the third Regional Coordinators meeting.

Michel Mouyelo-Katoula, ICP Global Manager, informed members of the absence of some Board members but assured that their comments would be properly conveyed to the Board.

Item 0: Adoption of the agenda and approval of the minutes of last meeting

The Chair invited members to adopt the agenda and to approve the minutes from the second meeting of the Executive Board held in February 2010. Board members adopted the agenda and approved the minutes without changes.

Item 1: Progress in the preparations for the 2011 ICP

The Global Manager made a presentation on the progress in the preparations for the 2011 round. An interim report was circulated to the Board members on June 30, 2010, thus the current presentation focused on the global and regional level efforts that were carried out during the period from June 30th to October 18th, 2010. He briefed members on governance and organizational issues, including the participation of the Caribbean, Pacific Islands, Georgia, Turkmenistan, Argentina, Iran, and countries with dual participation. He highlighted the progress in the technical agenda including the latest TAG decisions, and the outreach activities that took place, mainly the preparations for the ICP User Conference.

Board members had four decision items to consider:

- Decision Item 1: Appointing a new chair and a deputy chair for the TAG
- Decision Item 2: Approving new memberships to the TAG
- Decision Item 3: Granting the green light for starting the ICP field and desk activities in January 2011
- Decision Item 4: Endorsing the proposed 2011 ICP Data Access Policy

Board members expressed concerns with regard to dual participation and funding issues, and the Global Office clarified that:

1. The number of participating countries has increased from 147 in 2005 ICP to around 180 in 2011 ICP.
2. Georgia will be linked to the CIS via a bridge country, namely Armenia. Georgia's results will appear under the global results but will not appear under the CIS region.
3. The Global Office will be responsible for the quality of the results for extra-regional countries, such as Georgia.
4. The cost of participation of extra-regional countries will be supported by the Global Office and the countries in question.
5. A solution is needed for countries with dual participation to avoid two sets of results for each country, and to coordinate funding aspects.
6. Sudan's participation as a single country or two separate countries will have to be examined after the referendum on Southern Sudan independence.
7. The Global Office is discussing with the Islamic Development Bank extending grants to countries in need of financial assistance, especially those in Western Asia.

On TAG technical agenda, and in response to members' queries, the Global Office clarified that:

1. In the table on "Progress Status on the Methodological Improvement" in the ICP 2011 Progress Report (Document 01), priority is only defined with relation to timing and not to importance. Thus High Time-Related priority refers to works that have to be carried out in 2011, while Low Time-Related priority is for topics which will be covered beyond 2012. The text will be changed accordingly to simply reflect the "short, medium, or long term" nature of the work.
2. Having corrected connotation problems, it is safe to conclude that all the methodologies related to activities that need to start in early 2011 are ready.

Item 2: ICP Technical Advisory Group Chairmanship and Membership

The Chair requested the Board to approve a new TAG Chair, renew the mandate of the Deputy Chair, and approve full membership of three candidates.

The Board made the following remarks:

1. The suggested Chair, Paul McCarthy, is an expert on price surveys, national accounts and PPPs, and thus, is deemed to be a perfect candidate as a TAG Chair.
2. A newly proposed member, Julian Douglas May, is especially welcome in the sense that his membership will be the first ever from a developing nation. His expertise in poverty analysis will contribute to the current TAG activities.
3. Robert Hill and Marcel Timmer who were proposed for full membership, were already approved as observers at the last Executive Board meeting in February 2010. As all three candidates are with academia background, they are expected to add value to the TAG.
4. There is only one female TAG member, thus further participation from female experts is encouraged.

The meeting unanimously elected Paul McCarthy as new chair of TAG, renewed Fred Vogel's mandate as deputy, and granted full TAG membership to Robert Hill, Marcel Timmer and Julian Douglas May. An additional deputy chair may also be appointed in the future if necessary.

Item 3: Readiness for 2011 data collection

The Global Manager presented three key areas with regards to the preparedness for field activities in 2011. These include the preparation of operational materials and tools, capacity-building activities and assistance to regions, and regional and country readiness for 2011.

The Chair invited the Board to officially endorse the Global Core List approach for linking the regions. Members agreed that this approach is conceptually acceptable, and welcomed this change from the Ring approach used in 2005 to the Core List approach as the Ring approach revealed several weaknesses.

In response to members' queries, the Global Office clarified the following:

1. The Global Core List was developed with close collaboration between the Global Office and the Regional Coordinators with input from countries.
2. The Global Office and Regional Coordinators agreed that due to different consumption patterns across the globe, the input from countries was very crucial in finalizing the Global Core specifications.
3. Products from the Global Core List items that are deemed important and available in a region are incorporated into the regional item list. Thus, countries are requested to price one regional list that includes Global Core items in addition to the regional items.

On country readiness, members noted the following:

1. The African Development Bank reiterated African countries' readiness for 2011 activities, noting that African countries have been undertaking an interim exercise related to year 2009. The challenge is mainly bringing on board countries that had little or no participation in the last round.
2. UN-ECLAC clarified that they underwent close consultation with national implementing agencies in the region to assess readiness. They were informed that countries are ready to carry out field activities in the first quarter of 2011.

The Board made the following decisions:

1. Confirmed that the notion of readiness only relates to the main survey on household consumption goods and services and preliminary national accounts work and not to surveys related to non-household sectors such as gross fixed capital formation goods and government.
2. Gave a green light to start the ICP field activities in January 2011.
3. Approved the Global Core List approach for linking the regions.

Item 4: Work Plan and Budget

The Global Manager presented the work plan with focus on data and metadata requirements and short term milestones.

In response to queries from Board members, it was clarified that:

1. Some delays are anticipated in the submission of the country survey frameworks.
2. The Global Office has accounted for the risks in the implementation of the work plan. The main risk with regards to the main price survey is that a pre-survey originally planned for the fourth quarter of 2010 will not take place. Thus, the 2011 first quarter data collection will be

- used both as actual data collection and pre-survey, with a view to learning from it to improve subsequent quarterly surveys. Machinery and equipment and Construction surveys will encounter a similar risk if we decide to have only one quarter data collection.
3. Foreseeable slippage in the work plan is not expected to affect the budget.
 4. On national accounts metadata requirements, the reporting forms that were developed would allow countries to report on how they would have compiled their expenditure data. These requirements are important for transparency, comparability and quality purposes, and are meant to improve national accounts data as was recommended after the 2005 round.
 5. Regarding the matrix of importance and availability, although products' importance can only be finalized after the last quarter price survey, a preliminary indication of importance and availability is needed to evaluate the possible overlap across regions and take any remedial measure deemed necessary.
 6. On validation, the notion of economic validation should be applied and observations should not be rejected simply on the basis of a mechanical statistical validation.
 7. On education, the TAG recommended in its June meeting that a working group should be formed to work on an output approach for Education PPPs. The working group, consisting of Alan Heston, Angus Deaton, Kimberly D. Zieschang, Fred Vogel, the Academy for Education Development, education experts from the World Bank, and the Global Office met twice in Washington DC, and agreed on the methodology to be presented to the TAG in its October 20th meeting. The proposed methodology ensures comparability with 2005, as well as with the OECD/Eurostat PPP exercise.
 8. Some members suggested that consultation with countries should be undertaken on the new education approach. They were informed that the Regional Coordinators will also attend the upcoming TAG meeting and will participate in the discussion on education to reflect regional input and feedback.

Board members made additional comments in terms of:

1. Advising the Global Office to change the succession of meetings in the work plan so as to have the TAG meeting before the Executive Board meeting. This will ensure that TAG decisions and recommendations are promptly discussed by the Executive Board.
2. Encouraging countries to directly provide their feedback, inputs, or comments to the operational materials available in various languages on the ICP website.

Misha Belkindas, Manager of the World Bank Development Data Group, presented an update on the budget plan, sources of funding, and fundraising efforts. He indicated that, although we are in a better shape compared to the 2005 round, Board members and Regional Coordinators are urged to multiply fundraising and advocacy efforts to ensure that adequate financing is secured at the global, regional, and country levels. He urged the regional agencies to provide more details on their regional budgets so as to indicate whether countries will be provided financing.

The following comments were made by Board members:

1. IMF representative explained that the IMF was expected to have a project financed by Japan to support ICP activities in Asia/Pacific. They will select 9 to 15 countries out of 20 surveillance priority countries, in coordination with the Asian Development Bank and the World Bank, in order to support them on the breakdown of GDP into basic heading expenditure data and the development of price indices. The project is for USD 2.5 million and is in the approval stage.
2. The Asian Development Bank explained that they have been able to secure USD 1.5 million out of the total budget of USD 3.6 million planned for the ICP-Asia program, and are expecting to secure an additional USD 1.7 million.
3. CIS Statistical Committee indicated that they have approached Russia for additional funding.

4. The African Development Bank indicated that the total budget reflected in the presentation pertains to the African Development Bank's capacity-building program. They will send the Global Office a revised budget that reflects the budget for the ICP activities only.
5. The African Development Bank also called for assistance from the Executive Board and the Global Office on the matter of some of the advocacy work for fund raising in the region. This may include sending letters to relevant authorities in support of the fund raising efforts that the regional agencies are undertaking.

Item 5: 2011 ICP Data Access and Archiving Policy

The Chair, the Global Manager, and Dennis Trewin, Consultant to the ICP Global Office, introduced the 2011 ICP Data Access and Archiving Policy. They explained that the 2005 policy met a broad variety of users' needs but remained restrictive on detailed data at the product level. Thus, the 2011 ICP Data Access and Archiving Policy is designed to widen access to include average price data. The Global Office has conducted a survey to assess countries' willingness to provide access to their data, and responses provided insight to countries' position with regards to data access.

Board members made the following comments:

1. In principle, members are in favor of data access; however, country laws need to be respected.
2. The proposed 2011 policy is a compromise between total openness and access restriction.
3. The research community is trusted with regards to handling data confidentiality, and academic researchers have their own quality control mechanisms.
4. Consideration should be made to making ICP data public and not restricting access to approved researchers.
5. If access will be restricted to approved users, then detailed criteria and process are needed to define approved users.
6. The 2011 policy should be more service oriented to satisfy user needs.
7. The policy should allow for possible change with regards to the guardian of ICP data once the 2011 round is finished and the Global Office ceases to exist.
8. It is important to clarify whether access to detailed ICP data will be available to all countries or restricted to the countries that contributed to the database.
9. The proposed policy is in line with the OECD/Eurostat PPP data access policy.
10. The 2011 policy should ensure symmetry with regards to country data, and should ensure transparency and reciprocity.
11. ICP data alone may not be appropriate for poverty analysis.
12. There is a need to archive and provide access to ICP datasets in order to ensure that ICP detailed datasets are not lost.
13. Regional Coordinators are urged to negotiate with reluctant countries to promote data access and openness.
14. It was noted that only one third of countries had responded to the survey on readiness.

The Board reached the following conclusions:

1. The current version of the 2011 policy is a mixture of principles and procedures. The Global Office is urged to distinguish between policy principles and procedures/operational aspects.
2. In the first stage, the policy principles should be circulated to the Board for approval.
3. The procedures/operational aspects will be submitted to the Board in the second stage for discussion and approval.

Item 6: Progress reports from OECD/Eurostat and ICP Regional Coordinating Agencies

Martine Durand from OECD reported on the progress undertaken by the OECD and Eurostat member countries. The PPP program is already underway, and although non-European OECD countries follow a slightly different timetable than Eurostat countries, Eurostat and OECD will be ready to provide their data and results as anticipated in the fourth quarter of 2013.

Charles Lufumpa from the African Development Bank reviewed the progress made by the Africa region, highlighting the meetings and workshops that took place. The ICP is a continuous program in Africa and is part of the African Development Bank's statistical capacity building program.

Douglas Brook from the Asian Development Bank assured the Board that their member countries are ready to launch ICP field activities in January 2011, including Myanmar which is participating for the first time. Projects on Supply and Use Tables (SUT) have been ongoing even before the launch of the ICP program and will support national accounts work in the future. Readiness issues raised with India have been resolved while China will be collecting prices from 31 provinces including rural areas compared to the 11 cities in the 2005 round.

Andrey Kosarev from the CIS Statistical Committee reported to the Board on the progress they have carried out in coordination with Rosstat in the implementation of the ICP in the CIS region. With the exception of Turkmenistan, all the CIS countries confirmed their participation and signed Memoranda of Understanding with the CIS Statistical Committee. Ukraine's participation has been confirmed.

Luis Beccaria from UN-ECLAC highlighted the main activities undertaken in the Latin America and the Caribbean region, countries' readiness for price collection in the first quarter of 2011, and main challenges faced regarding budget. He indicated that all the member countries are ready, with meetings successfully held and various programs launched, though some countries might need technical and financial support from UN-ECLAC.

Giovanni Savio from UN-ESCWA summarized the major milestones in Western Asia, including establishing the governance structure and the organization of regional meetings and workshops. He also indicated that the countries in the region expressed similar budgetary concerns as countries from other regions.

Ian Ewin from the Australian Bureau of Statistics updated the Board on actions taken to launch the ICP program in the Pacific Islands. The twenty-two Pacific Islands have a population varying from 1,000 to 6 million, and statistical capacity that differs largely across countries. For this reason, the Australian Bureau of Statistics proposed a two-tier process which will encourage ICP participation over two cycles starting in the 2011 round. This project requires technical assistance as well as funding. Board members expressed their deep appreciation to the Australian Bureau of Statistics for their initiative to secure the participation of the Pacific Islands in the ICP.

Item 7: Discussion and Concluding Remarks

The Chair summarized the following Board decisions with regards to decision items 1, 2, and 3:

1. A new TAG chair and a deputy chair are appointed;
2. Three new TAG members are approved;
3. The green light for starting the ICP field and desk activities in January 2011 is granted.

With regards to decision item 4 on data access policy, it was agreed to distinguish between policy principles and procedures/operational aspects. The Board will soon resume discussion to agree on the policy principles.

Shaida Badiee promised that the Global Office will arrange the TAG meetings before the Executive Board meetings so that decisions made in TAG meetings can be reflected in subsequent Board discussions.

It was agreed that the next Board meeting will take place in New York on February 20, 2011, from breakfast to lunch time.

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Annex 1

Draft Agenda October 18, 2010

- 09:00-09:30 **Check-in & Coffee**
- 09:30-09:45 **Welcome & Opening Remarks**
- 09:45-10:00 **Adoption of the agenda and approval of the minutes of last meeting**
- 10:00-10:45 **Progress in the preparations for the 2011 ICP**
This section provides a brief status report on governance and organizational issues, technical agenda, and outreach activities
- 10:45-11:00 **ICP Technical Advisory Group chairmanship**
The Executive Board will elect a new TAG Chair
- 11:00-12:00 **Readiness for 2011 data collection**
This section provides an overview of operational materials and tools, capacity building activities at global and regional level, and country readiness
- 12:00-13:30 **Lunch**
- 13:30-14:30 **Work Plan and Budget**
This section covers the updated work plan, budget situation, and fund-raising
- 14:30-15:30 **2011 ICP Data Access Policy**
This section outlines the proposed 2011 ICP Data Access Policy, for endorsement by the Executive Board
- 15:30-16:30 **Progress reports from OECD/Eurostat and ICP regional implementing agencies**
This section provides a brief status report on:
- PPP program (OECD and Eurostat)*
 - ICP-Africa (African Development Bank)*
 - ICP-Asia (Asian Development Bank)*
 - ICP-CIS (CIS Secretariat and Rosstat)*
 - ICP-LAC (UN-ECLAC)*
 - ICP-Western Asia (UN-ESCWA)*
- 16:30 -17:00 **Discussion and Concluding Remarks**

Annex 2

List of Participants

October 18, 2010

	Participant	Organization	Status	E-mail address
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4.	Badiee, Shaida	World Bank	Member	Sbadiee@worldbank.org
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