



**INTERNATIONAL COMPARISON PROGRAM
TASK FORCES TO SUPPORT THE RESEARCH AGENDA**

MAY 2017

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I. Background

The 47th Session of the United Nations Statistical Commission (UNSC), held in March 2016, discussed the future of the International Comparison Program (ICP), in light of the recommendations of the Friends of the Chair (FOC) group based on their evaluation of the 2011 round of the ICP.

The UNSC instituted the ICP as a permanent element of the global statistical work program. Starting from 2017, the program will be conducted at more frequent intervals. The aspiration is to work towards implementing the ICP based on a “rolling survey approach”. Rolling surveys over a cycle decreases the burden on national implementing agencies and allows flexibility in conducting the surveys according to the specific conditions of participating countries.

The ICP Governing Board, in its inaugural meeting in November 2016, adopted the ICP Governance Framework and established a Technical Advisory Group (TAG) to guide the program’s research and methodological developments.

The ICP TAG is a technical body, which:

- a. assures methodological soundness and overall quality of the PPP estimates;
- b. ensures transparency of the PPP estimation process; and
- c. facilitates the establishment of a permanent and more frequent ICP rounds.

The TAG, in collaboration with the ICP Inter-Agency Coordination Group (IACG), sets forth a technical research agenda to inform future ICP comparisons. Consistent with the UNSC recommendations, the short-term technical research agenda will focus on methodological aspects related to building PPP time series and fine-tuning established methods and procedures to improve the quality of the estimates. Innovation is a cross-cutting theme across all research agenda topics, to ensure that new approaches, technologies, and data sources are utilized to the extent possible in the production of PPPs.

Consistent with the Governance Framework approved by the Governing Board, the TAG forms Task Forces on specific topics and invites recognized experts on the practical application of index numbers, PPPs, price statistics and national accounts to take part in them, as needed, to develop concrete proposals to address the various research agenda items and support the computation of ICP results.

As encouraged by the UNSC, the IACG and TAG also work closely with the standing international working groups on price statistics and national accounts, both to widen the consultation on methodological development and to broaden country participation and engagement in the process.

The Global ICP Unit at the World Bank supports the work of the Task Forces, and provides the link between the ICP governance bodies and the standing working groups on price statistics and national accounts.

II. Task Forces Functions, Membership and Work Modality

The TAG will establish Task Forces to undertake research into specific technical issues identified in the ICP research agenda and support the computation of ICP results. Each Task Force will focus on a specific problem and it will be provided with a set of terms of reference covering:

- a. Background to the problem;
- b. Clear statement of the technical issues to be considered by the Task Force;
- c. List of deliverables in the form of a report, recommendations and operational guidelines; and
- d. Timeframe for the completion of the work by the Task Force.

Membership

- a. The Task Forces are formed of experts and/or practitioners in the field of index numbers, PPPs, price statistics and national accounts. The size of each Task Force will depend on the complexity of the problem.
- b. Membership of the Task Forces is proposed by the Global ICP Unit for consideration and endorsement by the TAG. It is the responsibility of the Global ICP Unit to enlist the members endorsed by the TAG.
- c. One of the members of the Task Force will be designated to coordinate the work of the Task Force.
- d. Each Task Force will include an expert from the Global ICP Unit.
- e. It is desirable but not necessary to have a TAG member included in the Task Force.

Tenure and Work Modality

- a. Each Task Force will have a fixed tenure in line with the timeframe of the assigned research topics.
- b. The Task Forces will meet as needed physically or virtually. They may also join the meetings of the IACG to discuss the operational implications and feasibility of their proposals, and the meetings of the TAG to present their findings and recommendations for the TAG's consideration.
- c. The Global ICP Unit will provide access to necessary data and materials to facilitate the work of the Task Forces. Standard ICP confidentiality provisions apply.

Expected Deliverables

- a. Presenting findings to the TAG.
- b. Drafting a discussion paper for circulation among TAG members.
- c. Fine-tuning and undertaking further research and computations, if deemed necessary by the TAG.
- d. Preparing a final report with recommendations.

III. Proposed Task Forces

The following Task Forces are proposed, along with their relevant topics and timeframe. These are in line with the Annex to this document, which provides a list of research agenda items, priorities and implementation timeframe.

As the technical research agenda evolves, additional Task Forces may be formed to look into other research areas and methodological improvements.

Task Forces to establish in 2017

TF1. PPP Compilation and Computation

- Linking interim regional updates into a global comparison (2017-2019)
- Building PPP time series for the interim period (2017-2019)
- Fine tuning global linking procedures (2018-2019)
- Productivity adjustment for government and construction labor (2018-2019)

TF2. Country Operational Guidelines and Procedures

- Moving towards rolling price surveys (2017-2018)
- CPI-ICP synergies to improve spatial and temporal price consistency (2017-2020)
- Sub-national PPPs (2018-2020)

TF3. Housing

- PPPs and real expenditures for dwelling services (2017-2019)

TF4. PPP Uses

- Uses of PPPs and ICP data for national and international policy making (2017-2019)

TF5. Exports and Imports

- PPPs for exports and imports (2017-2020)

TF6. PPPs and Poverty Measurement

- ICP PPPs and global poverty measurement – Post Atkinson Commission (2017-2021)

Task Forces to establish in 2018 and beyond

TF7. PPP Quality and Reliability

- Quality of data (2018-2019)
- Reliability measures for PPPs (2018-2019)
- Accounting for product quality differences in PPP measurement (2020-2022)

TF8. New Data Sources

- Exploring innovations in technology and data sources for PPP measurement (2018-2021)

TF9. Non-Market Services

- PPPs for health and education (2020-2021)

TF10. Construction

- PPPs for construction (2020-2021)

Annex: Research Agenda Priorities and Timeframe

						2020 CYCLE			
						Data Collection	Results		
		2017 CYCLE							
		Data Collection		Results					
		2016	2017	2018	2019	2020	2021	2022	
Higher ----->	IMMEDIATE TERM								
	Compilation of PPP Time Series and the Rolling Survey Approach								
	Component 1. Moving Towards Rolling Price Surveys								
	Component 2. Linking Interim Regional Updates into a Global Comparison								
	Component 3. Building PPP Time Series for the Interim Period								
	PPPs and Real Expenditures for Dwelling Services								
	Productivity Adjustment for Government and Construction Labor								
	Fine Tuning Global Linking Procedures								
	Quality and Reliability of PPPs								
	Component 1. Quality of Data								
	Component 2. Reliability Measures for PPPs								
	Uses of PPPs for National and International Policy Making								
<----- Priority ----->	MEDIUM TERM	2016	2017	2018	2019	2020	2021	2022	
	CPI-ICP Synergies and Sub-National PPPs								
	PPPs for Exports and Imports								
	PPPs for Construction								
	PPPs for Health and Education								
	ONGOING AND LONG-TERM	2016	2017	2018	2019	2020	2021	2022	
	ICP PPPs and Global Poverty Measurement – Post Atkinson Commission								
	Exploring Innovations in Technology and Data Sources for PPP Measurement								
	Accounting for Product Quality Differences in PPP Measurement								
	Lower								