Regional Coordinators Meeting

Minutes

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# CONTENTS

Introduction ................................................................................................................. 3

1  Session 1. Opening Session .................................................................................... 3
   1.1  Welcome and Opening Remarks ......................................................................... 3
   1.2  ICP Objectives .................................................................................................. 3
   1.3  Lessons Learned from the ICP 2005 and regional reports .............................. 4

2  Session 2. Product Specifications .......................................................................... 12
   2.1  Process for building product lists for the main survey .................................... 12
   2.2  Education services ............................................................................................. 13
   2.3  Health services .................................................................................................. 13

3  Session 3. Housing, Gross Capital Formation and National Accounts ............ 14
   3.1  Housing ............................................................................................................. 14
   3.2  Gross capital formation ..................................................................................... 14
   3.3  National Accounts ............................................................................................. 15

4  Session 4. Data Management and Processing Resources ................................. 16

5  Session 5. Data Quality Requirements, Health and Institutional Aspects ....... 16
   5.1  ICP Data Quality Framework .......................................................................... 16
   5.2  ICP Calendar of Activities .............................................................................. 17
   5.3  Memorandums of Understanding ..................................................................... 17

6  Closing ...................................................................................................................... 18

7  Annex 1: Agenda of the meeting .......................................................................... 19

8  Annex 2: List of Participants ................................................................................ 22

9  Annex 3: List of discussion papers ........................................................................ 23

10 Annex 4: Process for Building Core and Regional Lists .................................... 24
INTRODUCTION

The first meeting of the Regional Coordinators (RC) for the 2011 Round of International Comparison Program (ICP) was hosted by the World Bank (WB) in Washington, DC, from September 28-30, 2009. The aim of this meeting was to launch the 2011 round through discussions around five main agenda items (Annex 1): (i) Objectives; (ii) Product Specifications; (iii) Housing, Gross Capital Formation and National Accounts; (iv) Data Management and Processing Resources; and (v) Data Quality Requirements and Institutional Aspects.

The attendance list – as in Annex 2 – included: (i) the ICP Regional Coordinators from Africa, Latin America and Caribbean, Asia, West Asia, and CIS, as well as representatives from the OECD-Eurostat PPP Program; (ii) experts on health and education services who attended only relevant sessions; and (iii) members of the ICP Global Office team.

The meeting was chaired by Michel Mouyelo-Katoula, ICP Global Manager, except for Session 3, chaired by Paul Konijn from Eurostat.

1 SESSION 1. OPENING SESSION

1.1 Welcome and Opening Remarks

Ms Shaida Badiee, DECDG Director, World Bank, welcomed and thanked all the Regional Coordinators (RCs) and other participants for their continuous efforts and work on the successful 2005 Round. She noted how the 2011 Round will be unprecedented as it will include additional countries and a series of improvements and innovations, and implement a new overall governance structure. She indicated that a number of ongoing fundraising efforts were underway and underscored that the ICP is a collective effort.

1.2 ICP Objectives

Michel Mouyelo-Katoula, ICP Global Manager, World Bank, thanked all the participants for attending the meeting and referred to the ICP as a “structured partnership between several international and national organizations that establish and implement jointly agreed systems and mechanisms for planning, thinking, assembling resources, and working together to accomplish the common goal of generating world PPPs and related statistics for the reference year 2011.” He then presented the specific objectives of the meeting and its expected results as well as the overall objectives of the ICP 2011 (Paper 1).

Objectives of the Meeting and Expected Results

The following six overall goals framed the meeting: (i) solidifying the collaborative efforts between countries, regions and the ICP Global Office (GO); (ii) defining the objectives of the 2011 round; (iii) ensuring the comparability of country results through agreed methodologies and procedures; (iv) identifying the main work areas for the program; (v) reaching a common understanding on data transmission and sharing; and (vi) adhering to jointly agreed time schedules.
Objectives of the ICP 2011

The Global Office underlined that this round will have a wider geographical coverage (Paper 1), a broader technical scope, and streamlined quality assessment processes. It was noted that the ICP will aim for the relevance of PPPs for poverty analysis, ensure the sustainability of PPP delivery, and enhance statistical capacity building activities related to the generation of ICP basic data with a specific focus on price statistics and the implementation of the System of National Accounts.

Conclusions reached:

Following fruitful discussions, participants agreed on the proposed objectives and results to be achieved by the meeting and reached the following conclusions on the objectives of the ICP 2011:

- The meeting approves the ICP 2011 objectives, strategic lines and expected results proposed by the GO;
- The program is a collaborative exercise that should seek consensus among all partners;
- The 2011 Round will build on the 2005 ICP round and make improvements and innovations where deemed necessary;
- This round will reach out to users and policy makers;
- There is a need to take stock of all queries received from users on the 2005 ICP to learn from them.

1.3 Lessons Learned from the ICP 2005 and regional reports

Lessons Learned

The Global Office presented the lessons learned from the ICP 2005 (Paper 2) and recalled that the ICP is surely among the largest international statistical initiatives in the world. It is a unique exercise because it requires more partnership between national, regional, and international stakeholders than any other statistical endeavor for the simple reason that no country can calculate PPPs by itself. It underlined the five fundamental principles that must be met to ensure success: good governance, coordination, resources, transparency about methods, procedures and decisions, and methodological soundness.

The presentation pointed that spirit of teamwork among the partners and the building blocks from the last round provide the platform and sound foundation for the 2011 program.

Regional reports

Each region presented a brief report of the 2005 ICP Round and an update on their preparations for the next ICP Round.

ICP 2005 Regional Experiences

Africa

The International Comparison Program for Africa (ICP-Africa) was implemented within the framework of Phase I of the Statistical Capacity Building Program of
the African Development Bank (AfDB). The program aimed at strengthening the
capacity of the AfDB regional member countries (RMCs) in generating reliable
and timely socio-economic statistics for computing PPPs necessary for cross-
country economic comparisons and meeting the urgent demand for monitoring of
progress on the MDGs, PRSs, the African Peer Review Mechanism of NEPAD
and the Results-Based Management and Evaluation system for measuring
development effectiveness.

The program was implemented in 48 African countries, under the overall regional
coordination of the African Development Bank (AfDB), with selected sub-
regional organizations (AFRISTAT, COMESA, ECOWAS and SADC)
supervising activities at country levels. Coordination teams were formed at the
regional, sub-regional and national levels. The regional team at the AfDB was
responsible for designing, implementing and managing the program, including,
providing technical guidance and coordinating the activities of the related ICP in
participating countries. The sub-regional coordination team helped the AfDB in
the execution and monitoring of activities in the participating countries. Financial
and technical support was accorded to five Statistical Training Centers (STCs) to
build their capacity to undertake statistical training and seminars at the country
level. The national team composed of a price statistician, a national accountant
and an administrative assistant was responsible for the day to day management of
the program and the implementation of the activities at the national level.

The main lessons learned from the program are the need to: (a) start the work on
both ICP pillars (national account and price statistics) at the same time; (b)
allocate some time to the translation of documents in setting deadlines; (c)
integrate the ICP and CPI data collection of the main household consumption
items to create synergy and reduce cost; (d) better organize construction and
equipment surveys; (e) bring all stakeholders to work together on some activities
deemed to have a leverage effect on both AfDB and participating countries; (f)
the need to design a strategy for a better dissemination of ICP results; (g) build on
the great contribution of the program to substantial improvement of price and
national accounts statistics in Africa.

Asia

The Asian Development Bank (ADB) was the regional coordinator and oversaw
the successful conclusion of the 2005 ICP Asia Pacific. ADB set up a Regional
Advisory Board (RAB) as the chief policy-making body. The main
responsibilities of the RAB were to provide guidance on regional goals, priorities
& objectives, to monitor and guide annual work programs prepared by the
regional coordinating agency, to reviewed reports on ICP progress. During the
ICP 2005 Round 7 RAB meetings were held. A Framework of Partnership (FoP)
with all participating countries was established to define the roles and
responsibilities of participating countries and the regional coordinator. At the
national level there was a 2- level coordination; a national coordinating agency
and an ICP national coordinator.
Lessons learned from the implementation of the program in the region led to specific initiatives aimed at updating the 2005 results to 2009 and improving National Accounts. As far as the latter is concerned, the ADB project is intended to establish supply and use framework for data gaps assessment; identify most appropriate data sources to be used in the construction of a supply and use table; develop a framework to derive sufficiently detailed expenditure weights such as those required for PPP compilations; estimate GDP based on SNA 93 from the production account; increase compliance of participating countries to SNA 93 recommendations; and improve technical expertise and expose countries to alternative approaches for compiling consistent and comparable GDP aggregates based on SNA 93.

**CIS**

The Statistical Office of the Commonwealth of Independent States (CIS-STAT) was the regional coordinator of the 2005 ICP CIS. CIS participated in the 1993, 1996, 2000, and 2005 Rounds of the International Comparison Program with close collaboration with the OECD. The number of participating countries varied from round to round.

Russia participated in the price collection for both the CIS and OECD comparisons. PPPs for Russia were computed separately for the OECD and CIS comparisons. However, the CIS region did not participate in the ring. Therefore, following past practices, the CIS region was linked to Eurostat-OECD, using Russia as a link. For comparison purposes, Russia is shown in both regions in the ICP Global Report.

**Latin America**

ICP activities are consistent with ECLAC’s mandate to strengthen national statistical capacities and to promote harmonization and comparability of statistical information. ECLAC regularly produces National Accounts time series in constant 2000 prices using official USD exchange rates. ICP helps ECLAC produce a time series using PPPs for all countries in the region. There is a very effective regional network of experts in price statistics and national accounts, and ECLAC has been a key player in strengthening this network.

The regional ICP coordination for South America was assumed by ECLAC and Statistics Canada, who was funded by the Canadian International Development Agency.

Strengths of the 2005 ICP Round in South America included: (a) strong coordination capabilities across and within countries; (b) awareness of each individual country that its data would affect all participating countries; (c) adequate response times by countries and ability to comply with the agreed timetable; (d) continuous dialog with national professionals during all stages of the project; (e) ability to organize successful meetings; (f) opportunity for countries to learn from and exchange experiences with other countries; and (g) ability to provide technical assistance to countries.
The weaknesses of the 2005 ICP Round in South America included: (a) insufficient advocacy efforts toward national authorities and data users in order to secure financing and institutional endorsement; (b) initial planning difficulties due to uncertainty in financing; (c) uneven allocation of resources to various GDP components; (d) limited consideration of deadlines faced by national teams in their own regular work programs; (e) deficiencies in communication between teams responsible for price data collection and expenditure data compilation within countries.

The above suggests that necessary steps should be taken with a view to: (a) ensuring formal institutional arrangements between regional coordination and national participants; (b) securing financial resources early enough to develop an effective work plan and timeline; (c) identifying synergies between ICP-related activities and other data collection activities to be carried out in each country; (d) putting more focus on national accounts; (e) developing country-specific execution plans that take into account current capabilities and statistical infrastructures; (f) allocating more budget resources to field work; (g) ensuring that participating countries are committing dedicated human resources for the execution phase; and (h) keeping an updated correlation tables between classifications.

**Western Asia**

The 2005 ICP regional coordination for Western Asia was managed by the Economic and Social Commission for Western Asia (UN-ESCWA), funded by different agencies in addition to ESCWA itself. The funding partners included the Arab Fund for Economic and Social Development (AFESD), Islamic Development Bank (IsDB) and the World Bank ICP Global Office. 11 out of 13 countries from Western Asia participated, where Jordan and Oman also participated as ring countries. National counterparts were the National Statistical Offices in each of the eleven participating countries.

Strengths of the 2005 ICP Round in Western Asia included: (a) ICP provided some countries an opportunity to extend price collection of goods and services all over the country, thus making a huge difference as the CPI price collection was limited only to the capital and its nearby suburbs; (b) ICP provided a platform for some countries to refine their methods of defining specifications of goods and services in the CPI; (c) awareness of each individual country that its data would affect all participating countries; (d) dedication and commitment of countries by complying with the regional timetable; (e) sense of project ownership by countries as they realized the importance of ICP on policy making and capacity building; (f) ability to conduct and conclude successful meetings with added value; (g) training opportunity for countries and the prospect of sharing knowledge and experiences with other countries in different areas; (h) usefulness of handbooks and manuals in setting operational instructions; (i) opportunity of countries to receive technical assistance on different substantive levels; and (j) ability to successfully achieve all outputs and adhere to the globally set work
timeline and deadlines in spite of all the difficulties encountered and the political instability.

The weaknesses of the 2005 ICP Round in Western Asia included: (a) insufficient funding or non-availability of funds causing delays in conducting activities corresponding to project milestones; (b) insufficient advocacy efforts toward national authorities and data users in order to secure financing and institutional endorsement; (c) uneven allocation of time and resources from the Global office to various GDP components; (d) limited resources at the countries’ national levels bounding their level of contribution; and (e) limitation in the estimation of expenditure data compilation within countries.

The region learned from the above weaknesses and strengths that in the new round more emphasis should be placed in: (a) maintaining a strong organizational structure between coordinators at different levels (global, regional and national), and the clear flow of information from the regional coordinators to national team members; (b) maintaining a regional Executive Board for following up and coming out with recommendations for the region; (c) securing the sufficient and timely financial and human resources to ensure an effective work plan and successful implementation as per the set timeline; (d) identifying synergies between ICP-related activities and other data collection activities to be carried out in each country; (e) dedicating more efforts and time to national accounts; (f) focusing more on areas such as housing and construction; (g) developing a better strategy for dealing with external trade without referring back to exchange rate; and (h) keeping an updated correlation tables between classifications.

Eurostat-OECD

Eurostat calculates PPPs on an annual basis. This exercise is covered by an EU Regulation. They also work closely with OECD and combine their data to establish a three-yearly benchmark PPP exercise. Methodologies are very similar between Eurostat and OECD, and these are described in detail in the OECD/Eurostat PPP Manual. However, their timetables and organizations are different.

Eurostat covers 37 countries (27 EU Member States, 3 Candidate Countries, 3 EFTA countries, 4 Western-Balkan countries), while OECD covered 9 countries (7 OECD Member States, plus Russia and Israel).

Preliminary results for the 2008 exercise will be calculated at the end of 2009. Publication is foreseen for the end of 2010. The 2008 round had the same country coverage as the 2005 round. The main changes between 2005 and 2008 included a new methodology for education, a new questionnaire on compensation of employees, and the introduction of SPDs. For Eurostat countries, a new on-line tool for list creation and validation was introduced. The new process also speeds up the validation of consumer price surveys (now ready within 4 months).
**Preparations for 2011**

**Africa**

An additional 4 countries are expected to participate in the 2011 round, thus bringing the number to 52.

In view of starting to prepare for the 2011 round, the following actions will be undertaken in 2010:

- **Reviewing the Item list**
  It is envisaged to conduct the ICP-Africa 2011 on the basis of sub-regional economic groupings: Arab countries (MAU), AFRISTAT (including two sub-regions CEEAC and ECOWAS), COMESA and SADC. The item list needs to be reviewed and updated to take into consideration new products, the implementation structure of the program and lessons learned from the 2005 round.

- **Data collection Manuals**
  The 2005 data collection manuals will be reviewed on the basis of lessons learned from the 2005 round with an emphasis on the CPI-ICP synergy.

- **Data Validation tools**
  Given the experience with the Tool Pack in the 2005 round and as a precautionary measure, it is envisaged to have a data entry and processing tool. SEMPER will be reviewed and improved. The improved software will be used for data entry, processing and intra country data validation.

- **Training and testing of survey instruments**
  Training of data collectors and supervisors, testing of survey instruments and other preparatory activities should be conducted in the third quarter of 2010 so that data collection can start in January 2011 in compliance with the Global ICP data collection program.

- **Survey Frameworks**
  For each participating country a survey framework will be elaborated. The survey design should comply with the Global ICP requirements.

**Asia**

Preparations for ICP 2011 Round will be initiated after the MoU between ADB and GO has been put in place and funding has been procured. Draft MoU is being reviewed by the legal department and it is expected to have the same governance structure as in ICP 2005 Round comprising of RAB, MoU with participating countries, a national implementing agency, and a national coordinator. Myanmar is expected to join the 23 countries that participated in 2005. The 24 country list includes Iran and Macao that are not ADB Developing Member Countries and which cannot be invited or financed by the ADB. In 2005, Iran was financed by the World Bank through ESCAP. Macao also raised specific financial resources.

Unless specific funding raising efforts are undertaken, Pacific Islands (with the exception of Fiji) may run the risk of not participating in this round.
CIS

The decision on ICP 2011 will be made at the Council of Heads of Statistical Organizations of CIS Countries scheduled to take place later this year. All legal bases with National Governments will be prepared through Council and CIS-STAT Committee. Solutions will be found for resource problems.

Latin America

Organization and country participation

In the 2011 Round, ECLAC is planning to extend the ICP country coverage to 20 Latin American countries and 14 Caribbean countries. They are also establishing a strategy to deal with LAC countries that are members of the OECD group, namely Mexico and Chile. The 2011 ICP Round has been widely discussed in regional and sub regional forums, and although countries have not been formally invited, there is a very strong interest in participating. The regional coordination will be organized through 2 ECLAC subprojects: The ECLAC Office in Port of Spain will coordinate ICP Activities in the Caribbean, while ECLAC headquarters in Santiago will coordinate ICP Activities in Latin America, and provide overall regional coordination and technical support.

Challenges

Challenges for the 2011 ICP in Latin America and the Caribbean include a possible conflict with housing and population censuses timetables in the Caribbean, resolving uncertainty regarding funding and putting in place an effective strategy to deal with Chile and Mexico, which will participate in two programs - ICP and OECD-Eurostat. In terms of timetable, the Global Office gave assurance that countries that cannot implement ICP surveys while taking censuses can conduct data collection in 2012.

Funding

ECLAC will provide in kind contribution. In addition to that, ongoing discussions are taking place with sub-regional organizations and donors to secure the required funding for the program.

Western Asia

All 14 ESCWA member countries are planning and have showed willingness to participate in the 2011 round of the ICP. Countries’ recommendation is to maintain the existence of a Regional Executive Board as it proved to be a crucial element in the success of the regional implementation of the 2005 round, and especially that it gives the countries a better feeling of ownership and eases the adoption of the program as part of their regular work program. In the 2011 ICP Round, ESCWA regional office is assessing the option of focusing more on dividing the region into two sub regional groups, GCC and MDE, where more focus can be shed on data collection, validation and consistency on the sub regional level. Preparation has already started subsequent to ESCWA’s participation in the last two interim Board meetings, and the final approval for
including the ICP implementation within the biennium Work plan of ESCWA (2010-2011) that the Statistical Commission agreed on in its meeting in October 2008. A preparatory meeting with the World Bank and IsDB took place in July 2009 following a previous meeting that ESCWA held with IsDB in June 2009.

Challenges

Among the challenges, the main issue remains to be primarily the challenge of securing the sufficient funds for implementing the program on the regional level, as well as the availability of sufficient resources and technical expertise at the national levels to be dedicated for carrying out the national tasks related to the implementation of the program. Otherwise, some countries might approach the regional office for funding resources and capital.

Funding

ESCWA is already contributing in providing human resources and necessary logistics needed for sake of the program implementation. Some funds are remaining from the IsDB funding for the 2005 round of ICP, and will be only sufficient for kicking off the project at the regional level. Additional funding is to be sought from other agencies such as IsDB, AFESD, WB, etc...

Eurostat-OECD

The 2011 round will have the same country coverage as the 2005 round plus Chile in OECD. Kosovo may also be included.

For Eurostat countries, a construction two-year rolling survey will be introduced as of 2011, and will include key items for interpolation. A new methodology might be applied for health, and some changes may be introduced to the Basic Heading classification.

Consumer surveys will take place in 2010, 2011 and 2012 (2 surveys per year). 2012 data will be finalised in June 2013. The global core list which is expected to be available in Feb/March 2010 will be included in these surveys. Equipment goods survey will take place in 2011. Data will be finalised by mid 2012. Construction surveys will take place in 2011 and 2012. Data will be finalised by mid 2013. Rents, salaries, and expenditure data will be collected and compiled initially in 2012, then a second compilation will take place in 2013, to be followed by a third compilation in 2014. In summary, the timetable for ensuing calculations is the following:

Eurostat timetable:
- First 2011 PPP calculations: June 2012
- Second calculation: December 2012
- Third calculation: December 2013
- Final calculation: December 2014

OECD timetable:
- First calculations: December 2012
- Final calculations: December 2013
2009 ICP update in Asia & Africa

Yuri Dikhanov spoke about 2009 ICP update in Asia & Africa: methods, first results and progress report. He concluded that, in the case of Asia, using a subset of products of the 2005 product list in the 2009 Asian update was a fairly good statistical exercise since the results obtained were reasonably robust and because it offered the possibility to have a direct comparison between 2005 and 2009, which can be used to test consistency of CPI data across countries. An important aspect of the 2009 update in Asia was an effort in estimating sub-national PPPs [price levels]. The most advanced country case [the Philippines] was presented as well.

Conclusions reached:

Following the presentations and subsequent questions and answers, the meeting agreed that:

- Given financial resources problems highlighted by some regions, there is a need for an optimal utilization of existing resources;
- The time required to translate documents needs to be reflected in the ICP timetable;
- Even if different methodologies were used across the regions, consistency should always be ensured;
- The issue of countries that will be added to or removed from each regional program from the 2005 list needs to be further discussed with the respective regions, to properly accommodate all countries willing to participate.

2 SESSION 2. PRODUCT SPECIFICATIONS

2.1 Process for building product lists for the main survey

The Global Office presented the proposed process for building the core item list and the regional item lists (Papers 4 and 5). The process is iterative and involves close collaboration between the Global Office, Regional Coordinators, and Countries. The presentation also included a tentative timetable for building the item lists.

The Global Office provided additional explanations (Papers 3 & 6) on the rationale of core list development and the SPD format that will be used.

Conclusions reached:

While accepting the core list approach proposed by the GO, the meeting decided to modify the procedure for building the core list and including it into the regional list. A revised version (see Annex 4) of the procedure was submitted to the meeting and accepted. Other main conclusions reached at the meeting are the following:

- The core list approach will be used in the 2011 ICP to link the regions into global PPP estimates;
- There will be a core list for each type of price data collection;
- The core lists will be part of the regional lists;
- SPDs will be used to develop and update the core lists;
- The core lists will be translated into other languages;
- The timetable will be implemented as updated by the meeting.

2.2 **Education services**

The ICP is investigating a methodology that will cover private and public education services within the ICP framework. For this, new partnerships are being sought with organizations that can provide technical advice (such as the Academy for Educational Development (AED)). Following a brief discussion on Education services which Mary Joy Pigozzi (AED) and George Ingram (AED) also attended, the meeting agreed that:

**Conclusions reached:**
- The GO will improve on the survey instruments related to the methods used for the 2005 Round for public and private education services (Papers 8, 12 and 13). It will simultaneously seek to pursue research in these areas with a view to coming up with new methodologies to be implemented in parallel with the improved old methods;
- Processes for deriving PPPs for education will be examined by National Accounts experts in order to ensure the consistency between expenditures and prices;
- The timetable for both the improvement of survey instruments and for the work that will be required to pilot the new method will need to be developed and included in the overall timetable.

2.3 **Health services**

As part of the discussion on effectively comparing health services, the ICP Global Manager and Stephen S. Lim (Institute for Health Metrics and Evaluation -IHME) spoke about how to best address measuring cost effectiveness in health sector and how this can contribute to the ICP (Paper 9).

**Conclusions reached:**
While recognizing that the issue needs further research, the meeting resolved that the countries should implement the 2005 methods for public and private services (Papers 10 and 11), using improved survey instruments to be prepared by the GO. The meeting further noted that:
- The ongoing research aims to develop a direct output approach to be implemented in 2011 together with the improved 2005 methods;
- The 2005 methods will continue to be used, both for time consistency sake and as a back-up;
- OECD and Eurostat will further exchange experience with the GO to look for improvement in methodologies;
- Health data will be examined by National Accounts experts in order to ensure the consistency between expenditures and prices.
3 SESSION 3. HOUSING, GROSS CAPITAL FORMATION AND NATIONAL ACCOUNTS

3.1 Housing

The Global Office presented a paper (Paper 14) on “Housing in ICP 2011: Issues to be Resolved”. First, background information was provided by explaining the approach and methods followed during the ICP 2005 Round. Then, the main objectives and the outstanding issues on housing were discussed. Two main issues were identified to be resolved:

1. How should the expenditure weights be estimated so that they are more reliable and more comparable across countries than was the case for ICP 2005?

2. What price and/or quantity information should be requested from countries in order to estimate PPPs?

Conclusions reached:

To address these issues, the meeting decided that:

- An improved quantity approach will be investigated and more research is needed in order to identify better approaches. This will entail creating new partnerships (e.g. UN-HABITAT, Habitat for humanity).
- Discussions on alternative approaches on housing will be undertaken with National Accounts experts.

3.2 Gross capital formation

The Global Office outlined the surveys on gross capital formation, focusing mainly on the needs for alternative methods. The methodology regarding the equipment core list was explained in detail as well as the advantages of using it (Papers 15 and 17). The basics of the exchange-rate based approach to equipment pricing (Paper 16) were also explained, while pointing out problems of using this approach for the 2009 Asia update. The presentation on construction related to an approach based on input prices weighted (Paper 19) to represent national construction output (basket of inputs approach).

Conclusions reached:

- Equipment. It was agreed that the 2005 method will be implemented with significant improvements -- the equipment core list approach will be used.
- The 2005 equipment list will be revised to provide an updated list for 2011.
- The content of the equipment core list and the ways it should be updated were agreed: regions may provide comments and/or add items. The GO will ensure bridging between the OECD/Eurostat and the ICP lists. A final report and guidelines on how to collect prices will be submitted by the GO by end of June 2010.
- A component costs method will be used as a price validation tool for machinery and equipment.
Construction: A new method is being developed and will be submitted to the TAG.

Equipment and construction pricing need to be reviewed by National Accounts experts at country and regional levels for consistency between expenditures and prices.

3.3 National Accounts

The Global Office presented its initiative of defining the NA for the ICP framework and translating the SNA framework into operational guidelines to help the countries provide as reliable and consistent GDP expenditures data as possible.

The quality of the national accounts data provided by countries for the 2005 ICP varied significantly. In many cases, only production-based estimates of GDP were available so expenditure-based estimates had to be imputed by various means, none of which were particularly satisfactory. As a result, the Global Office intends to focus on statistical capacity building by improving the quality of national accounts for the 2011 ICP with particular attention paid to those countries that do not compile national accounts every year and those that do not have expenditure-based accounts.

The national accounts chapter in the ICP Handbook is being revised and will include details of methods that can be used to improve national accounts (Paper 20) and to systematically estimate expenditure-based GDP (Paper 21) in those countries that have only production-based GDP.

The 2011 ICP will use the 1993 SNA framework for the national accounts estimates because the vast majority of countries will still be using this version of the SNA in 2011. However, there are synergies between the World Bank work on improving national accounts for the ICP and the ISWGNA-led work on implementation strategies for the 2008 SNA. In particular, identifying current shortcomings in countries’ national accounts is an important element in determining the work program for improving national accounts and the source data required to do so.

Conclusions reached:

- The meeting accepted the idea of a NA framework for ICP-2011 based on SNA-1993;
- It was agreed that the proposed ICP related NA framework will be included in the handbook;
- The GDP estimates are the responsibility of the country, but if requested, the GO and Regional Offices may provide assistance. GDP estimates need to be exhaustive and include all relevant economic activities (including the informal economy);
- Use of SUTs is recommended to identify and fill gaps in NA, and to validate data (expenditures and prices);
- Consistency between prices in NA values and prices collected need to be ensured;
- It was agreed that the GO will provide guidelines for NA activities;
• A working group on National Accounts for ICP will be established;
• A timetable related to NA was agreed upon.

4 SESSION 4. DATA MANAGEMENT AND PROCESSING RESOURCES

Olivier Dupriez, World Bank, presented the IHSN microdata and metadata management tool. The tool can be used for data and metadata management and archiving in the ICP 2011. Efforts have taken place to customize the metadata standard (DDI) (Paper 22) to ICP purposes to facilitate the use of this tool in ICP 2011.

The Global Office presented the results of the 2005 ICP Software Suite evaluation (Paper 24), and its major recommendations. The presentation included proposed data management, process and transmission charts, and requirements for the 2011 Software Suite (Paper 25). The 2011 ICP Data Access and Archive Policy was also presented, and the changes from the 2005 policy were highlighted (Paper 23).

Conclusions reached:
• The IHSN tool will be used for transmission, management and archiving of data and metadata;
• In addition to the MoUs with the regions, some written agreements may be needed with some countries to obtain the release of their data;
• The software modules used in the previous round and in the interim period at the regional and global levels, that are still relevant and are in accordance with the new methodology developed for the 2011 round, will be part of the ICP software family. This may include the PCT developed in Asia, the SEMPER in Africa and CIS’s tools, as well as the Eurostat tool for SPD.
• New software packages, if any, will be developed in modular form in accordance with the agreed timetable. The GO will provide training, documentation and technical support.

5 SESSION 5. DATA QUALITY REQUIREMENTS, HEALTH AND INSTITUTIONAL ASPECTS

5.1 ICP Data Quality Framework

The Global Office presented a framework (Paper 26) for assessing the quality of the ICP based on the DQAF framework. The DQAF-ICP framework was developed to assess the quality of the ICP processes in countries, regional offices, and the Global Office, as well as the ICP data. A DQAF-ICP Checklist will help collect the information required to evaluate the ICP based on the DQAF-ICP framework. The Checklist will include three questionnaires designed for Countries (Paper 27), Regional Coordinators, and the Global Office.
Conclusions reached:
The meeting welcomed the proposed quality framework and indicated that:

- All the regions and the GO will ensure that their respective activities will be implemented in alignment with the ICP data quality framework;
- Regional coordinators’ comments and inputs will be accommodated in the check lists for country, regional and global data quality assessments, which the GO will develop within the agreed timeframe;
- Reference to the 1993 SNA will be made in the DQAF;
- The countries responses to the DQAF check list need to be followed by an assessment of actions and resources needed for capacity building;
- Using the ICP DQAF as a planning tool, there is a need for ex-ante assessment of country capacity using a sub-set of the check list. This will help regional coordinators target their technical assistance to countries in need;
- Regional coordinators will look at the answers and review them with their national counterparts;
- There is a need for the GO to draw up a detailed timeline and work program indicating who will do what. The timeline should provide for translation time.

5.2 ICP Calendar of Activities
The Global Office presented the calendar of ICP activities (Paper 28).

Conclusions reached:
The meeting agreed on the revised version of the proposed calendar which takes into account:

- The revised timetable for the process of core list development;
- The necessary time for the translation of various ICP materials into other languages;
- The milestones and deadlines of the Eurostat/OECD PPP program;
- The fact that several countries that will mainly focus their efforts in 2011 on taking population and housing censuses may defer their main price data collection activities to 2012

5.3 Memorandums of Understanding
The Global Office underlined the importance of the MoUs to be agreed between the GO and the regions and OECD-Eurostat. The meeting reviewed the proposed template (Paper 30) against the backdrop of the various institutional responsibilities as spelt out in the ICP Governance Framework (Paper 29) as well as the activities to be carried out at country, regional and global levels.
Conclusions reached:
The MoU document was extensively and fruitfully discussed. Principles to be followed in establishing MoUs between the GO and the regions were also discussed and agreed upon. Thereafter, the meeting agreed that specific agreements proposed to the Regions will be reviewed to ensure that they include the core elements included in the document:

- The respective roles of each organization;
- The data to be exchanged between them;
- The quality assurance process and measures;
- Access to global data, core data, regional data and Eurostat-OECD data as part of the review process prior to the publication of global results;
- The publication of global results;
- Procedures to gain access to unpublished data at the global level;
- Ownership rights and copyrights on the data;
- The guardian of the global database until the next round of the ICP.

6 CLOSING
Following the review and approval by the participants of the conclusions of the various sessions, the meeting was officially closed by Mr Misha Belkindas, Manager, World Bank, on September 30 at 5:00 P.M.
## ANNEX 1: AGENDA OF THE MEETING

### Regional Coordinators Meeting
**Agenda**  
September 28 - 30, 2009  
World Bank, Washington, DC  
Room (MC C1-200)

**Day 1: September 28, 2009**

| Session 1 | Opening Session  
**Chair:** Michel Mouyelo-Katoula, ICP Global Manager |
<table>
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<tbody>
<tr>
<td>8:30 – 9:00</td>
<td><strong>Registration, Coffee &amp; Breakfast</strong></td>
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</table>
| 9:00 – 9:15 | **Welcome & Opening Remarks**  
*Shaida Badiee, Director, DECDG* |
| 9:15 – 9:30 | **Objectives of the Meeting and Expected Results**  
*Micel Mouyelo-Katoula, ICP Global Manager* |
| 9:30 – 10:15 | **Achievements of the ICP 2005 Round & Objectives of the ICP 2011**  
*Micel Mouyelo-Katoula & Fred Vogel* |
| 10:15 – 10:30 | **Coffee** |
| 10:30 – 13:00 | **Regional Status Reports & Lessons Learned**  
2009 ICP update in Asia & Africa: methods, first results and progress report; Asia experience using CPI to estimate regional/subnational PPPs  
*Yuri Dikhanov, World Bank*  
Regional Coordinators (Africa, Asia, CIS, LAC & WA) & OECD-Eurostat |
| 13:00 – 14:30 | **Lunch – Hosted by Shaida Badiee (Private Dining Room MC-C1 D & E)** |
| **Session 2** | **Product Specifications  
**Chair:** Michel Mouyelo-Katoula, ICP Global Manager** |
| 14:30-15:30 | **Regional Status Reports & Lessons Learned (Cont’d)**  
Regional Coordinators (Africa, Asia, CIS, LAC & WA) & OECD-Eurostat |
| 15:30 – 17:00 | **Process for Building Product Lists for the Main Survey**  
- Review of the Core List  
*Yuri Dikhanov, World Bank*  
- Building Regional List of Household Consumption Items  
*Nada Hamadeh, World Bank* |
| 17:00 – 18:00 | **Health and Education**  
Survey on Private Education Services  
Non-market services- Health: Output Approach Vs Compensation of Employees  
Non-market services- Education: Output Approach Vs Compensation of Employees |
# Surveys on Pharmaceutical Products

## Day 2: September 29, 2009

### Session 3  

<table>
<thead>
<tr>
<th>Time</th>
<th>Topic</th>
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<tbody>
<tr>
<td>9:00 – 9:45</td>
<td><strong>Housing, Gross Fixed Capital Formation and National Accounts</strong>&lt;br&gt;<em>Chair:</em> Paul Konijn, Eurostat</td>
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</table>
| 9:45 – 10:30| **Surveys on Gross Fixed Capital Formation**<br>[Yuri Dikhanov, World Bank]  
Equipment: Exchange Rate Approach as a backup method for standard price collection  
Construction: Review of Existing Methods (BoCC, Bills of Quantities and CIS Approach) and Proposed Improvements |
| 10:30 – 10:45 | **Coffee**                                                            |
| 10:45 – 11:30| **Delineating the ICP Related National Accounts Framework & Creation of a Working Group on Best Practices for NA Activities under the Framework of the ICP**<br>*Paul Mc Carthy* |
| 11:30 – 15:30| **Guidelines and Proposed Sequence of ICP Related National Accounts Activities**<br>[1]  
*Paul Mc Carthy* & *Michel Mouyelo-Katoula, ICP Global Manager* |

### Session 4  

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<tr>
<th>Time</th>
<th>Topic</th>
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| 15:30 – 17:00 | **Micro & Meta Data Management**<br>[Olivier Dupriez, World Bank]  
Data Process, Management, and Transmission Chart [Nada Hamadeh, World Bank]  
Archiving and Accessing ICP 2011 Results [Nada Hamadeh, World Bank] |
| 17:00 – 18:00 | **ICP Software Suite**  
Experience with PCT in Asia & with Semper in Africa Update  
*ADB & AfDB* |

## Day 3: September 30, 2009

### Session 5  

<table>
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<tr>
<th>Time</th>
<th>Topic</th>
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<tr>
<td>9:00 – 10:15</td>
<td><strong>Data Quality Requirements and Institutional Aspects</strong>&lt;br&gt;<em>Chair:</em> Michel Mouyelo-Katoula</td>
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| 9:00 – 10:15 | **Data Quality Framework; Data Quality Assessment-Check List**  
*Nada Hamadeh, World Bank* |
| 10:15 – 10:30 | **Coffee**                                                            |

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[1] Lunch: 13:00 – 14:30
<table>
<thead>
<tr>
<th>Time</th>
<th>Session</th>
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<tbody>
<tr>
<td>10:30 – 12:00</td>
<td>Review of the Proposed ICP Calendar of Activities &amp; Implications at the Country, Regional &amp; Global Levels</td>
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<tr>
<td>12:00 – 13:00</td>
<td>Institutional Arrangements: MOUs (WB-OECD-Eurostat; WB-Regions; and Regions-Countries)</td>
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<tr>
<td>13:00 – 14:30</td>
<td>Lunch</td>
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<tr>
<td>14:30 – 16:30</td>
<td>Preparation of the Minutes of the Meeting (\text{Rapporteurs})</td>
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<tr>
<td>16:30 – 17:30</td>
<td>Discussion of the Minutes (\text{Closing Remarks}) (\text{Misha Belkindas, World Bank})</td>
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8 ANNEX 2: LIST OF PARTICIPANTS

Regional Coordinators:
- Adam, Abdoulaye (AfDB)
- Palayandy, Chellam (ADB)
- Gonzalez, Luis (ECLAC)
- Perez, Ernestina (ECLAC)
- Koechlin, Francette (OECD)
- Roberts, Sylvan (ECLAC)
- Konijn, Paulus (Eurostat)
- Savio, Giovanni (ESCWA)
- Kouznetsov, Vasily (CIS)
- Skaini, Majed (ESCWA)
- Mbong Mbong, Luc (AfDB)

ICP Global Office:
- Akcadag, Olga
- Mandlekar, Vilas
- Dikhanov, Yuri
- McCarthy, Paul
- Dupriez, Olivier
- Mouyelo-Katoula, Michel
- Hamadeh, Nada
- Romand, Virginia
- Song, Seong Heon
- Vogel, Fred

Other Participants:
- Ingram, George (AED)
- Jim, Stephen (IHME)
- Pigozzi, Mary (AED)
# 9 ANNEX 3: LIST OF DISCUSSION PAPERS

<table>
<thead>
<tr>
<th>No</th>
<th>Paper Titles</th>
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<tbody>
<tr>
<td>01</td>
<td>Objectives of the ICP 2011</td>
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<tr>
<td>02</td>
<td>Lessons Learned from ICP 2005</td>
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<tr>
<td>03</td>
<td>Efficiency of the Core Product List in International Comparisons</td>
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<tr>
<td>04</td>
<td>Process for building regional item lists</td>
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<tr>
<td>05</td>
<td>Time table for building the Global and Regional Core list</td>
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<td>06</td>
<td>ICP Core List</td>
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<td>07</td>
<td>OECD Comments by BH on the Core list</td>
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<td>08</td>
<td>Compensation of Employees</td>
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<tr>
<td>09</td>
<td>Health Sector Comparisons: Concept Note</td>
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<td>10</td>
<td>Health Guidelines</td>
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<td>11</td>
<td>Health Product Descriptions</td>
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<td>12</td>
<td>Private Education Product Descriptions</td>
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<td>13</td>
<td>Private Education Product Specifications</td>
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<td>14</td>
<td>Housing in ICP 2011: Issues to be Resolved</td>
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<td>15</td>
<td>Machinery and Equipment: Concept Note</td>
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<td>16</td>
<td>Proposal to Carry Out a Survey in Order to Use Exchange Rates as Proxy PPPs for Machinery and Equipment</td>
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<td>17</td>
<td>The Original Equipment Product List Used in the ICP 2005 Round, Product Specifications &amp; Core List</td>
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<td>18</td>
<td>The Original Equipment Product Specifications Used in the ICP 2005 Round</td>
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<td>19</td>
<td>A New Construction Price Comparison Methodology for the International Comparison Program: Concept Note</td>
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<td>20</td>
<td>Defining the National Accounts Framework for the ICP</td>
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<tr>
<td>21</td>
<td>Guidelines and proposed sequence of ICP-related national accounts activities</td>
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<td>22</td>
<td>Microdata and Metadata Management Toolkit-ICP - Specific Data Documentation Initiative (DDI)</td>
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<tr>
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<td>Archiving and Accessing ICP 2011 Results</td>
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<td>24</td>
<td>Evaluation of the ICP 2005 Software Suite - Summary Findings and Results</td>
</tr>
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<td>25</td>
<td>Data Process, Management, and Transfer Charts</td>
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<td>26</td>
<td>Data Quality Assessment Framework (DQAF) for the International Comparison Program (ICP)</td>
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<td>27</td>
<td>DQAF-ICP Country Checklist</td>
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<tr>
<td>28</td>
<td>Proposed ICP 2011 Timetable</td>
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<tr>
<td>29</td>
<td>Governance framework for the Management and Implementation of</td>
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<td>30</td>
<td>The 2011 Round of the International Comparison Program</td>
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<tr>
<td>31a</td>
<td>ICP Classification</td>
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<td>31b</td>
<td>Classification of Final Expenditure on GDP</td>
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</table>
10 ANNEX 4: PROCESS FOR BUILDING CORE AND REGIONAL LISTS

- Builds draft GC List
- Desk review of draft GC List
- Reviews the 2005 Regional list
- Merges Regional and GC Lists
- Reviews Regional and GC product specifications and identifies products as Rep. / Av. / N. Av.
- Reviews country answers to check whether GC can yield robust linking
- Updates 2005 regional list based on country answers / Forwards country answers on GC to GO
- Creates Regional Core List, if needed
- Creates Sub-Regional Lists, if needed
- Provides input on sub-regional and core regional lists
- Includes GC items in Regional List
- Finalizes the Regional Core and Sub-Regional Lists
- Regional List, including GC items ready for survey

Iterative Process, each step could include various iterations.