



# [01.01]

## Executive Board Meeting

### Status Report on Governance Arrangements, MOUs and Country Participation

*Global Office*

2<sup>nd</sup> Executive Board Meeting

February 21, 2010

New York

## Update on Governance Arrangements and Country Participation

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The purpose of this paper is to update the Executive Board on some preparation aspects that evolved from what is reported about these aspects in the ICP report to the 41<sup>st</sup> session of the United Nations Statistical Commission (UNSC). It is in two parts related to: memoranda of understanding or agreement between the World Bank and the organizations coordinating ICP or PPP programs for their respective member countries; and the participation of countries in the ICP 2011.

### **1 Governance Arrangements and Memoranda of Agreement/ Understanding**

A Memorandum of Understanding (MOU) between the Statistical Office of the European Union (Eurostat), the Statistics Directorate of the Organization for Economic Cooperation and Development (OECD), and the Development Data Group of the World Bank regarding enhancement of cooperation with respect to the International Comparison Program (ICP) was drafted. The draft MOU was cleared by Eurostat and OECD, and was shared with the World Bank Legal department for their comments and clearance. The Legal department has suggested some minor changes to the draft, and efforts are underway to finalize and sign the MOU.

A template MOU between the World Bank and ICP Regional Implementing Agencies was drafted and shared with the regional coordinators. The Asian Development Bank and UN-ECLAC have suggested some changes to the text and have cleared the revised MOU with their legal departments. Currently, the World Bank Legal department is reviewing both MOUs.

It's worth noting that a paragraph is included in the MOU about the integration of the results of comparison in the CIS region in global results. The paragraph provides that the results of the CIS comparison will be incorporated into the global results through Russia as a bridge - country participating simultaneously in the OECD-Eurostat and the CIS exercises. This approach was used in the 2005 ICP round building on the then Ring method of linking regional PPPs into global results, whereas it is agreed that another linking method, based on the core list approach, will be implemented in the 2011 ICP. Necessary technical adjustments yet to be discussed by the Global Office, OECD, CIS and Rosstat will be required.

The MOU between the World Bank, the CIS, and ROSSTAT was reviewed by the CIS regional coordinators and submitted to the World Bank. It's being further reviewed by the World Bank legal department.

UN-ESCWA's program planning department is reviewing the draft MOU between the World Bank and UN-ESCWA. The draft MOU between the World Bank and the African

Development is also underway. A meeting will take place on February 22, 2010 to further discuss the terms of the MOU.

The ICP Global Office prepared a template MOU between the Regional Implementing Agencies and the National Implementing Agencies and shared it with the regional coordinators, for their consideration. Some regions will use this template; others will use their own template. In Latin America, UN-ECLAC is considering two models of MOU, either with one or two national counterparts. Negotiations in this regard will be on a country-by-country basis.

## 2 Country Participation

The following table gives an overview of the level of participation of countries in the various regions as well as in the OECD-Eurostat program.

Regional Programs	Number of countries		Comments
	Total	Of which: secured participation	
Africa	52	52	Egypt and Sudan will also participate in the West Asia program
Asia	24	23	21 ADB member economies would be invited to participate: Bangladesh; Bhutan; Brunei Darussalam; Cambodia; People's Republic of China; Fiji Islands; Hong Kong,China; India; Indonesia; Lao People's Democratic Republic; Malaysia; Maldives; Mongolia; Nepal; Pakistan; Philippines; Singapore; Sri Lanka; Taipei,China; Thailand; and Viet Nam. China and the Macao region will also participate. Some special arrangement may be required for Iran
Pacific Countries	5 [?]	0	There is no indication as yet about the number of foreseeable candidates
LAC	33	33	19 countries in Central and South America; and 14 Caribbean countries
W. Asia	14	14	Egypt and Sudan will also participate in the Africa program
CIS	11	9	Participating countries are: Azerbaijan, Armenia, Belarus, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Ukraine.
			Turkmenistan and Uzbekistan are considering participation
OECD-Eurostat	48	48	This includes 27 EU Member States coordinated by Eurostat and 11 countries coordinated by OECD. Mexico, Chile and Russia belong to this latter group.
Total 1:	187	179	Total number of countries with double counting
Total 2:	182	174	Without double counting

More specific information about Caribbean and Pacific countries is provided in the following sections.

## **2.1 Participation of the Caribbean Countries**

UN-ECLAC, in coordination with CARICOM, is planning to send invitations to 14 Caribbean countries to participate in the 2011 round of the ICP. UN-ECLAC estimates the cost of participation of Caribbean countries at around 2 million USD. Efforts are underway to secure seed financing from the Eastern Caribbean Development Bank, the United Nations Development Account, and the World Bank. More fund-raising efforts are needed to secure the remaining required funding.

IMF's Caribbean Technical Assistance Center (CARTAC) has expressed interest in providing support to UN-ECLAC and CARICOM in building the capacity of Caribbean countries mainly in the area price statistics, and possibly national accounts.

Some countries in the Caribbean will undertake housing and population censuses in 2011; thus, ICP surveys will be deferred to 2012 in these countries. Also, given the heterogeneous situation of the Caribbean in terms of statistical capacity, the ICP activities in this sub-region will be planned in two phases: The first phase (2010-2011) will include exploratory missions to assess current capacity, a high-level advocacy meeting with heads of national statistical offices, and sub-regional workshops aimed at strengthening price and national accounts statistics. The second phase (2012-2013) will consist of actual ICP activities on price data collection and expenditure data compilation for PPP calculations.

## **2.2 Participation of the Pacific Islands**

Following discussions with the Australian Agency For International Development (AUSAID) on the one hand and the World Bank on the other hand, the Australian Bureau of Statistics has undertaken to oversee the preparation of an assessment report on the feasibility and value of Pacific Island country inclusion in the 2011 International Comparisons Program. The report will include a review of the statistical capacity of countries that are potential candidates for the ICP 2011, as whether they will be able to implement the ICP surveys as well as the National Accounts activities required by the ICP. The report is also expected to provide a practical strategy to enable candidate countries to comply with ICP requirements.

The report, which is expected to be completed by 30 June 2010, will describe the current state of economic statistics in Pacific Island Countries, the statistical support of regional agencies in the improvement of statistical systems that are mostly relevant for ICP, the anchors which can be used for the ICP to leverage on existing statistical capability strength at a national or regional level in the Pacific. It will propose recommendations in terms of steps to be taken to ensure that ICP is implemented for the improvement of economic statistics and statistical capability in the Pacific.

Field visits to a few Pacific countries will take place and the report is expected to be completed by end of June 2010.