



**INTERNATIONAL COMPARISON PROGRAM  
SECOND MEETING OF THE GOVERNING BOARD  
SEPTEMBER 15<sup>TH</sup>, 2017, WASHINGTON, DC**

**MEETING MINUTES**

**Opening Remarks and Adoption of the Agenda**

The second meeting of the International Comparison Program (ICP) Governing Board took place on September 15<sup>th</sup>, 2017, at the World Bank headquarters in Washington, DC. The main objectives of the meeting were to: (i) review progress in the implementation of ICP interim activities and 2017 cycle; (ii) discuss overall risks to the implementation of the 2017 cycle and related mitigation measures; (iii) discuss and adopt the ICP Research Agenda set forth by the ICP Technical Advisory Group (TAG); and (iv) discuss proposed revisions to the ICP Data Access and Archiving Policy, per the meeting agenda in Annex 1. In attendance were Governing Board Co-Chairs, members and observers, as well as Board secretariat staff, as listed in Annex 2.

T.C.A. Anant, ICP Governing Board Co-Chair, opened the meeting by welcoming the participants and noting ICP's evolution from a research project to a statistical program. The ICP is a partnership and collaboration between various stakeholders, and the Governing Board, as well as international, regional and national agencies are collectively dedicated to ensuring its success. He further remarked that, unlike other statistical activities, the ICP is a global rather than national statistical product and, thus, its importance and role at the national level needs to be further articulated. To create more demand at the national level, the user community should be extended to include national policy-makers, which in turn would support the overall objective of making the ICP a permanent and sustainable program.

Haishan Fu, World Bank, noted that the United Nations Statistical Commission (UNSC), at its 48<sup>th</sup> session in March 2017, endorsed the ICP Governance Framework and the composition of the Governing Board. The ICP TAG convened its inaugural meeting in May 2017 at Princeton University, with Sir Angus Deaton as the TAG Chair and Paul Schreyer as the Alternate Chair. Haishan concluded by remarking that the ICP 2017 cycle has been launched in all regions; however, challenges and risks still lie ahead. The World Bank, in collaboration with various stakeholders, remains dedicated to mitigating the risks to achieve the immediate goal of a successful implementation of the ICP 2017 cycle, as well as the long-term goal of a sustained and permanent ICP.

After the opening remarks, Dr. Anant invited the Board to adopt the meeting agenda.

***The Governing Board adopted the proposed meeting agenda without changes.***

## **Progress in the Implementation of ICP Interim Activities and 2017 Cycle**

Nada Hamadeh, World Bank, briefed the Board on the progress in the implementation of ICP interim activities and 2017 cycle at the global level. The presentation was followed by interventions from Charles Lufumpa, African Development Bank; Rana Hasan, Asian Development Bank; Andrey Kosarev, Interstate Statistical Committee of the Commonwealth of Independent States; Pascual Gerstenfeld, United Nations Economic Commission for Latin America and the Caribbean; Majed Skaini, United Nations Economic and Social Commission for Western Asia; Silke Stapel, Statistical Office of the European Union; and Martine Durand, Organisation for Economic Co-operation and Development, who summarized the progress with their regional programs.

Since 2011, regional interim ICP activities have taken place in Africa, Asia, Commonwealth of Independent States and Western Asia, in addition to the regular Eurostat-OECD program. While the 2011 ICP covered 179 economies, interim activities covered 129 economies, and the ICP 2017 cycle is anticipated to cover 176 economies. Additional efforts are underway to ensure the participation of fragile and conflict states in capacity-building activities, and the participation of the Pacific islands in the 2017 cycle is being discussed with the Australian Bureau of Statistics, who acted as a regional coordinator for the 2011 ICP.

With regards to the timetable of the ICP 2017 cycle, surveys are spread over the period 2016-2018. Most regions are conducting survey activities during 2016 and 2017; however, Africa and Latin America and the Caribbean regions are conducting most of their price surveys in 2018. National accounts expenditures compilation is spread over the period 2017-2019. The results for the ICP 2017 cycle are scheduled to be published by the end of 2019, provided there are no further delays in the regions. It was noted that regional interim results would be linked and incorporated into a purchasing power parity (PPP) time-series covering the period 2012-2016, which would be released together with the 2017 results.

On funding, the estimated budget for the ICP 2017 cycle is \$24.5 million, excluding National Implementing Agencies' contributions. Funding sources include the United Kingdom's Department for International Development, World Bank, International Monetary Fund, regional development banks, and various regional agencies. The current estimated budget deficit to complete the ICP 2017 cycle activities is around \$1 million.

On advocacy, 2018 marks the 50<sup>th</sup> anniversary of the ICP and, thus, special events will be organized to celebrate this milestone. Current suggestions include ICP Golden Jubilee reception around the 49<sup>th</sup> Session of the UNSC in March 2018 in New York, ICP event around the May 2018 TAG meeting in Washington, and various regional celebrations around major statistical events.

It was noted that the World Bank is preparing a report to the 49<sup>th</sup> session of the UNSC on the progress in the implementation of the ICP. The draft report will be shared with the Board Co-chairs for their feedback before submission to the UNSC secretariat in November 2017.

During the discussion, Board members and observers noted the need to mitigate the impact of the changes in country participation and special participation cases, especially when countries move from one region to another or take part in multiple regional comparisons. In this respect, the Board stressed the need for close cooperation between Regional Implementing Agencies facing overlap in country

participation. It was also stressed that, to the extent possible, the grouping of countries by region should be for operational rather than analytical purposes, to ensure the usability of ICP results. The Board also highlighted the need for improved communication between the United Nations Economic Commission for Latin America and the Caribbean and the Caribbean Community Secretariat to ensure a successful participation of Caribbean islands in the aftermath of the 2017 hurricanes.

It was also noted that the ICP has been largely supply-driven, and hence additional efforts are needed to identify and strengthen awareness, demand and use of PPPs and related measures. Other points raised included the need to ensure the quality of PPP estimates, increase efforts to generate more reliable extrapolation indices and GDP expenditure data through technical assistance, and make use of all available data sources, including administrative and big data. Lastly, it was stressed that integration of ICP and consumer price index (CPI) activities should not hamper the quality and representativity of the national CPI indices in any way. It was concluded that ICP Research Agenda and related Task Forces will aim to tackle the various technical points raised.

***The Governing Board took note on implementation of ICP interim activities and 2017 cycle at the global and regional level. The Board stressed the importance of close cooperation between Global, Regional and National Implementing Agencies to ensure timeliness, quality, reliability and usability of ICP results.***

## **Discussion of Overall Risks to the Implementation of the 2017 Cycle and Mitigation Measures**

Haishan presented a risk register that summarized the overall risks to the implementation of the 2017 cycle and related mitigation measures. At the national level, identified risks include: (i) unstable geopolitical situations and natural disasters; (ii) other national statistical priorities; (iii) insufficient capacity; (iv) low perception of value by policy-makers; (v) treatment of the ICP as an ad-hoc program; and (vi) inadequate funding. It was noted that some of the identified risks, especially conflicts and natural disasters, are difficult to mitigate; however, the commitment to build capacity in fragile and conflict states was stressed. She also urged regional agencies to maintain close communication with the countries and identify areas where technical assistance is needed. Finally, Haishan noted that the last three risks are related. A low perception of ICP value by policy-makers makes it difficult for national implementing agencies to secure required support and resources to conduct ICP activities and impedes the ICP from becoming a permanent program. As a mitigation measure, a dedicated Task Force under the TAG will develop an advocacy document on the uses of PPPs and ICP data for policy-making. The objective of this document is to help Chief Statisticians make a stronger case for integrating the ICP as a regular activity in the work program of their agencies and secure national resources required for this work.

At the regional level, identified risks include: (i) insufficient specialized technical expertise; (ii) frequent change in personnel affecting overall capacity; (iii) channeling funds to countries; (iv) continued perception that ICP is an ad-hoc program; and (v) funding deficit and sustainability. The foreseen mitigation measures include enlisting specialized technical experts to support regional teams; careful succession planning in regional agencies; increased efforts by regional agencies to ensure that funds are transferred to countries in a timely manner; improved advocacy to integrate ICP in the work program of regional agencies; and more fund-raising efforts by regional agencies, including identification of new donors.

At the global level, identified risks include: (i) delay in the release of results stemming from the tight schedule of the ICP 2017 cycle and delays in regions; (ii) limited usability of results due to low quality and/or comparability; (iii) low perception of value by stakeholders and donors, hindering the institution of the ICP as a permanent program and securing sustainable funding for it; (iv) channeling funds to regions; and (v) funding deficit and sustainability. The foreseen mitigation measures include diligent monitoring of timetable and progress in all regions and ensuring adequate technical support; establishment of dedicated Task Forces to help compute results and assess their quality, while maintaining the methodology fixed; stronger value proposition, openness, and advocacy efforts; identifying alternative World Bank instruments to channel funding; and increased fund-raising efforts.

***The Governing Board took note of the identified risks and related mitigation measures at national, regional and global levels.***

### **ICP Research Agenda: Discussion and Adoption**

Nada presented the ICP Research Agenda put forth by the TAG, for Board's discussion and adoption. The proposed ICP Research Agenda was developed in consultation with various countries, agencies and users. The agenda focuses on methodological aspects of building PPP time-series, fine-tuning established methods and procedures, and providing guidelines to countries. The aim is to improve quality, reliability and comparability of PPP estimates, without introducing major methodological changes. Any proposed methodological change would be brought to the Board for its approval, prior to incorporating into the statistical production process. Innovations are a cross-cutting theme to ensure that new approaches, technologies, and data sources are utilized in the production of PPPs.

The proposed agenda covers the following 13 items: (i) PPP time series and rolling survey approach; (ii) dwelling services; (iii) labor productivity adjustment; (iv) fine-tuning global linking procedures; (v) quality and reliability of PPPs; (vi) uses of PPPs for policy making; (vii) CPI-ICP synergies and subnational PPPs; (viii) exports and imports; (ix) construction; and (x) health and education; (xi) PPPs and global poverty measurement; (xii) innovations in technology and data sources; and (xiii) product quality differences. The TAG is forming 10 Task Forces to undertake research into specific technical issues identified in the ICP Research Agenda and to support the computation of ICP results.

During the discussion, Board members and observers noted the need to establish mechanisms to allow various national and regional efforts and existing standing working groups to be linked to the work of the Task Forces. It was explained that Task Force membership will cover a mix of countries, agencies and academia, ensuring a wide set of inputs. Also, several Task Forces will have natural links to existing working groups, such as the Inter-Secretariat Working Group on Price Statistics. To facilitate the reporting mechanism between Task Forces and the TAG, the aim is to have at least one TAG member participating in each Task Force. While the membership of the first three Task Forces has been approved by the TAG, nominations of experts for the remaining Task Forces are welcomed.

The Board requested clarifications on the outputs of each Task Force. It was explained that the outputs vary based on the nature of the covered tasks and range from analytical results and findings, to guidelines to countries, to advocacy documents. Board members and observers expressed concerns regarding the ambitious timetable for the work of the Task Forces. It was clarified that the formation of

some Task Forces is more urgent than others, as their work would inform the production of the ICP 2017 cycle results and accompanying PPP time-series or improve advocacy efforts. It was agreed to revise the timetable to prioritize the work of these Task Forces.

***The Governing Board adopted the proposed ICP Research Agenda. The timetable for the work of the Task Forces will be revised to prioritize the work of Task Forces that would inform the production of the ICP 2017 cycle results or improve advocacy efforts.***

**ICP Data Access and Archiving Policy: Discussion of proposed revisions**

Nada presented the proposed revisions to the current ICP Data Access and Archiving Policy, for Board’s discussion. The main drivers for the proposed revisions are the United Nations Friend of the Chair (FOC) group evaluation of the 2011 ICP, which noted the need for “showcasing to donors that ICP generally responds to user needs and strives for further openness with regard to access to data and metadata”, and recommended that “the Governing Board establish policies that improve openness with regard to access to ICP data and metadata.” Furthermore, various users called for more transparency in data underlying the ICP results.

The long-standing objective of the ICP Data Access and Archiving Policy is that the data derived from the ICP should be utilized to the maximum extent possible for statistical, research, and analytical purposes. The current objectives to improve openness per FOC recommendations are to: (i) increase the number of published headings to provide users with more detailed results beyond what was published through the 2005 and 2011 ICP; and (ii) expand user access to unpublished data at a finer level of detail.

On extending the publication level, 24 headings covering main aggregates and categories were published through the 2005 ICP, while 26 headings covering main aggregates and categories, as well as additional aggregates such as domestic absorption, were published through the 2011 ICP. It was noted that several regions are currently publishing their respective results at more detailed level, and the ICP should follow suit and extend the publication of the ICP results to include finer levels of detail, such as groups and classes, where applicable.

On expanding user access to unpublished data, users have been able to request access to unpublished underlying data from the 2005 and 2011 ICP rounds. In the 2005 ICP, users were able to access basic heading level data and a limited set of national average prices at item level for the 18 countries that participated in the global linking exercise. The access was expanded in the 2011 ICP to include national average prices at item level for all participating countries. Going forward, it was proposed to expand user access to include sub-national average price data at the item level for all participating countries.

During the discussion, Board members and observers noted that the extension of the publication level is possible. However, the criteria for publication and list of specific headings to be published should be further discussed within the ICP Inter-Agency Coordination Group.

On expanding user access to cover sub-national average prices, Board members and observers noted that ICP sampling frames in some countries are designed to provide reliable national averages and not sub-national averages. Moreover, providing data at more disaggregated level must be reciprocated by all participating countries and each country should have equal access to the data of other countries. Finally, some national statistical practices prevent releasing sub-national information. It was suggested

that regional agencies consult their respective countries on the possibility of expanding user access to sub-national data. It was noted that access to this detailed data would require approval from countries. In addition, all research results and findings should also be shared with countries.

It was stressed that access to detailed sub-national data would help with quality assurance processes, especially assessing any impact the varying survey frames across countries/regions may have on the reliability of inter-regional linking factors. The Board suggested that, as a first step, the ICP Inter-Agency Coordination Group should investigate the possibility of enlisting a group of pilot countries to take part in a research project to study the possible impact of varying survey frames on inter-regional linking factors.

The Board also stressed that users should be clearly informed of the correct uses and limitations of PPPs and related measures, and a communication strategy should be developed early during the ICP 2017 cycle to address that. Specifically, whilst acknowledging that PPPs are for spatial comparisons and CPIs for temporal comparisons, the availability of a time series of PPPs next to a time series of (possible diverging) CPIs could hamper the credibility of both series; thus, users should be alerted of the correct uses of both series.

***The Governing Board recommended that the Inter-Agency Coordination Group discuss and propose criteria for extending the ICP publication level and the list of specific headings to be published. Regional agencies should consult their respective countries on the possibility of expanding user access to sub-national data. The Inter-Agency Coordination Group should also investigate the possibility of enlisting a group of pilot countries to take part in a research project to study the possible impact of varying survey frames on inter-regional linking factors. A communication strategy should be developed with the objective of clarifying the correct uses and limitations of PPPs.***

## **Any other business**

The Board was informed that Pali Lehohla, Statistician-General of South Africa, is retiring soon from his position. The Board recognized his long-standing contributions to the ICP both in Africa and globally.

The Board noted the need for a follow up meeting between the World Bank, United Nations Economic Commission for Latin America and the Caribbean and the Caribbean Community Secretariat to discuss the role of the Caribbean Community Secretariat in facilitating the participation of Caribbean islands in the program.

Dr. Anant noted that the next Board meeting is scheduled to take place in the fall of 2018; however, an additional short meeting can be organized, if need arises, in conjunction with the UNSC session scheduled for March 2018.

## Annex 1: Meeting Agenda



# Second Governing Board Meeting

September 15, 2017  
World Bank Group, Washington, DC

## Proposed agenda

08:30 – 09:00	<i>Breakfast</i>
09:00 – 09:30	<b>Opening remarks and adoption of the agenda</b>
09:30– 11:30	<b>Progress in the implementation of ICP interim activities and 2017 cycle</b> <ul style="list-style-type: none"><li>- Overall progress and timetable</li><li>- Africa</li><li>- Asia</li><li>- Commonwealth of Independent States</li><li>- Latin America and the Caribbean</li><li>- Western Asia</li><li>- Eurostat-OECD program</li></ul>
11:30 – 12:30	<b>Discussion of overall risks to the implementation of the 2017 cycle and mitigation measures</b>
12:30 – 14:00	<i>Lunch (Hosted by Haishan Fu, Director, World Bank Development Data Group)</i>
14:00 – 15:30	<b>ICP Research Agenda: Discussion and adoption</b>
15:30 – 16:30	<b>ICP Data Access and Archiving Policy: Discussion of proposed revisions</b>
16:30 – 17:00	<b>Any other business</b>

## Annex 2: List of Participants

Participant	Organization
Charles Lufumpa	African Development Bank
Rana Hasan	Asian Development Bank
Jim Thomas	Bureau of Labor and Statistics, United States
Fahad S. Altekhaifi	General Authority for Statistics, Saudi Arabia
Mohammad S. Alfarraj	General Authority for Statistics, Saudi Arabia
Iwan Sno	General Bureau of Statistics, Suriname
Roberto Luis Olinto Ramos	Institute of Geography and Statistics, Brazil
Louis Marc Ducharme	International Monetary Fund
Niall O'Hanlon	International Monetary Fund
Andrey Kosarev	Interstate Statistical Committee of the Commonwealth of Independent States
T.C.A. Anant, <i>Co-Chair</i>	Ministry of Statistics and Programme Implementation, India
Dilip Kumar Sinha	Ministry of Statistics and Programme Implementation, India
Jun Wang	National Bureau of Statistics, China
Jinping Wang	National Bureau of Statistics, China
Hong Chen	National Bureau of Statistics, China
Inna Medvedeva	National Statistical Committee, Belarus
Siarhei Nahorny	Embassy of Belarus in the United States
Natalya Glon	Embassy of Belarus in the United States
Martine Durand	Organisation for Economic Co-operation and Development
Silke Stabel	Statistical Office of the European Union
Konrad Pesendorfer, <i>Co-Chair</i>	Statistics Austria
Josef Auer	Statistics Austria
Pali Lehohla	Statistics South Africa
Pascual Gerstenfeld	United Nations Economic Commission for Latin America & the Caribbean
Majed Skaini	United Nations Economic and Social Commission for Western Asia
Ivo Havinga	United Nations Statistics Division
Haishan Fu	World Bank
Grant Cameron	World Bank
Nada Hamadeh	World Bank
Marko Rissanen	World Bank
Mizuki Yamanaka	World Bank