

DRAFT TERMS OF REFERENCE FOR THE INTERNATIONAL COMPARISON PROGRAM

INTER-AGENCY COORDINATION GROUP

Background

1. Since its establishment in 1968, the International Comparison Program (ICP) has grown to cover all regions of the world and become the world's largest statistical initiative. The most recent 2011 round of ICP covered 199 economies from Africa, Asia, Commonwealth of Independent States, Latin America and the Caribbean, Western Asia, the Pacific Islands, as well as the European and non-European OECD countries that conduct a permanent comparison program.
2. The main objective of the ICP is to estimate purchasing power parities (PPPs) to be used as currency converters to compare the output of economies and the welfare of their inhabitants in real terms, by controlling for differences in price levels, and to provide a common basis to assess the progress towards meeting the Sustainable Development Goals. To estimate the PPPs, the ICP requires prices of items that are comparable across countries, and a breakdown of the national gross domestic product into detailed expenditure categories per the ICP classification of goods and services.
3. Until recently, the ICP rounds have been conducted every six years. Due to several challenges faced with producing results with such low frequency, the United Nations Statistical Commission (UNSC) agreed in its 47th Session that the ICP should become a permanent element of the global statistical program, with future rounds to be conducted at more frequent intervals, based on a light and stable governance framework.
4. The governance framework's overall mandate is to coordinate the international, regional, and national efforts to produce reliable PPP estimates and related measures of real expenditures.
5. The ICP governance framework comprises the UNSC, a Governing Board, an Inter-Agency Coordination Group, Technical Advisory Task Force(s), a Global Implementing Agency, Regional Implementing Agencies, and National Implementing Agencies.
6. The purpose of this document is to outline the roles and responsibilities of the Inter-Agency Coordination Group, and its member agencies, within the ICP governance framework.

The Role and Responsibilities of the ICP Inter-Agency Coordination Group

7. The ICP Inter-Agency Coordination Group is a coordinating body, which will:
 - a. collaborate on establishing timetables and work plans for data collection, analysis, aggregation and dissemination;
 - b. develop common standards, methods, and protocols to ensure comparability across regions and countries;
 - c. develop a technical research agenda on the methodological choices and implementation arrangements, to inform future ICP comparisons, together with the Technical Advisory Task Force(s);
 - d. prepare cooperatively operational materials, including classifications, lists of items and survey forms;

- e. discuss the technical and organizational aspects of special participation cases, including dual participation and singleton countries;
 - f. promote the integration of ICP and CPI survey activities to decrease the burden on countries; and
 - g. take stock of existing capacity-building activities undertaken by the various agencies in the areas of prices and national accounts, and plan and implement statistical capacity building activities related to the ICP.
8. The Inter-Agency Coordination Group will comprise the World Bank as the Global Implementing Agency, the Organization for Economic Co-operation and Development (OECD), the Statistical Office of the European Union (Eurostat), the Regional Implementing Agencies and the International Monetary Fund (IMF). It will be convened and chaired by the World Bank.
9. To date, the organizations acting as Regional Implementing Agencies are:
- a. The African Development Bank (AfDB) for the Africa region;
 - b. The Asian Development Bank (ADB) for the Asia and the Pacific region;
 - c. The Interstate Statistical Committee of the Commonwealth of Independent States (CIS-STAT) for the Commonwealth of Independent States;
 - d. The United Nations Economic Commission for Latin America and the Caribbean (UN-ECLAC) for the Latin America and the Caribbean region; and
 - e. The United Nations Economic and Social Commission for Western Asia (UN-ESCWA) for the Western Asia region.
10. Eurostat is responsible for the ICP activities for the European countries and OECD for the non-European OECD countries and other OECD accession countries.
11. The Inter-Agency Coordination Group will hold bi-annual meetings, and ad-hoc meetings may be organized, if the need arises. The meetings will review the following:
- a. progress of the regional and global comparisons against the agreed timetables;
 - b. needed improvements in standards, methods and protocols;
 - c. operational materials, including classifications, lists of items and survey forms;
 - d. prices, national accounts expenditures and other data underlying the regional and global comparisons; and
 - e. preliminary and final regional and global PPPs.
12. The Inter-Agency Coordination Group will nominate, on a rotational basis, two of its members – other than the World Bank and IMF who have permanent seats – to represent it on the Governing Board, while the remaining members will participate in the Board as observers. The duration of rotation will be three years.

Specific Roles and Responsibilities of the Agencies on the ICP Inter-Agency Coordination Group

13. The World Bank as the Global Implementing Agency is responsible for establishing a Global ICP Unit, which supports the governance framework and undertakes the overall coordination and implementation of the ICP. The Global ICP Unit will:
- a. carry out day-to-day management of the global program;
 - b. convene the Governing Board, Inter-Agency Coordination Group, and Technical Advisory Task Force(s) meetings and support the governance activities;

- c. draft and implement common policies and procedures for data and information sharing between countries, regions, and the Global ICP Unit;
 - d. draft operational guidelines and materials to support the conduct of the program;
 - e. provide standards that national and regional data must satisfy to be included in the global PPP estimates;
 - f. provide technical support to the regions on standards implementation, data validation, analysis, and computation of regional results;
 - g. prepare and disseminate global ICP results as per the agreed timetables; and
 - h. implement the ICP dissemination policy and manage the relevant databases, ensuring that access to detailed ICP data is granted as per the data access policy.
14. Eurostat and OECD coordinate their own permanent comparison programs and will:
- a. participate in the preparation of operational guidelines and materials, as members of the Inter-Agency Coordination Group;
 - b. transmit the required national and regional data to the Global ICP Unit, including quality indicators; and
 - c. ensure the availability of data necessary to link the Eurostat and OECD countries to the global comparison.
15. The Regional Implementing Agencies coordinate the regional ICP comparisons and facilitate data and information flow between the Global ICP Unit and participating countries. The Regional Implementing Agencies will:
- a. carry out day-to-day management of the regional programs;
 - b. plan and implement the regional ICP activities in-line with the agreed timetables;
 - c. participate in the preparation of operational guidelines and materials, as members of the Inter-Agency Coordination Group;
 - d. ensure adequate national and regional data quality as per the agreed standards;
 - e. carry out regional capacity-building activities and provide technical support to the countries on data collection and validation;
 - f. prepare and disseminate regional ICP results as per the agreed timetables;
 - g. transmit national and regional data to the Global ICP Unit as per the ICP data access policy; and
 - h. contribute to the global research initiatives by identifying and undertaking research priorities relevant to the region.
16. The IMF has a long-standing established role in planning and implementing consumer price index (CPI), producer price index (PPI) and national accounts related statistical capacity-building activities. Moreover, the IMF compiles and maintains, jointly with the OECD, a database of detailed CPIs that can be used in the extrapolation and retrapolation of data underlying the PPPs. In this role, the IMF can support the planning and conduct of regional statistical capacity-building activities to improve ICP, CPI, PPI and national accounts expenditure data quality and availability, and advance the ICP/CPI survey integration agenda. The IMF can also play a major role in formulating the framework and approaches for assessing of the quality of CPI, PPI, and national accounts expenditure data used in the calculation of the PPP results.