



10th ICP 2011 Executive Board Meeting

January 24, Washington DC

Minutes of Meeting

The 10th meeting of the International Comparison Program (ICP) 2011 Executive Board took place on January 24, 2014, at the World Bank in Washington DC to: (i) confirm the due diligence undertaken for the ICP 2011; (ii) ensure quality global results; and (iii) agree upon an action plan towards the release of the final global results. As per the agenda shown in Annex 1, meeting discussions related to: (i) report from the Global Office on activities since the 9th Executive Board; (ii) ICP 2011 preliminary global results; and (iii) release of the ICP 2011 final global results. In attendance were Board members, observers, and ICP Global Office staff as listed in the attached list of participants in Annex 2.

0. Opening Remarks, Adoption of the Agenda and Approval of the Minutes of Last Meeting

Martine Durand, Chair of the Executive Board, welcomed the Board members and observers to the meeting. The Chair introduced Haishan Fu, the new Director of the World Bank Development Data Group, and welcomed Paul McCarthy and Fred Vogel, Technical Advisory Group Chair and Co-Chair, as well as Mohanna A Al-Mohanna and Katherine Wallman who, like Paul McCarthy and were connected remotely from Saudi Arabia, USA and Australia respectively.

The Chair invited Board members to adopt the agenda and the minutes from the ninth meeting of the Executive Board held on October 30, 2013 in Washington, DC. Both documents were adopted by the Board. It was clarified that, in the minutes of the ninth meeting of the Executive Board the evaluation will be conducted by the “Friends of the United Nations Statistical Commission Chair”.

1. Report from the Global Office on Activities since the 9th Executive Board

Michel Mouyelo-Katoula, ICP Global Manager, briefed attendees on the Board decisions, actions taken and the ICP meetings held since its last meeting on October 30, 2013.

Michel reviewed the findings from the Special Task Force efforts undertaken in December 2013 as well as the findings from the Ad-Hoc Data Review Meeting that was held in January 2014. The Chair and the Global Office apologized for the oversight of not inviting a representative from India’s Ministry of Statistics and Programme Implementation to attend the Ad-Hoc Data Review Meeting in Paris, France.

Technical issues raised by various Board members and the actions taken towards quality-assurance were addressed in depth. The issues specifically encompassed the following: (i) the possibility of including China as a singleton country; (ii) using the additional prices collected by China for the global core list;

(iii) inconsistency in simulation findings; (iv) findings of the high-level mission to China in October 2012; (v) use of importance indicators and weights; (vi) change of the linking methodology from 2005; (vii) change of the construction methodology from 2005; (viii) using construction mark-ups; and (ix) changes in applying productivity adjustment from 2005. The improvement of validation processes and documentation in the ICP 2011 from the 2005 round was highlighted as were the findings of the simulations completed to ensure quality results.

The TAG Chair and Co-Chair reviewed the approaches followed by the TAG to reach their decisions. On the TAG membership, it was clarified that the TAG is comprised of experts and is not a body of regional/country representatives. All TAG members were approved by the Board through the formal process.

The ICP Global Office demonstrated the efforts taken during the ICP 2011 to document all steps by displaying the ICP 2011 website, which contains various methodological and operational materials including the ICP Book and Operational Guide.

Overall, there was strong support of the innovation, credibility, transparency and integrity of the ICP 2011. They agreed that the due diligence and depth of work conducted since the 9th Executive Board diligently ensures the quality of ICP estimates. Many members indicated that users were keen to see the estimates released as some had been unhappy with the delay of releasing the preliminary estimates. It was noted that some policy relevant applications of the ICP had been missed due to this delay and this was leading to challenges of the program's relevance and credibility.

China's National Bureau of Statistics (NBS) expressed gratitude for the efforts done to address issues they raised at the last Board meeting, in part through the work of the Special Task Force. NBS stated that much progress was made through the explanations and simulations provided by the Global Office over the past two months. NBS reiterated the particular challenges of ICP estimation for large and fast-growing economies like China, especially on the difference between the extrapolated results versus the preliminary 2011 results. NBS would appreciate further explanation to help in their dialogue with policy-makers, but confirmed their data would be used in the ICP 2011 round. The Board agreed that dialogue was the correct approach for handling China's remaining issues. The scope and evolution of this dialogue should be reported to the Board as part of the ICP's commitment to transparency.

India's Ministry of Statistics and Programme Implementation summarized the issues in their letter sent to the Board and stressed efforts needed to be redoubled to ensure the principles of the ICP – credibility, transparency and integrity – as well as the TAG membership were maintained through the conclusion of the round. The Board recognized that the ICP 2011 round is innovative and grew from a simple research product to a global official statistics product and, therefore, the extent to which ICP estimates are applicable to various policy uses should be documented and communicated to users.

The Board acknowledged that a difference between the 2005 extrapolated results in comparison to the 2011 preliminary results should be expected from a technical aspect. The limitations of ICP 2005 as well as the explanation of methodology changes must be provided to users. Risk management and response to future crisis and complex issues were noted for consideration in the evaluation of the ICP 2011.

The Chair reiterated that the consensus view was that much due diligence had been done. To further boost the transparency of the process, the Chair indicated that decisions taken through the remainder of the round, descriptions of the limitations of the results to specific policy application, innovations, and

procedures must be explained and documented. The final results will be circulated to the Board together with supporting technical documentation ahead of the 11th Executive Board meeting, which will take place in New York on March 2, 2014. The requested documentation is a set of six notes related to: (i) Global validation; (ii) Impact of new 2011 linking methods at BH level (GCL) and above (CAR); (iii) Approach for Linking Housing; (iv) Construction approach and markups; (v) Use of importance indicators/ weight in linking; and (vi) Use of productivity adjustment in linking.

Upon completion of the March 2 Board meeting, the ICP's efforts should shift to finalizing communication and outreach strategies.

Decision 1.

The Board agreed that the due diligence and depth of work conducted since the 9th Executive Board diligently ensures the quality of ICP estimates, but stressed that the final stages of the ICP 2011 must be as transparent as possible. As such, they requested additional technical documentation in the form of six notes to be circulated to the Board together with the final results ahead of the 11th Executive Board meeting. The Global Office would quickly circulate an outline of each of the six notes that should be made available for transparency purposes, for Board members to provide feedback.

2. ICP 2011 Preliminary Global Results

Nada Hamadeh, Senior Statistician and Team Leader, explained the computation process conducted by the PPP Computation Task Force and the findings of the preliminary global results, which were circulated to Board members in January 2014. An overview of the 2011 preliminary results included the ten largest economies by nominal and real 2011 GDP share as well as the economies with the highest and lowest real GDP per capita. It was noted that differences exist between GDP volume growth rates as measured by the time series national accounts and as implied by PPP benchmarks.

It was noted that more details on the current results would be shared promptly with the minutes of the 10th Board meeting, while the final results would be circulated to Board members on February 25, 2014 ahead of the 11th Executive Board meeting. The Results Review Group would also continue their efforts on reviewing the data and processes to ensure quality results.

China NBS reaffirmed their commitment and participation in the ICP program by indicating they will allow the Global office and the Regional Coordinator in Asia to use China's data to compute the regional and global results.

The Chair stated that NBS would affirm whether China would be included as official estimates in the ICP 2011 results at the March 2, 2014 meeting once they are able to review the final results.

Decision 2.

The Board concurred that the NBS would inform the Board about their position on the release of China's results in the ICP 2011 results before or at the March 2, 2014 meeting once they are able to review the final results.

3. Release of the ICP 2011 Final Global Results

Nada reviewed the general action plan and timetable towards the release of the final global results. Discussion focused on the open dialogue and steps necessary to address all remaining concerns in order to move forward. Given that much material would need to be circulated to meet the earlier requests for information and transparency, the Chair proposed to release the final results and final report simultaneously in early June 2014. The change in the release date will provide for more time to finalize the communication strategy and implement it between March 2 and June 2014.

There was an agreement at the meeting that regional comparisons (except the Asian comparison) could release their regional results before the June 2014 release of the global results, if they so wish. Asia can release their regional results after the March 2, 2014 Board meeting, once NBS's position on the release of China's results in the ICP 2011 results has been clarified.

It was agreed that a detailed outline of the report and tables would be shared with the Board at their meeting on March 2, 2014. The major milestones until publication included those listed in the table below.

Table 1. Major Milestones until Publication

Milestones	Jan	Feb	Mar	Apr	May	Jun
Submission of final regional results	15-24					
10 th Executive Board meeting	24					
Final results computed by Computation Task Force		15				
Final results circulated to the Executive Board		25				
11 th Executive Board meeting			2			
ICP status report at the 45 th UNSC			3-7			
Finalization of the 2011 ICP Global Report						
Release of 2011 ICP Global Results and Final Report						

Decision 3.

The Board agreed to delay release of the final ICP 2011 results and final report simultaneously in early June 2014. Regional comparisons (except the Asian comparison) could release their regional results before the June 2014 release of the global results, if they so wish. Asia can release their regional results after the March 2, 2014 Board meeting, once NBS's position on the release of China's results in the ICP 2011 results has been clarified.

4. Meeting Decisions

Martine summarized the decisions made during the meeting and provided closing remarks. In summary, the meeting decided on the following points:

- The Board agreed that the due diligence and depth of work conducted since the 9th Executive Board diligently ensures the quality of ICP estimates, but stressed that the final stages of the ICP 2011 must be as transparent as possible. As such, they requested additional technical documentation in the form of six notes to be circulated to the Board together with the final results ahead of the 11th Executive Board meeting. The Global Office would quickly circulate an outline of each of the six notes that should be made available for transparency purposes, for Board members to provide feedback.
- The Board concurred that the NBS would inform the Board about their position on the release of China's results in the ICP 2011 results before or at the March 2, 2014 meeting once they are able to review the final results.
- The Board agreed to delay release of the final ICP 2011 results and final report simultaneously in early June 2014. Regional comparisons (except the Asian comparison) could release their regional results before the June 2014 release of the global results, if they so wish. Asia can release their regional results after the March 2, 2014 Board meeting, once NBS's position on the release of China's results in the ICP 2011 results has been clarified.

Annex 1. Agenda



10th ICP 2011 Executive Board Meeting

Agenda World Bank, Washington, DC January 24, 2014

- 08:30-09:00 *Check-in & Breakfast*
- 09:00-09:15 **Welcome and Opening Remarks**
- 09:15-09:30 **Adoption of the Agenda and Approval of the Minutes of Last Meeting**
The Board is invited to adopt the agenda and approve the minutes of the 9th Executive Board meeting, held in Washington, DC on October 30, 2013.
- 09:30-11:00 **Report from the Global Office on Activities since the 9th Executive Board Meeting**
The Board is invited to express its views on the due diligence and depth of work that was undertaken since the 9th Board meeting to ensure the quality of estimates.
- 11:00-11:15 *Coffee*
- 11:15-12:30 **Report from the Global Office on Activities since the 9th Executive Board Meeting (continued)**
- 12:30-14:00 *Lunch hosted by DECDG Director, World Bank*
- 14:00-15:00 **ICP 2011 Preliminary Global Results**
The Board is invited to review and discuss the preliminary global results that were circulated to Board members in January 2014.
- 15:00-15:30 **Release of the ICP 2011 Final Global Results**
The Board will discuss the action plan and timetable towards the release of the final global results.
- 15:30-16:00 **Other Business and Concluding Remarks**

Annex 2. List of Participants

#	Participant	Organization	Status
1	Douglas Brooks	Asian Development Bank	Member
2	Charles Leyeka Lufumpa	African Development Bank	Member
3	Babakar Fall	ANSD, Senegal	Member
4	Michael Davies	Australian Bureau of Statistics	Observer
5	Wei-qun Du	NBS China	Observer
6	Yangwei Li	NBS China	Observer
7	Yuncheng Zhao	NBS China	Observer
8	Andrey Kosarev	CIS-STAT	Observer
9	Francois Lequiller	Eurostat	Member
10	Paul Konijn	Eurostat	Observer
11	Louis Marc Ducharme	IMF	Member
12	Kimberly Dale Zieschang	IMF	Observer
13	Rafael Possé Fragoso	INEGI, Mexico	Observer
14	T.C.A. Anant	MOSPI, India	Member
15	G M Boopathy	MOSPI, India	Observer
16	Martine Durand	OECD	Chair
17	Francette Koechlin	OECD	Observer
18	Vasily Kuznetsov	Rosstat, Russia	Observer
19	Mohanna A Al-Mohanna	Saudi Arabia	Member (connected via phone)
20	Craig Kuntz	Statistics Canada	Observer
21	Pali Lehohla	Statistics South Africa	Member
22	Paul McCarthy	TAG Chair	Observer (connected via phone)
23	Fred Vogel	TAG Co-Chair	Observer
24	Pascual Gerstenfeld	UN-ECLAC	Member
25	Giovanni Savio	UN-ECLAC	Observer
26	Juraj Riecan	UN-ESCWA	Member
27	Katherine Wallman	United States OMB	Member (connected via phone)
28	Ivo Havinga	UNSD	Member
29	Jim Thomas	US BLS	Observer
30	Haishan Fu	World Bank	Member
31	Grant Cameron	World Bank	Observer
32	Michel Mouyelo-Katoula	World Bank	Observer
33	Nada Hamadeh	World Bank	Observer
34	Yuri Dikhanov	World Bank	Observer
35	Marko Rissanen	World Bank	Observer

#	Participant	Organization	Status
36	Biokou Mathieu Djayeola	World Bank	Observer
37	Virginia Romand	World Bank	Observer
38	Morgan Brannon	World Bank	Observer