

**International Comparison Program
Executive Board
Policy Paper No. 1**

**ICP Global Data Review:
Policies**

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Policies for the ICP Global Data Review

I. Overview

The global comparisons of GDP based on Purchasing Power Parities are determined in two stages. First, regional surveys are conducted using region-specific baskets, resulting in PPPs based on regional average prices. Access by the Global Office to these prices and PPPs is determined by bilateral agreements with each region. One region will not have access to another region's data.

Second, the Global Office uses the average prices derived from the Ring Comparison to compute regional linking factors. These are used to calibrate regional PPPs to a common base so that global GDP tables and derived ratios can be estimated for the world comparison.

Prior to establishing global estimates, data review takes place at two levels. First, average prices submitted for the Ring Comparison are examined in detail. Subsequently, regional linking factors and the computation of the global-level estimates are reviewed by the Global Office on the basis of its access to the regional PPPs and expenditure weights for all countries. Regional coordinators and representatives of the Eurostat/OECD participate in the review and validation of global results.

Policies dealing with access to micro data and unpublished results after the completion and publication of the final global results are defined by the "Access to ICP Micro Data and Unpublished Results" policy paper. These policies apply to data to be archived and the archiving institution.

II. Access by regional coordinators and Eurostat/OECD to data during preparation of global estimates

Data: These include the average prices collected in the Ring Countries that will determine regional linking coefficients and the basic heading PPPs and expenditure weights from the regional comparisons and for the Eurostat/OECD countries.

Access: The purpose of this statement is to define World Bank and ICP Global Office rules regarding access to data it receives from participants in the International Comparison Program (ICP). It is recognized that the nature of the ICP requires mutual trust and sharing of information. However, there will be constraints applied to the sharing of information across regions and organizations.

The World Bank's "Strictly Confidential" security classification will be applied to the ICP. Access must be confined to the recipient(s) designated by the originating office. This classification will apply to price data, Purchasing Power Parities, and expenditure weights.

Data and other sensitive information will be submitted to the Global Office by sending them to PPP2005@worldbank.org which is a secure address with limited access. The data will be immediately moved to a secure directory with the “Strictly Confidential” status. Access will be confined to recipients defined by the originating organization following World Bank rules.

For the purposes of this policy statement, recipients defined by the originating organization include the Global Office, the regional coordinators, and the statistical offices of the Eurostat and OECD. All recipients are subject to the confidentiality requirements summarized below.

The Global Office will prepare data validation and diagnostic reports for average prices provided by the Ring Countries. These will be provided to the ICP representatives in the African Development Bank, Asian Development Bank, Statistics Canada for Latin America, UN ESCWA for Western Asia, and the statistical offices of the Eurostat and OECD for validation and review purposes to improve data quality.

The Global Office, using the Ring results, will calibrate basic heading PPPs received from each region to a common global currency. These PPPs for all countries, expenditure weights and volume indices will be provided to the above named organizations, again for review purposes and to improve data quality.

Each regional coordinating organization and the Eurostat/OECD will confirm that they will only use the data identified above for data analysis purposes as defined by the Global Office. The data are not to leave the organization’s premises, will not be shared with third parties, and will be destroyed when the validation process is completed.

Furthermore, they are aware that acting against this declaration may have legal consequences and will exclude the regional coordinator or Eurostat/OECD representative from any future access rights and result in expulsion from the ICP.

It is imperative all participating parties agree to the above confidentiality statement and adhere to the principle of mutual inspection defined below.

Access outside the Global Office: Such access applies to the data for a region or part of a region. It is allowed exclusively in those cases where the regional coordinator responsible states, in writing, the name of the person who is allowed to inspect the respective regional data and also which parts may be inspected. If the regional coordinator wishes any third party to consult data for which he is responsible outside the premises of the Global Office, he shall make arrangements directly with the third party but will notify the Global Office in writing.

Mutual inspection: Inter-regional validation takes place when regional coordinators and the Eurostat/OECD, by mutual consent, are allowed to inspect each other’s data. The principle that governs inspection is that of strict reciprocity. This means that no regional coordinator or the Eurostat/OECD representative shall be allowed to inspect data in greater detail than the detail they are prepared to disclose to others. For example, if the regional coordinator for Region A will not disclose average prices in his region to other regional coordinators, he will not be entitled to inspect the average prices in regions other than his own. The Global Office is charged with the application of this principle.

Inclusion in the Global Report: The Global Office will publish global GDP tables with a prescribed breakdown. These tables will only include those countries and regions meeting the minimum requirements shown below. Any country/region not meeting these standards will not be included in the global tables but may be featured, by mutual understanding with the Global Office, in a separate set of tables with appropriate footnotes.

III. Minimum requirements for inclusion of countries & regions in the global report

The minimum data-quality requirements that countries must meet are the outcome of the data review workshops, where regional coordinators review data from other regions. In the event of any disagreement between the regional coordinators and the Global Office on the inclusion or exclusion of countries, the Global Office will provide procedures that make it possible to include the countries in question in regional reports, after parities have been fixed for those meeting the standards of inclusion in the global report. If no agreement is reached, the Global Office will make the final decision about the inclusion of countries in the global report.

Minimum requirements for country-level data to enter the global comparison

- The final average prices are calibrated to national and annual levels.
- The number of products priced within basic headings is within the ranges of the average numbers priced by other countries in the region.
- Average prices are available for all basic headings, except those determined by the regional coordinators and Global Office to be represented by reference PPPs.
- Variances of relative price ratios within and between basic headings are within the ranges of the averages of the other qualifying countries.
- Expenditure weights for the 155 basic headings have been validated and accepted.

Minimum requirements for regions to enter the global comparison

- Each regional coordinator has the opportunity to review the data and diagnostics of other regions at the Global Office to question and challenge results, and to ensure that comparable methods and procedures are followed across regions.
- A core set of countries meet the data requirements listed above.
- Ring Countries provide average prices for products outside the scope of their respective regional comparisons to ensure that those important to each region are priced by others.
- Data required for the global report are available within the agreed time schedules.