

Minutes of Teleconference including Dennis Trewin, Shaida Badiee, Jacob Ryten, Fred Vogel, and Yonas Biru regarding the status of the ICP.

**Fund Raising.** The primary success was the Canadian contribution to Statistics Canada and Stat Can's resulting role in Latin America. The World Bank was not able to contribute any additional funds, however, the DECDG will re allocate internal funds where possible. The global office is again reviewing the global and regional programs to "squeeze the fat out" and will follow up other promising leads.

### Regional Programs

**Latin America.** The CIDA contribution will support 10 countries at the full GDP level who will also use the Tool Pak. Efforts are still underway with the IADB to obtain some additional funds that would be used to support Central American countries. They are anticipating an October 2004 starting time for price collection.

**Africa.** The issue there is the disbursement of funds as the region is well along with its preparations for the price surveys. The July start time may be in limbo if disbursement problems are not solved, otherwise they can begin in most countries. Biru will be attending a regional meeting the end of this week to see what the WB can do to assist.

**Asia.** Many countries have agreed to participate without any additional funding. Questions were raised about some countries that will require further checking. The region will be prepared to begin the price surveys on July 1. The region suffers the largest budget shortfall of those involved in the ICP. Vogel will be attending the regional advisory board meeting next week and meeting with ADB officials about funding.

**ESCWA.** Biru will be attending a regional workshop next week and obtain an update on their status for implementation for price collection. Their input at the Tunis workshop was that they could start price collection in July 2004. They are expecting funding support from the Global office, but this issue will also be reviewed by Biru next week.

**CIS.** The region will be holding its inception workshop next week. Belkindas will be in attendance at the meeting where they will prepare their workplan for 2004. They have been awaiting funding from the World Bank before beginning. However, they recently completed an ICP round as part of the OECD comparison and will be able to update their products with out much delay.

**Tool Pak.** The Global office has a detailed documentation, testing, evaluation and training plan in place as described in the project workplan. Considerable parts of the Tool Pak are not available in the Eurostat system so it is not possible to do parallel testing. The proposed workplan was approved with the understanding the Executive Board and regional coordinators are kept apprised of the situation and that the system will be fully operationally tested in selected countries. The Spanish version is to be ready for the ECLAC region's use by the end of February.

**Price Collection schedule.** The regional coordinators present at the Tunis

Workshop (all except LAC were present) agreed they could start price collection in July for the Food, Clothing, and footwear and that the rest of the consumption would follow during the third quarter. This was with the understanding the Global office would update the overall workplan based on input from the workshop and the funding situation. There was reasonable confidence, but not certainty, that sufficient funds would be available to collect consumption items. This appraisal shows a very tight timetable for price collection on the entire basket to begin by July 1. However, the ECLAC view is that they will not be ready to start until 1 October. This may also be the case for some countries in other regions. The disbursement of funds in Africa may also make it difficult to start on 1 July. It was agreed the regional situation would again be assessed over the next few weeks and this issue revisited in early January 2004 to decide whether the formal start should be 1 July or 1 October. There is sentiment to not stop those regions who will be ready for a July starting time even if some countries are not able to start so that all are not held up by a few.

**Annual vs. Point in time pricing.** There are pros and cons to this issue that need further discussion. Several points were made about the improvement in data quality that would result with repeated pricing of the same items even where there were no seasonal effects to be measured. Vogel was charged with providing more background about why this should be considered, and the effects on the time table and the budget. A mixed approach may be necessary. For example, repeating price collection where it is convenient, low cost, or seasonality is a factor. Point in time pricing could be considered where cost is a major consideration. TAG may be asked for advice on the implications of such a mixed approach.

**Ring Comparison.** It was agreed that Diewert and Hill are taking us down the correct path leading to simplification and lower costs. It was agreed the TAG should be charged with evaluating the proposals, providing a recommended procedure and naming candidate ring countries based on the approach to be followed. They are to provide this prior to the next Executive Board meeting.

**Expenditure weights.** If individual countries could not provide good estimates, regional experts would be asked to assist. Several regions have commissioned consultants to provide assistance to countries where needed. The Global Office will keep informed of their progress and provide additional assistance where needed.

**ICP Manual.** The discussion mainly centered on the draft version of Chapter 6 which covers the Sampling and Survey Framework. Paragraph number 7 in the issues for discussion paper still reflects the current situation. Draft chapters will be sent to Ryten for his review prior to arranging translation. Everyone was reminded the ICP Manual is a work in progress and will be updated as the program evolves.

**Capital Items.** Issues are whether funding will allow coverage the full GDP and if so when data collection can start. There was also the issue of whether there is adequate time to do the necessary work. Because of limited funds, little preparation has been done to date which entails price collection at the end of 2004 which raises questions about the reference. Everyone was reminded this has been reflected in the workplan since the May 2003 TAG meeting. It was agreed the coverage and timing issues were not a TAG matter, but something that needed to be decided by the Executive Board at its next meeting. An option that might be considered is for the 2004 price collection to focus on consumption, capital items to be collected later, and

consumer price indexes be used to age the consumption data so that it was for the same reference period as capital and PPPs published for full GDP for this later period.

**UN Statistical Commission report.** The draft will be sent to Badiee, Trewin, and Ryten for their input and review.

**TAG.** Alan Heston will chair the TAG, and Angus Deaton will be invited to become a new member. Arrangements will be made for the TAG to meet before the next Executive Board meeting if possible.