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Report of the World Bank on the International Comparison Programme

Note by the Secretary-General

In accordance with Economic and Social Council decision 2019/210 and past practices, the Secretary-General has the honour to transmit the report of the World Bank on the International Comparison Programme (ICP), which is being submitted to the Statistical Commission for discussion. The report provides an outline of the activities undertaken at the global, regional and national levels to implement the 2017 comparison cycle and transform ICP into a permanent programme. In the report, the World Bank describes the governance, capacity-building, research, knowledge and advocacy activities carried out in this regard, the current use and applications of purchasing power parities, and the risks to the Programme and mitigation measures. The Commission is invited to note the progress made in completing the 2017 cycle towards the forthcoming release of the ICP 2017 results in the second quarter of 2020. The Commission's views are sought on how best to communicate the results to national policymakers and promote their use in socioeconomic analyses and development agendas. The Commission is also requested to impress upon ICP stakeholders the need to carry out the ICP 2020 cycle activities in a timely manner, and to further incorporate ICP into their regular statistical work programmes in order to ensure its sustainability as a permanent programme.

* E/CN.3/2020/1.



Report of the World Bank on the International Comparison Programme

I. Summary

1. Results covering 176 participating economies from the 2017 cycle of the International Comparison Programme (ICP) are due to be published in the second quarter of 2020. Enhanced validation, computation and quality assurance efforts have been introduced to ensure the quality of the results. The upcoming release of data, the first since 2014, will be accompanied by advocacy efforts and outreach material to demonstrate the increasing value of ICP and its results to the socioeconomic agenda of national policymakers and the development community. The Programme has helped to build statistical capacity in many countries in the areas of price statistics and national accounts. The ICP research agenda continues to ensure the soundness of the Programme's processes and methods. Furthermore, all implementing agencies have begun preparations for the 2020 cycle, with item lists being drawn up and data collection launched.

II. Introduction

2. The International Comparison Programme was initiated in 1968 as a modest research project between the United Nations and the University of Pennsylvania, with financial contributions from the Ford Foundation and the World Bank; its aim was to set up a regular programme of purchasing power parity (ppp)-based comparisons of gross domestic product (GDP). Since then, ICP has evolved into the largest statistical partnership in the world. At its forty-seventh session in March 2016, the United Nations Statistical Commission instituted ICP as a permanent element of the global statistical programme, to be conducted on a three-year cycle.

3. The ICP 2017 cycle was initiated successfully at the national, regional and global levels with data collection for 176 participating economies taking place from 2016 to 2018. The results for the reference year 2017 will be published in the second quarter of 2020. In addition, global ppp time series bridging the 2011 and 2017 comparisons will be produced, as will revised 2011 results. Delays in initiating survey activities in some regions and countries resulted in the original release timetable being pushed back some months from the original release date of the end of 2019.

4. The present report provides a comprehensive update on the activities undertaken from October 2018 to October 2019. It is organized in six sections as follows: governance and coordination; programme implementation; research and innovations; knowledge and advocacy; use and applications of purchasing power parities; and risks and mitigation measures.

III. Governance and coordination

A. Statistical Commission

5. The Statistical Commission is the ultimate stakeholder of ICP, deciding the frequency and operational modality of the Programme.

6. The fiftieth session of the Commission¹ was held in New York from 5 to 8 March 2019, and the Commission commended ICP for the work carried out, as detailed in its

¹ See www.worldbank.org/en/programs/icp/brief/unscc-sessions.

report. In addition, the Commission noted the importance of ICP and encouraged all implementing agencies to complete the 2017 cycle without further delays and ensure the quality and timeliness of the 2017 results. The Commission advised implementing agencies to initiate preparations for the ICP 2020 cycle and noted the need for implementing agencies to incorporate the Programme into their regular statistical work. Furthermore, the Commission noted the need for further research into synergies between ICP and consumer price indices (CPIs), and for increased funding to support ICP activities and to build statistical capacity in this area.

B. Governing Board

7. The ICP Governing Board sets the policies that govern the production of regional and global ppps, approves the Programme's methodology and any methodological improvements, advocates to policymakers to ensure the ongoing inclusion of ICP in national statistical work programmes, and helps with ICP fundraising.

8. The fourth meeting of the Governing Board² was held in New York on 3 March 2019. The Board reviewed and discussed the global and regional progress of the 2017 cycle of the Programme, outstanding risks to the cycle and related mitigation measures, and preparations for the ICP 2020 cycle. In particular, the Board emphasized the importance of producing ICP results in a sustainable manner, increasing synergies with regular national statistical programmes and building national statistical capacity. The Board also stressed the importance of assessing the quality of the 2017 cycle results, ppp time series and revised ICP 2011 results, and releasing all these data simultaneously. In addition, the Board reviewed and approved a comprehensive communication and dissemination strategy to support the 2017 cycle results release in 2020 and to ensure the wide understanding and use of ICP data by a global audience. Furthermore, the Board noted that liaising with major ppp users prior to the release of the 2017 results was crucial and agreed to continue ICP advocacy efforts with agencies and donors and to promote the Programme's increased openness and transparency. Subsequently, the Board reviewed and approved the draft outline of the final report on the ICP 2017 cycle. The fifth meeting of the Board is scheduled to be held in Washington, D.C., on 13 December 2019. The updated ICP data access policy and ICP revision policy will be presented and discussed at the meeting.

C. Technical Advisory Group

9. The ICP Technical Advisory Group assures the methodological soundness and overall quality of the ppp estimates, ensures transparency of the ppp estimation process and supports the establishment of a permanent ICP with greater frequency.

10. The third meeting of the Technical Advisory Group³ was held in Paris on 2 and 3 May 2019. The Group reviewed the progress of the ongoing ICP 2017 cycle and the work of the various technical task forces.⁴ The Advisory Group urged the global and regional implementing agencies to expedite all necessary efforts to ensure the quality, completeness and timeliness of the ICP results. The Group also recommended that a computation task team be established to allow parallel computations to be made for added quality assurance and transparency and to ensure the reproducibility of the final results.

² See www.worldbank.org/en/programs/icp/brief/gb-meetings.

³ See www.worldbank.org/en/programs/icp/brief/tag-meetings.

⁴ See www.worldbank.org/en/programs/icp/brief/taskforces.

11. The fourth meeting of the Technical Advisory Group was held in Washington, D.C., on 28 and 29 October 2019. The Group reviewed the preliminary 2017 results compiled by the computation task team and the processes and methodologies used to compute them. The Advisory Group concluded that the quality of the results had improved since its third meeting and converged sufficiently to proceed with the computation of final results. The fifth meeting of the Advisory Group is scheduled to be held in Washington, D.C., on 20 and 21 February 2020. It will review and assess the quality of the final results prior to their publication.

D. Inter-Agency Coordination Group

12. The ICP Inter-Agency Coordination Group is the coordinating body that collaborates on establishing timetables and workplans, develops common standards, methods and protocols, and agrees upon operational aspects of the Programme.

13. The seventh meeting of the Coordination Group⁵ was held in Washington, D.C., from 15 to 18 April 2019. The Group discussed the status of global and regional activities and risks, the status and quality of data submissions, planning for the 2020 cycle, and the communication and dissemination of results of the 2017 cycle.

14. The eighth meeting of the Coordination Group was held in Washington, D.C., from 23 to 25 October 2019. Its discussion was focused on a review and quality assurance of ICP data and metadata, the pressing timetable for final submissions and ongoing preparations for the 2020 cycle.

IV. Programme implementation

A. Overall timetable

15. It is anticipated that global results for 2017 will be published in the second quarter of 2020. In addition, global ppp time series bridging benchmark results for 2011 and 2017 will be produced and published along with the 2017 results. Revised 2011 results will also be published, arising from the large revisions to GDP expenditures for some economies after the publication of ICP 2011 results. Regional results will be finalized earlier and published by the relevant regional implementing agency between December 2019 and March 2020. The overall ICP 2017 cycle timetable is available on the ICP website.⁶

B. Status of regional programmes and capacity-building activities

16. In October 2019, regional implementing agencies, as well as Eurostat and the Organization for Economic Cooperation and Development (OECD), reported on the progress on the ICP 2017 cycle and preparations for the 2020 cycle. The reports⁷ covered country participation, the schedule of price surveys and national accounts activities, capacity-building workshops and technical assistance missions, quality assurance efforts and the calculation of final results, as well as efforts to increase ICP advocacy and awareness in their respective regions, and funding and programme sustainability risks.

⁵ See www.worldbank.org/en/programs/icp/brief/iacg-meetings.

⁶ See www.worldbank.org/en/programs/icp/brief/iacg08-doc.

⁷ Ibid.

Africa

17. A total of 54 economies in Africa were involved in the 2017 cycle. Of those, 50 conducted all price surveys and GDP expenditure activities, with Egypt, Morocco and the Sudan participating in both the Africa and Western Asia regional comparisons. The remaining four economies (Eritrea, Libya, Somalia and South Sudan) benefited from capacity-building activities but did not take part in the 2017 regional comparison.

18. The African Development Bank (AfDB) extended assistance to all participating economies to varying degrees. Hands-on training on household consumption prices, GDP expenditures and special surveys data collection and validation procedures was provided to countries, including Eritrea, Libya, Somalia and South Sudan, through regional workshops held in January 2017 and April 2019. Additional support was provided through technical assistance missions in 39 countries, with an emphasis on Cameroon, the Congo, Egypt, Equatorial Guinea, Ghana, Liberia, Madagascar, Mauritania, Morocco and the Sudan. Furthermore, Algeria, Mauritius, Rwanda, South Africa and Tunisia leveraged AfDB guidance to further align data quality to ICP requirements. Of note, these activities have helped increase synergies between CPI and ICP activities as part of strategic and technical requirements for ICP permanency. Such requirements include the integration of ICP and national accounts activities, for which step-by-step procedures have been developed.

19. In compliance with the global timetable, AfDB will submit Africa's final data and regional ppp results to the ICP Global Office in November 2019. AfDB will ensure that the regional results are released in May 2020, and the final report will be published by September 2020. Planned outreach for the regional dissemination of the ICP 2017 results includes targeting AfDB senior management and staff, ministers and external policymakers, with presentations planned at expert meetings and ministerial-level meetings. Faculty from selected universities will also be contacted.

20. The ICP 2020 cycle provides an opportunity for AfDB to scale up efforts for the Programme to run as a permanent activity at regional and country levels. Data collection for household goods and services will begin in March 2020. It is anticipated that countries will leverage their routine statistical activities to deliver on a large amount of the ICP 2020 data demand, thus slightly reducing the burden on AfDB to provide funding.

Asia and the Pacific

21. The Asian Development Bank (ADB) reported that 22 economies took part in the ICP 2017 cycle. ADB continues to encourage economies to harmonize their ICP activities with that of CPI and to institutionalize ICP in their national statistical plans. All data collection surveys for ICP 2017 have been successfully implemented in all participating economies in the region.

22. To facilitate implementation of ICP 2017 in the region, ADB prepared operational guidelines for surveys and data reporting tools for use by countries. In particular, ADB continued to improve the ICP Asia-Pacific software suite for the data entry, processing and validation of household item prices at the country and regional levels. Two regional workshops were held in April 2019 to review and validate price data, GDP expenditures and housing volume indicators. A regional workshop with the ICP national coordinators held in August 2019 focused on the findings and recommendations of the Regional Advisory Board and the Regional Experts Group that reviewed preliminary regional results. The Regional Advisory Board met in August 2019 just before the meeting of the ICP national coordinators, while the Regional Experts Group met in June and August 2019 to review both preliminary results and a new methodology for estimating ppps for dwelling services. In addition to regional workshops, which were conducted

almost every quarter to discuss data quality issues, ADB also provided country-specific training to China, Indonesia, the Lao People's Democratic Republic, Myanmar, Pakistan and Thailand, including by conducting trainings through videoconference during the implementation of ICP 2017 activities.

23. ADB has been providing technical support to countries in the region and encouraging them to develop subnational ppps. It is worth mentioning that subnational ppps are now regularly published by Viet Nam, that India has developed methodology and intends to publish subnational ppps with its next CPI base year revision, and that Malaysia, the Philippines and Thailand have also taken steps in this direction. Also noteworthy is the ADB research effort to develop a mixed approach for estimating ppps for dwelling services that utilizes data collected from both rental and volume approaches.

24. The tentative date for disseminating the summary regional results to the respective heads of the national implementing agencies is February 2020. A summary report will be published on the website by the end of March 2020. Final results with detailed reports will be published in April 2020. ADB will also encourage countries to develop brief country reports and to hold their own dissemination meetings. Results will be disseminated widely at the country and regional levels at appropriate forums to increase awareness of the utility of ICP data and its applications, and policymakers, bilateral and other multilateral institutions will be targeted. Within the provisions of the ICP data access policy, ADB will also facilitate the provision of data to researchers who are interested in using the ICP data for policy research, both internal and external to ADB.

25. Price collection surveys for the ICP 2020 cycle will be initiated in the first quarter of 2020 and will continue until the second quarter of 2021. ADB will hold a regional preparatory workshop in December 2019 to discuss and finalize the 2020 household product list, sampling design, training on ICP household survey operations and the administrative aspects of the implementation of the ICP 2020 cycle.

26. Regional activities for the 2020 cycle will be funded through the ADB Technical Assistance Special Fund, which will also provide limited seed funds to countries requiring partial support for national activities. It is also hoped that countries will increase allocation of their own resources for ICP price collection by integrating ICP activities with the CPI operations to the extent feasible. Risks to the sustainability of the Programme manifest through human and financial constraints, such as too few ICP-specific staff or excessive reliance on the multitasking of price and national accounts staff. Furthermore, many countries will be implementing other major statistical exercises in 2020, such as population censuses and rebasing of CPIs. Some countries also report a lack of adequate available computing infrastructure for ICP use and were provided financial support by ADB to purchase laptops and desktop computers.

Commonwealth of Independent States

27. The Interstate Statistical Office of the Commonwealth of Independent States (CIS-STAT) reported that eight economies took part in the 2017 cycle. The Russian Federation participated in both the Commonwealth of Independent States (CIS) and OECD exercises. Turkmenistan and Uzbekistan did not participate but benefited from targeted technical assistance and through attendance at regional meetings. In particular, household consumption data were collected for Uzbekistan and included in the 2017 cycle validation on an experimental basis.

28. A regional meeting was held in Kazakhstan in May 2019. Participants discussed GDP expenditures, collection of price data, in particular for problematic consumer items, and the schedule for data submission for ICP 2017. Two meetings with the National Statistical Office of Uzbekistan were held in July 2019 and October 2019 to discuss that country's experimental participation.

29. A summary of regional results will be published in either December 2019 or January 2020, and a detailed report will be available in June 2020. Data will be available via the CIS-STAT website, and press conferences, lectures and other outreach events are planned for 2020. To initiate dialogue with ppp users, a plenary session on pppts was organized by CIS-STAT at the special conference organized by the International Association for Research in Income and Wealth and the National Research University Higher School of Economics, held in the Russian Federation in September 2019.

30. In June 2019, the CIS Economic Council approved the participation of the CIS economies in the ICP 2020 cycle in the region and agreed that CIS-STAT and national statistical offices will collaborate in conducting the comparison. Planning for the ICP 2020 cycle is under way, with item list updates commencing in September 2019 and a regional workshop anticipated in December 2019. Uzbekistan will bring the total of participating economies in the region to nine. Turkmenistan's participation is not yet confirmed. Sixty percent of funding will be provided by national implementing agencies and by CIS-STAT, with donor support providing the remainder.

Latin America and the Caribbean

31. The Economic Commission for Latin America and the Caribbean (ECLAC) reported that 36 economies participated in the 2017 cycle. Where data were missing for some economies, estimation was used to fill some gaps, enabling the calculation of regional pppts for all participating economies in the region.

32. Capacity-building included a regional workshop in June 2019 in Guyana and technical assistance missions in the first half of 2019 to Antigua and Barbuda, Jamaica, Saint Vincent and the Grenadines, Curaçao and Montserrat. Furthermore, ECLAC presented a paper at a national accounts seminar for Latin America and the Caribbean in May 2019 on the ICP requirements with regard to national accounts data, given the continuous nature of the Programme and its timetable over the coming years.

33. Regional results will be published in the first quarter of 2020, and a final report will be available in April 2020. Data will be available through the statistics portal of ECLAC and in updated ppp tables in its *Statistical Yearbook for Latin America and the Caribbean*. Preliminary results will be discussed at a regional meeting in December 2019.

34. Data collection for food and beverage items started in 2019 for the ICP 2020 cycle. It is anticipated that some countries will be unable to collect data to the planned timetable and delays will occur. A December 2019 regional workshop of price specialists will review the collection of other household consumption items.

35. ICP is not yet consolidated into national statistical programmes, and funding for countries remains tenuous. Bureaucratic challenges to providing financial support to countries persist. Future participation in ICP is also vulnerable, with competing statistical exercises taking priority in some countries. Data quality is not consistent, especially with regard to non-household surveys in some countries, and more validation efforts are needed for these surveys and national accounts expenditure. Advocacy efforts will need to be made at high levels to encourage directors of national statistical offices to commit to ICP.

Western Asia

36. The Economic and Social Commission for Western Asia (ESCWA) reported that 12 economies participated in the 2017 cycle; Egypt, Morocco and the Sudan participated in both the Africa and Western Asia regional comparisons.

37. Capacity-building took place through several workshops in 2019, focusing on training in data collection, validation and calculation, and national accounts. The workshops benefited the work of countries on price indices, in general, such as CPIs, harmonized CPIs, and a harmonized machinery and equipment price index. At the country level, technical assistance was provided to the United Arab Emirates in May 2019.

38. Regional 2017 results will be released along with a final regional report after global results are made available. Outreach and advocacy for ICP has accelerated in the region. Examples include a video of country testimonials on the benefits of ICP presented to directors during the thirteenth Statistical Committee meeting at ESCWA in January 2019, and an ICP booth at the same event that showcased information about the Programme through posters and brochures. The Western Asia ICP team is developing a new online tool providing a diverse audience with access to data alongside explanatory material. The team has also been promoting the use made of ppps by the Sustainable Development Goals.

39. A workshop in April 2019 initiated the ICP 2020 cycle in the region and focused on increasing the overlap between the regional ICP items to be priced and those for national CPIs. A subsequent workshop in September 2019 reviewed all surveys for the upcoming cycle. Data collection is due to commence in the first quarter of 2020. Geopolitical challenges have prevented regular countrywide data collection for some countries, but strategies are in place to ensure these countries can participate in the 2020 cycle.

40. Some funding for ICP in the region is provided by donors, and some countries in the region are able to fund their own participation at regional meetings. Increased temporal and spatial validation are increasing the quality and robustness of data. Changes in national ICP teams and coordinators in some countries, however, threaten the continuity and quality of participation in the Programme. This effect is mitigated, to an extent, by ensuring the involvement of different representatives from each country and encouraging the transfer of knowledge, in addition to the training workshops and country visits the regional team conducts to train new members of the national teams.

Eurostat-Organization for Economic Cooperation and Development

41. Eurostat and the OECD execute a regular programme to produce annual ppp estimates according to a well-established timetable. A total of 49 economies participated in the Eurostat-OECD ppp programme in the 2017 cycle. Of those, 37 are coordinated by Eurostat, while 12 economies are coordinated by OECD, including Colombia and Costa Rica, which have moved from the Latin America and the Caribbean comparison. The Russian Federation is participating in both the CIS and OECD comparisons. The preliminary results for 2017 and 2018 for the Eurostat-OECD programme will be available in December 2019.

42. Regional workshops were held in Portugal in March 2019 and were attended by the 37 economies of the European Comparison Programme, as well as by CIS-STAT, Eurostat, the Federal Service for State Statistics of the Russian Federation (RosStat), OECD and Kosovo. The same attendees, alongside representatives of the Icon Institute, Georgia and Ukraine, held meetings in Austria in September 2019. At these meetings, participants discussed the progress on five consumer goods surveys including the finalization of the European Union item list of the forthcoming survey, the interim results of the current survey, the annual national final results of the previous survey, and preparations for next two surveys. Moreover, the ppp working group met in Luxembourg in November 2019 to review results, launch the 2020 cycle, and explore the use of scanner data collection, the impact of discounts and other topics related to the ppp exercise.

Special participation cases

43. Georgia and Ukraine participated in the ICP 2017 cycle and are linked to the global comparison through the Eurostat comparison. A workshop for these two countries was held in May 2019 to assess data quality and review GDP expenditures and provisional results, while a workshop in December 2019 finalized results. In addition, the Islamic Republic of Iran is linked to the global comparison through the Western Asia results.

C. New operational materials

44. As part of its efforts to provide technical assistance to regions and countries in improving data quality, the Global Office provides operational guidelines and materials for the validation of data. It developed a housing rental data validation tool⁸ in 2019, which has been used alongside tools for validating national accounts and housing volume. To facilitate global and regional data validation processes, the Global Office also developed and introduced a validation approach using advanced data visualization software. All those materials were utilized in the data validation sessions at the meetings of the Inter-Agency Coordination Group and provided to regional implementing agencies to be used in regional validation workshops.

45. In preparation for the ICP 2020 cycle, the ICP Global Office developed the ICP 2020 item lists, in collaboration with regional implementing agencies and countries. An online item list management tool was utilized for the first time to build the item lists in an efficient, collaborative and transparent manner.

V. Research and innovations

A. Research agenda

46. At its forty-seventh session, in 2016, the Statistical Commission recommended that no methodological changes be introduced for the ICP 2017 cycle so as to maintain comparability over time and allow for the production of reliable ppp time series. However, to fine tune the methodology and guide the future of ICP, it was agreed to set a research agenda focusing on: (a) building consistent ppp time series; (b) improving ppp reliability and quality; (c) addressing difficult-to-measure areas, such as housing and government services; (d) strengthening alignment between ppps and national statistical programmes; (e) advocating wider uses and applications of ppps; and (f) exploring innovations in technology and new sources.

47. Thus, an ICP research agenda⁹ was put forth by the Inter-Agency Coordination Group in September 2016, approved by the Technical Advisory Group in May 2017, and endorsed by the Governing Board in September 2017. The ICP research agenda covers the following 13 items identified by the Technical Advisory Group:

- (a) Compilation of ppp time series and the rolling survey approach;
- (b) Purchasing power parities and real expenditures for dwelling services;
- (c) Productivity adjustment for government and construction labour;
- (d) Fine-tuning global linking procedures;
- (e) Quality and reliability of ppps;

⁸ See www.worldbank.org/en/programs/icp/brief/methodology-price.

⁹ See www.worldbank.org/en/programs/icp#7.

- (f) Uses of pppls for national and international policymaking;
- (g) CPI-ICP synergies and subnational pppls;
- (h) Purchasing power parities for exports and imports;
- (i) Purchasing power parities for construction;
- (j) Purchasing power parities for health and education;
- (k) Purchasing power parities and global poverty measurement;
- (l) Exploring innovations in technology and data sources for ppp measurement;
- (m) Accounting for product quality differences in ppp measurement.

48. As of December 2019, research had been conducted on building ppp time series, linking interim regional updates into a global comparison, fine-tuning global linking procedures, pppls and real expenditures for dwelling services, productivity adjustment for government and construction labour, rolling price surveys, CPI-ICP synergies and subnational pppls. The Technical Advisory Group also initiated research on the impact of new ICP pppls on global poverty measures and the use of pppls in the wealth of nations.

B. Task forces

49. The Technical Advisory Group has established task forces¹⁰ to undertake research into the above-mentioned technical items on the ICP research agenda and support the computation of ICP results. The following three task forces were established in 2017: (a) ppp compilation and computation;¹¹ (b) housing;¹² and (c) country operational guidelines and procedures.¹³ Two additional task forces were established in 2019: (a) pppls and the wealth of nations; and (b) pppls and global poverty measurement.¹⁴ The meetings of ICP task forces are organized in conjunction with Advisory Group meetings.

50. The task force on country operational guidelines and procedures produced three guiding documents on: (a) the rolling price survey approach; (b) CPI-ICP synergies; and (c) subnational pppls. These guiding documents will be shared with all countries in 2020.

51. A computation task team¹⁵ was established at the behest of the Advisory Group to allow parallel computations to be made for added quality assurance and transparency and to ensure the reproducibility of the final results. The task team met twice, in September and November 2019, and discussed linking approaches and exceptions, and the computation of 2017 and revised 2011 results, as well as ppp time series. As noted above, the team's collective results were presented to the Advisory Group, which noted that the results had improved since its third meeting and converged sufficiently to proceed with the computation of final results.

¹⁰ See www.worldbank.org/en/programs/icp/brief/taskforces.

¹¹ See www.worldbank.org/en/programs/icp/brief/tf01.

¹² See www.worldbank.org/en/programs/icp/brief/tf02.

¹³ See www.worldbank.org/en/programs/icp/brief/tf03.

¹⁴ See www.worldbank.org/en/programs/icp/brief/tf05.

¹⁵ See International Comparison Programme (ICP), "Terms of reference: Computations Task Team", May 2019.

52. Moreover, the task team¹⁶ on data quality assurance for the ppp time series, formed with the International Monetary Fund, the Statistics Division of the Department of Economic and Social Affairs and the World Bank as members, continued to review the availability and quality of input data and metadata needed to build interpolated ppp time series, including GDP expenditures, CPIs, deflators, population, exchange rates, and System of National Accounts (SNA) metadata, through virtual communications.

VI. Knowledge and advocacy

A. Conferences and seminars

53. The AfDB presented an advocacy note on ICP at the thirteenth African Symposium on Statistical Development, held in Addis Ababa in October 2018. Based on the advocacy note, the Statistical Commission for Africa, in the main conclusions and recommendation of its sixth meeting, urged member States to advocate for the use of ICP data in promoting trade and regional integration, and for all constituents to complete the 2017 cycle in a timely manner.¹⁷ In addition, ESCWA organized an ICP side event and video presentation¹⁸ to the ESCWA Statistical Committee in January 2019. Moreover, a plenary session on purchasing power parity and input-output¹⁹ was organized by CIS-STAT at the special conference organized by the International Association for Research in Income and Wealth and the National Research University Higher School of Economics, held in the Russian Federation in September 2019, to initiate dialogue with ppp users.

54. The World Bank booth at the International Statistics Institute's 62nd World Statistics Congress in Kuala Lumpur in August 2019 provided information on the International Comparison Programme to the many visitors attending the event. Moreover, the World Bank held its first Data Day on 13 February 2019. It was attended by more than 800 World Bank staff and 300 external partners and experts. Pinelopi Goldberg, the new Chief Economist of the World Bank Group, delivered the keynote speech²⁰ for Data Day and referred to ICP as one of the established outputs of the Bank's data work. The Programme was also featured in her follow-up blog. The ICP Global Office manned a popular booth that showcased the concepts behind purchasing power parities, illustrated the results of the ICP 2011 cycle and displayed the myriad applications and uses of pppls. In addition, team members delivered a bespoke seminar on understanding purchasing power parities.

55. A debate²¹ on the reliability of the World Bank's global poverty estimates was held at the World Bank in Washington, D.C., on 5 March 2019. Speakers discussed the appropriateness of pppls collected across low-, middle- and high-income economies for poverty assessment, and the effect of methodology changes in ICP in previous years. A comprehensive list of ICP-related conferences, seminars²² and outreach events²³ is maintained on the ICP website.

¹⁶ See www.worldbank.org/en/programs/icp/brief/tt01.

¹⁷ See Economic Commission for Africa, "Main conclusions and recommendations" (E/ECA/STATCOM/6/14), paras. 67–69.

¹⁸ See www.worldbank.org/en/programs/icp/brief/eventicp-western-asia1.

¹⁹ See www.iariw.org/c2019moscow.php.

²⁰ See Pinelopi Koujianou Goldberg, "Data at the World Bank: moving beyond the hype", 13 February 2019.

²¹ See www.worldbank.org/en/events/2019/03/05/smackdown-debate.

²² See www.worldbank.org/en/programs/icp/brief/seminars-and-sessions.

²³ See www.worldbank.org/en/programs/icp/brief/outreach-events.

56. Advocacy efforts at the global and regional levels will continue after the release of the 2017 results. They will include targeted efforts towards national ministers and policymakers illustrating the wide application of ppPs in areas across the topical spectrum, demonstrating the value of ppPs and subnational ppPs to national policymaking, identifying the use of ICP results and data in setting regional priorities, such as trade integration in Africa, and providing an ICP presence at key events attended by national and regional policymakers.

B. Knowledge and outreach material

57. The ppp eLearning course on the fundamentals of purchasing power parities²⁴ has continued to expand its enrolment since being officially released in March 2018, and more than 450 participants have accessed it to date to learn about ppp concepts, data requirements, methodology, calculation and uses. The interactive course serves policymakers, international organizations, researchers, students and the general public who wish to enhance their knowledge of ppPs. The course is delivered through the World Bank's online Open Learning Campus, a web-based destination for development learning. The course has also been used widely in regional and national workshops to train government officials.

58. The comprehensive ICP website²⁵ continues to be the main portal for users to access information about the Programme. Over the reporting period, the website made materials available to both promote all aspects of ICP and maintain the transparency of the Programme. The website links to a repository of over 1,100 files, which provide an overview of the Programme and its history, governance structure, results and their use and applications, methodology and the research agenda. The website also provides information on and documentation of ICP governance meetings, ICP reports, manuals, videos, newsletters and links to media articles, academic and research papers, and major publications that use ICP data and results.

59. The ICP blog series on the World Bank data blog platform²⁶ showcases the use of ppPs and the modalities of ICP. Recent blogs have examined the cost of nutritious food using ICP price data,²⁷ the use of ppPs in climate monitoring,²⁸ measuring progress towards the Sustainable Development Goals using ppPs,²⁹ comparing economies using ppPs and exchange rates,³⁰ and measuring the growth of national economies over the last three decades.³¹

60. The "ICP Highlights" quarterly newsletter³² continues to provide information covering governance, capacity-building and outreach activities, as well as information on the latest uses of ICP and ppp data. A recently introduced series has highlighted the work of country teams, with ICP staff explaining their work processes, the challenges they face and the innovations that help build their statistical capacity.

²⁴ See www.worldbank.org/en/programs/icp/brief/e-learning.

²⁵ See www.worldbank.org/en/programs/icp.

²⁶ See <https://blogs.worldbank.org/opendata>.

²⁷ Derek Heady and Harold Aldreman, "The high price of healthy food ... and the low price of unhealthy food", World Bank blogs, 23 July 2019.

²⁸ Edie Purdie, "Purchasing power parities: an essential tool in climate monitoring", World Bank blogs, 29 May 2019.

²⁹ Edie Purdie, "Monitoring the SDGs with purchasing power parities", World Bank blogs, 15 January 2019.

³⁰ Edie Purdie, "Measuring India's economy using PPPs shows it surpassed France 25 years ago", World Bank blogs, 20 September 2018.

³¹ Edie Purdie, "Tracking GDP in PPP terms shows rapid rise of China and India", World Bank blogs, 16 October 2019.

³² See www.worldbank.org/en/programs/icp/brief/newsletter.

To date, the ICP teams in Finland, Georgia, India, Saudi Arabia, South Africa and Viet Nam have contributed, highlighting the impact ICP had on their statistical capacity and the uses they make of the data generated by the Programme.

61. An ICP annual report of activities³³ is provided to donors and stakeholders and made available to the public. The latest 2019 edition is posted on the ICP website.

VII. Use and applications of purchasing power parities

62. Purchasing power parities and underlying ICP data continue to be utilized for a plethora of analyses at the global, regional and national levels and cover many themes under the economic, environmental and social development umbrellas. Cross-country and temporal studies employ pppts for consistent, robust and meaningful data outputs, used not only by the development community and researchers, but by policymakers, the media and the wider public. The ICP report (E/CN.3/2019/14) to the Statistical Commission at its fiftieth session listed many ongoing applications of the data.

63. Notably, the use of pppts in indicators measuring progress towards the Sustainable Development Goals is growing. Purchasing power parities were used from the outset for monitoring how far the world has come in achieving no poverty (Goal 1), good health and well-being (Goal 3), affordable and clean energy (Goal 7), decent work and economic growth (Goal 8), better industry, innovation and infrastructure (Goal 9) and reduced inequalities (Goal 10). Recently, pppts began to be utilized in cross-country comparisons and tracking over time for another two goals. New data collected by the United Nations Educational, Scientific and Cultural Organization to monitor Sustainable Development Goal target 4.5³⁴ (Goal 4) compares education expenditure per student by level of education and source of funding using pppts. The Food and Agriculture Organization of the United Nations uses pppts to measure the volume of production per labour unit by classes of farming/pastoral/forestry enterprise size and the average income of small-scale food producers, by sex and indigenous status. Together these indicators monitor progress towards Sustainable Development Goal target 2.3³⁵ (Goal 2).

64. With the release of the 2017 results, the Global Office will be advising custodians of indicators that use pppts to update them from 2011 or 2005 pppts to the latest available data. The Global Office will also produce a visual compendium showcasing the wide use of pppts across socioeconomic analyses. The compendium will provide cross-country comparisons, data stories, charts and maps and will cover price levels, poverty and shared prosperity, productivity and the labour market, the public sector, human development, health, education, trade and competitiveness, energy, climate and sustainable development, among other things.

VIII. Risks and mitigation measures

65. The 2017 cycle faced many challenges and risks from its onset, including country participation, timeliness, quality and funding risks. These risks were mitigated, however, through various measures undertaken by the Governing Board, the Technical Advisory Group and the Inter-Agency Coordination Group. The measures included: (a) continuous advocacy with countries to ensure their timely

³³ ICP, "Annual report 2019", May 2019.

³⁴ See <http://tcg.uis.unesco.org/sdg-4-global-and-thematic-indicator-lists/>.

³⁵ Food and Agriculture Organization of the United Nations (FAO), "Methodology for computing and monitoring the Sustainable Development Goal indicators 2.3.1 and 2.3.2", FAO Statistics Working Paper Series, No. 18–14 (Rome, 2019).

participation; (b) improved processes to assess and improve the quality of ICP data and metadata; (c) measures to ensure the robustness and quality of ICP results; and (d) fundraising efforts to secure the needed funding. These mitigation measures ensured that the ICP 2017 cycle was on track to deliver quality and timely results in the second quarter of 2020.

66. Looking forward, the sustainability of ICP as a permanent programme still faces a number of risks. Some countries face unstable geopolitical situations that impede their participation. Although these risks are difficult to mitigate, global and regional implementing agencies are committed to building capacity in fragile countries and those experiencing conflict, and they continuously encourage these countries to participate in capacity-building activities. Some countries also face administrative and funding hurdles, limited statistical capacity and competing demands. Securing sustainable funding for the permanent programme remains a challenge; thus, it is imperative to connect with national policymakers and to incorporate ICP into regular work programmes at national, regional and global levels.

IX. Conclusion

67. The implementation of the ICP 2017 cycle is nearing completion, with final results due to be published in the second quarter of 2020. Advocacy efforts planned at the global and regional levels will promote ICP and the use of ppps in national policymaking and in the wider socioeconomic and development agendas.

68. The Statistical Commission, at its fiftieth session, reiterated the need for implementing agencies and countries to incorporate the International Comparison Programme into their regular statistical work. However, some still face administrative and funding hurdles, as well as limited statistical capacity and competing demands. Nonetheless, preparations for the 2020 cycle are well under way, with data collection launched in various countries and regions.

X. Action to be taken by the Statistical Commission

69. **The Commission is invited:**

(a) **To note the progress made in completing the 2017 cycle towards the forthcoming release of the ICP 2017 results in the second quarter of 2020;**

(b) **To advise on how best to communicate the results to national policymakers and promote their use in socioeconomic analyses and development agendas;**

(c) **To instruct ICP stakeholders to ensure that ICP 2020 cycle activities are carried out in a timely manner;**

(d) **To impress upon national, regional and global agencies the need to incorporate ICP into their regular statistical work programmes, to ensure its sustainability as a permanent programme.**