

International Comparison Program

**Inter-Agency Coordination Group Meeting:
ICP 2021 Cycle**

World Bank HQ (MC-4 800), Washington, DC



International Comparison Program

October 31 – November 3, 2023

Opening Remarks

Last mile for the ICP 2021 cycle

- May IACG recommend postponing the release from end-2023 to Q1 2024; ICP 2017 results were released in May 2020

The cycle continues to be challenging

- Regions face different difficulties | Significant delays with data submissions

Critical outstanding issues to address

- Quality assurance | Data completeness | Dual participation
- First results review (!) expected at the ICP Technical Advisory Group next week; originally scheduled for summer 2023

PLEA (!): Let us jointly double down the efforts to conclude the cycle and turn a new page for the program ... with new PPP uses on the horizon

Attendance

AfDB: in-person | Gregoire Mboya De Loubassou

ADB: in-person | Kaushal Joshi | Criselda H. De Dios

CIS-STAT: online | Andrey Kosarev | Valerica Accibas

Eurostat: online | Mihai Gheorghe

OECD: online | Sophie Bournot

ECLAC: hybrid | Claudia de Camino Ferrario | Ernestina Perez | Lady Infante

ESCWA: hybrid | Majed Skaini

IMF: online | Brian Graf (...overlapping IWGPS meeting)

Global Office: in person | [+ Sergey Sergeev online for parallel results calculations]

Draft Agenda [1]

DAY 1: Tuesday, October 30, 2023: 9 am – 5 pm (EDT)

- Regional updates
- Global updates
- Data review: Household consumption

DAY 2: Wednesday, November 1, 2023: 9 am – 5 pm (EDT)

- Data review: Housing prices and volumes **(+ADB's housing PPP update)**
- Data review: Private education
- Data review: Government compensation and productivity adjustment
- Data review: Machinery and equipment
- Data review: Construction and civil engineering

Draft Agenda [2]

DAY 3: Thursday, November 2, 2023: 9 am – 5 pm (EDT)

- Data review: 2017-2021 National accounts expenditures **(+COVID-19 impact)**
- Data review: 2017-2021 Population and market exchange rates
- Data review: 2017-2021 time series data (PPPs, CPIs, deflators)
- Result review: ICP 2021 results **(!)**

DAY 4: Friday, November 3, 2023: 9 am – 5 pm (EDT)

- Planning for the 2023/4 governance activities and ICP 2021 cycle release
- Planning for the ICP 2024 cycle
- Planning for an approach to produce annual ICP results and forecasts
- ICP PPP calculation tools **(!)**
- Any other business and closing



SESSION 01: REGIONAL UPDATES

ICP 2021 Cycle Preparations: Regions

- **Updates on country participation | Survey implementation, expenditure compilation, data submission, data validation, and PPP estimation status (2021 and revised 2017) | Recent and forthcoming workshops and meetings | Outreach activities and announcements |**
 1. In-person: Africa (AfDB)
 2. In-person: Asia and the Pacific (ADB)
 3. Online: Commonwealth of Independent States (CIS-STAT)
 4. Online: Eurostat-OECD PPP Programme (Eurostat and OECD)
 5. In-person: Latin America and Caribbean (UN-ECLAC)
 6. In-person: Western Asia (UN-ESCWA)
- **Housekeeping: approx. 25 minutes for each region with joint Q&A**

Global Update

International Comparison Program (ICP) Inter-Agency Coordination Group (IACG) Meeting



International Comparison Program

October 31 – November 3, 2023



Participation, Timeline and Governance

ICP 2021 Cycle Participation

The total number of participating economies consistent across cycles

[**ICP 2011:** 199 | **ICP 2017:** 176 economies | **ICP 2021:** 175 economies]

- **AFR [52]:** +2 Somalia and South Sudan experimental participation
- **ASI [21]:** -1 Myanmar
- **CIS [9]:** +1 Uzbekistan
- **EUO [48+2]:** -1 Russia (as a dual-participating country) | Georgia and Ukraine
- **LAT [13]:** +1 Guatemala, -1 Haiti
- **CAR [19]:** -4 The Bahamas, Barbados, Sint Maarten, Turks and Caicos
- **WAS [16]:** +2 Syria and Lebanon, +2 Tunisia, Mauritania (as dual-participating countries)

ICP 2021 Cycle Overall Timeline

ICP 2021 Cycle	2020				2021				2022				2023			2024		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Price surveys					■	■	■	■	■	■	■	■						
National accounts									■	■	■	■	■	■	■			
Governing Board ¹						■			■				Mar			!!	Mar	
TAG						■		■				■		C!		!!	?	
IACG ²		■		■		■		■	■	■		■		May		■		
Publication ³																	!	
FINAL SUBMISSION																Dec		

¹ Typically in conjunction with the UNSC session; ² Biannual

³ Revised 2017, 2021, 2018-2020 timeseries PPPs

Governance: United Nations Statistical Commission



- 2023 ICP report for information: Agenda item 5(C)
 - Arabic | Chinese | English | Español | Français | Russian
- Outlined ICP activities undertaken in 2022 at the global, regional, and national levels.
 - The Commission was invited to take note of the progress made in carrying out the current cycle and related risks, challenges, and mitigation measures, and **the call to ICP** stakeholders to ensure their **timely completion of the ICP 2021 cycle activities**, to prepare for the **next ICP 2024 cycle**, and to continue to incorporate the ICP into their regular statistical work programmes.
 - **The 2024 report will be submitted for discussion (!) [...for FRI planning]**

Governance: Governing Board Meeting

- **Recent meeting in February 2023**
- **The Board noted**
 - Progress made with the ICP 2021 cycle, despite the Covid-19 pandemic and the war in Ukraine;
 - need to identify a new approach to link the CIS region;
 - Need to approach the NSOs on completing the ICP 2021 cycle activities in a timely manner and to begin preparations for the ICP 2024 cycle;
 - Need to identify sustained funding for the program and to strengthen advocacy effort; and
 - Current and anticipated uses of PPPs.
- **Next meeting planned for end-2023 (!) [...topic for FRI planning session]**

Governance: Technical Advisory Group Meeting

- **Recent meeting held in December 2022**
 - **Impact of COVID-19** on Eurostat-OECD data collection
 - **Implications of the war in Ukraine** on the ICP 2021 cycle
 - Reviewed progress with the **ICP Research Agenda**
 - Compilation of PPP Time Series | Compiling housing PPPs and real expenditures | Fine-tuning global linking procedures | Exploring innovations in technology and data sources for PPP measurement
- Discussed **new uses of PPPs and ICP data**, e.g., WB income classification
- The next meeting was planned for summer 2023, but postponed to November 2023 (!) [...topic for FRI planning session]



Operational Activities and Submission Status

ICP 2021 Cycle Operational Materials

1. Item lists and SPDs and ICP Classification

- HHC | HOU | HOV | EDU | GOV | MEQ | CON

2. Metadata Questionnaires (!) [3]

- **Survey framework and COVID-19 questionnaire** | National Accounts Country Practice Questionnaire | Housing Metadata Questionnaire

3. Data Submission Forms

- AFR | ASI | CIS | EUO | LAC | WAS | Global
- Note: Includes aggregation and reference PPP mappings
- A new code correspondence table for HOV form and submission form

4. COVID-19 Guidelines

- HHC | Private Education | National accounts

(!) All ICP Operational Materials are available at the [IACG OneDrive](#) and ICP [Item List Management Tool \(ILMT\)](#)

Reminder: New “Total” Consumption Expenditure Heading

ICP 2017 published 44 headings (hierarchical and non-hierarchical)

- IACG agreed to add a “total” consumption” heading for ICP 2021 cycle, bringing in the number of published headings to **45** (Note: revised 2017 and 2021):

“Total” consumption

=

Household and NPISHs + Individual Gov. + Collective Gov. consumption

=

Actual individual consumption + Collective Gov. consumption

- (!) ICP Data Submission Form has been updated to include the new heading (data sheets and aggregation mapping)

Replicability and Transparency of ICP Results

Background: ICP 2017 cycle strived to improve replicability and transparency of ICP results

- Detailed review and documentation of the full PPP estimation process
- Enhanced and streamlined data processing
- Full parallel global PPP estimation by the Computation Task Team
- **ICP 2021 cycle: efforts to further improve replicability and transparency of ICP results**
 - benefitting greatly from ICP 2017 investment
 - Continuous use of enhanced and streamlined data processing
 - “Independent” PPP estimation (G. Tonutti | S. Sergeev | Y. Dikhanov)
 - Robert Inklaar advising the (Stata) calculations

ICP 2021 HHC Data Submission Status

Region	# and %	As of	Annual 2021	EXP 2021 ^c	regPPP 2021	regPPP rev2017
AFR [52]	52 [100%]	Oct	No ^a	52 [100%]	No ^d	No
ASI [21]	21 [100%]	Oct	Yes	21 [100%]	Yes	Yes
CIS [9]	9 [100%]	Oct	Yes	9 [100%]	Yes	Yes
LAT [13]	13 [100%]	Oct	Yes	13 [100%]	No ^d	No
CAR [19]	19 [100%]	Oct	Yes	19 [100%]	No ^d	No
WAS [17]	17 [100%]	Oct	Yes	17 [100%]	No ^d	No
EUO [48]	48 [100%]	Oct	Yes	48 [100%]	Yes	Yes
SPP [2] ^b	-	Oct	-	2 [100%]	Yes	Yes

^a Covered quarters vary between the countries ^d GO estimate

^b Georgia and Ukraine (Eurostat)

^c N. of countries reporting BH-level expenditures; number of BHs varies

ICP 2021 Non-HHC Data Submission Status

Region	REN	HOV	EDU	GOV	MEQ	CON
AFR [52]	50 [96%]	32 [67%]	50 [96%]	50 [96%]	50 [96%]	50 [96%]
ASI [21]	20 [95%]	21 [100%]	21 [100%]	21 [100%]	21 [100%]	21 [100%]
CIS [9]	-	9 [100%]	9 [100%]	9 [100%]	9 [100%]	9 [100%]
LAT [13]	13 [100%]	12 [92%]	12 [92%]	10 [77%]	8 [61%]	8 [61%]
CAR [19]	11 [58%]	1 [5%]	10 [52%]	12 [63%]	6 [31%]	6 [31%]
WAS [17]	17 [100%]	No (2017)	17 [100%]	17 [100%]	17 [100%]	17 [100%]
EUO [48]	-	-	-	48 [100%]	48 [100%]	12 [100%]
SPP [2] ^a	-	-	-	-	-	1 [50%] ^b

^a Georgia and Ukraine (Eurostat) | ^b Not used for linking

A world map composed of a grid of small dots, with the text "Risk Assessment" centered over it.

Risk Assessment

Risk Assessment [1]

- **QUALITY: (...additional efforts needed)** ICP 2021 - additional quality challenges resulting from COVID-19 (varying price survey schedules and quality of expenditure weights)
 - **Mitigation:** Continued validation efforts at national, regional, and global levels, as well as TAG technical guidance and assessment of results
- **TIMELINESS: (...partially realized)** Publication of the ICP 2021 results was scheduled for end-2023, but several regions/countries faced delays in survey implementation and additional quality assurance measures require time
 - **Mitigation:** Close cooperation between the regional and global implementing agencies to actively monitor the production schedule, and advocacy by the Governing Board and UNSC

Risk Assessment [2]

- **PARTICIPATION: (...additional efforts needed)** Participation risks persist in some regions (including “partial” participation concerns)
 - **Mitigation:** Continued monitoring and advocacy efforts by the implementing agencies, Governing Board, and UNSC
- **COMPARABILITY: (...work ongoing)** Standard PPP estimation methodology maintained to the extent possible; however,
 - The CIS region would be linked directly into the global set of results, instead of via Russia as a bridge country between CIS and OECD
 - Treatment of housing in Asia and the Pacific may change
 - **Mitigation:** TAG technical guidance on linking the CIS region, and assessment of the impact on ICP 2021 results

A world map composed of a grid of small dots, with the text "Outreach and Uses" centered over it.

Outreach and Uses

Potential New Uses

- **World Bank Income Classifications**

- Currently market exchange rate-based, discussion ongoing for a move to PPP-based classifications
- Update provided at the upcoming ICP Technical Advisory Group (TAG) meeting

- **A proposed new indicator World Bank to monitor shared prosperity:
The prosperity gap**

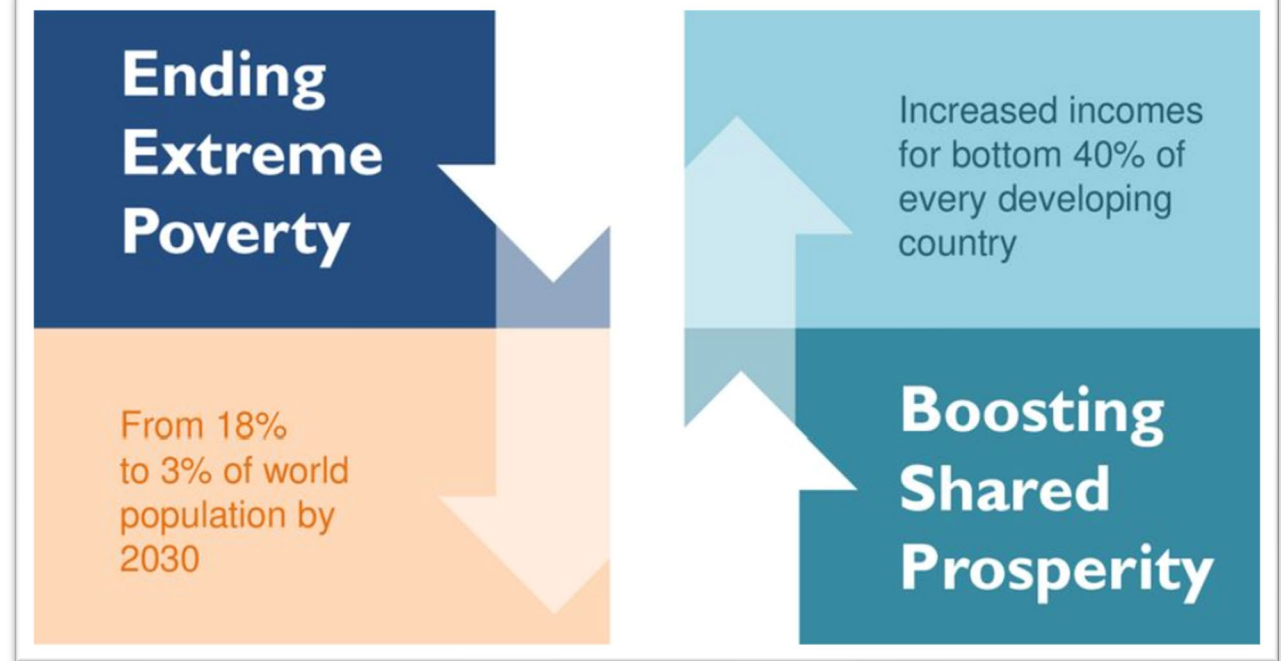
- The prosperity gap is the factor by which each persons' income must be multiplied to reach the prosperity standard of \$25 per day in PPP terms
- Refer to the [blog](#) and [paper](#)
- 2 poverty indicators | 2 new indicators of shared prosperity | 2 environment indicators

Reminder | PPP Uses and Applications: SDGs, WBG Goals, WDI

PPP-based indicators are used in 8 of 17 SDGs



PPP-based indicators used in WB Twin Goals



PPP-based indicators in the *World Development Indicators*: 43+ indicators on

Poverty | Social protection & Labor | Economy & Growth | Climate and energy | Environment | Health

Reminder | PPP Uses and Applications: Administrative Uses



Country group aggregates and growth rates in the IMF World Economic Outlook

World and G20 output and growth rates in OECD Economic Outlook

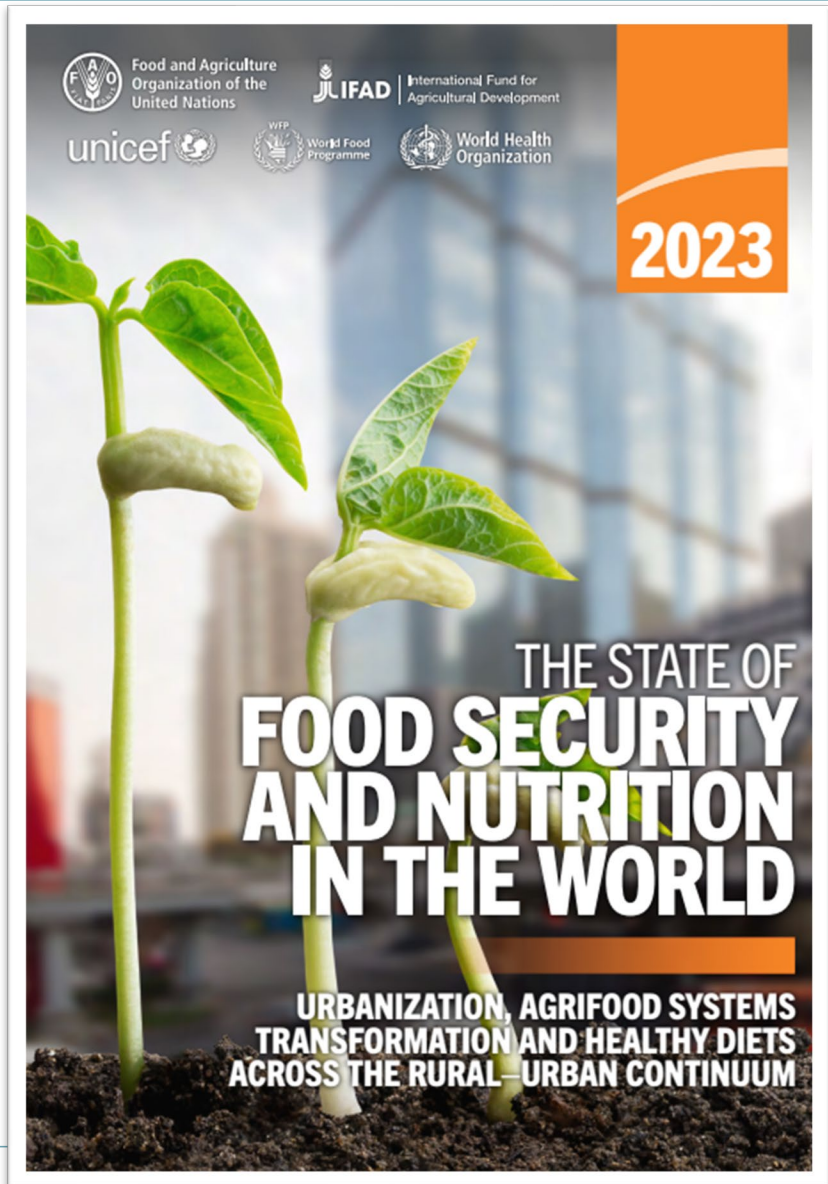


Allocation of the European Union structural and cohesion funds



World Bank and IMF Shareholding and Drawing Rights

Uses: FAO – IFAD – UNICEF – WHO – WFP



- The multi-agency report “The State of Food Security and Nutrition in the World 2023” published in July 2023, **uses ICP data for its Cost and Affordability of a Healthy Diet** to report on food security and the number of people for whom nutritious diets are inaccessible.

New eLearning Course: Cost and Affordability of A Healthy Diet



- A new **course** on diet cost and affordability indicators trains users in the methodology used by **Food Prices for Nutrition** to monitor people's access to healthy diets and inform relevant policy interventions focused on achieving food and nutrition security.
- These indicators rely on data from the ICP and are produced in partnership with Tufts University, IFPRI, and FAO.

Food Price for Nutrition Blog

The **Cost of a Healthy Diet** rose by nearly **9%** in **Asia** and **8%** in **Latin America and the Caribbean** between **2019 (pre-pandemic)** and **2021**.

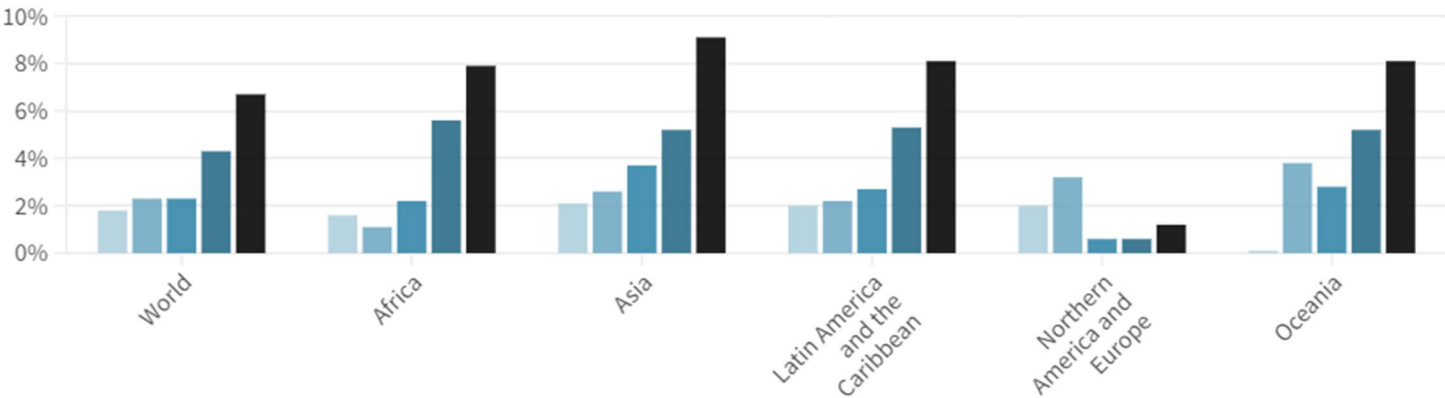
Use filters to choose view of region and period.

Hover over columns to see data.

All regions All periods

2017 to 2018 2018 to 2019 2019 to 2020 2020 to 2021 2019 to 2021 (pre-Covid to 2021)

Change in cost of a healthy diet



Sources: [State of Food Security and Nutrition in the World \(SOFI\) 2023](#), [FAOSTAT](#), [Food Prices for Nutrition 2.0](#) • The cost of a healthy diet is the cost of purchasing the least expensive locally available foods to meet requirements for energy and food-based dietary guidelines in current PPP\$/person/day, for a representative person within energy balance at 2330 kcal/day. PPP = purchasing power parities. UN geographic regions.



Over 3.1 billion people could not afford a healthy diet in 2021 - an increase of 134 million since the start of COVID-19

(July 17, 2023)

Uses: IMF – World Bank



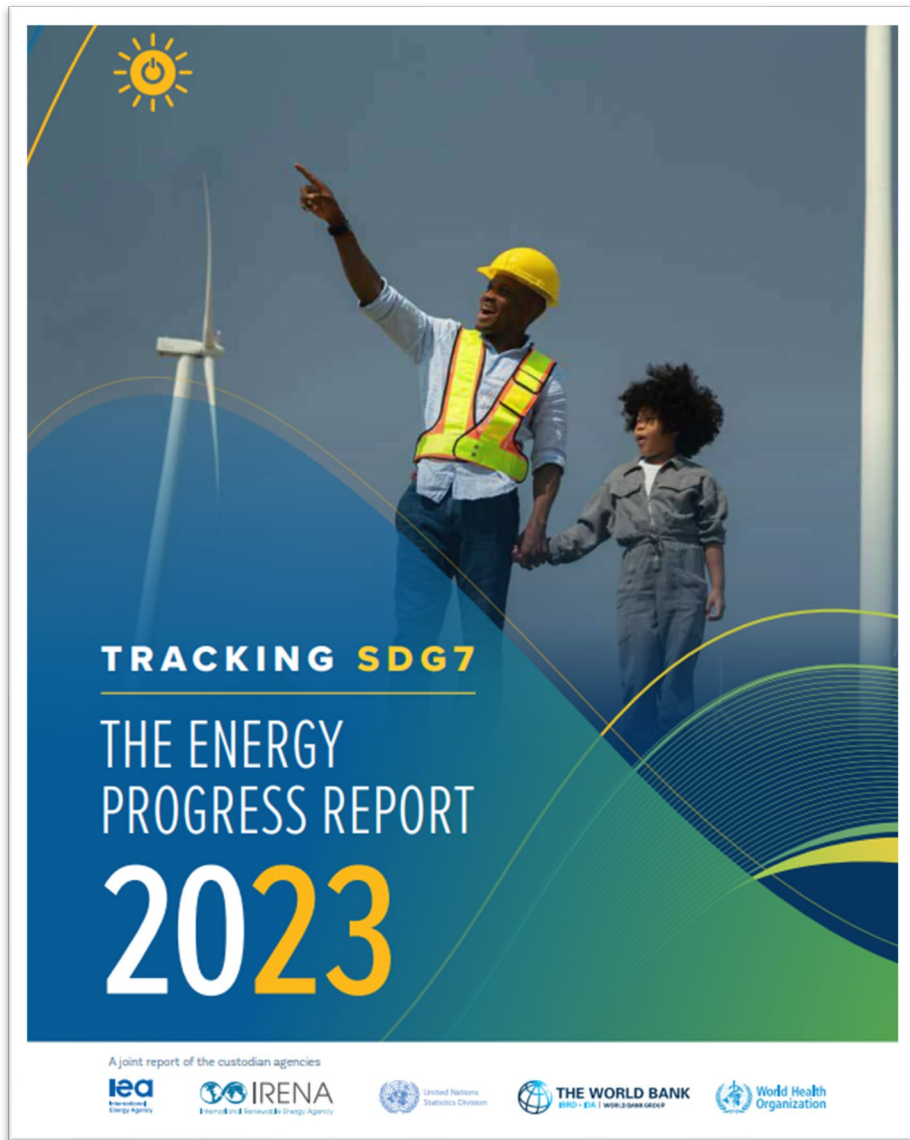
Enhancing Sustainable and Inclusive Growth in the Central African Economic and Monetary Community

Prepared by IMF's African Department and World Bank's Africa West Region

2022/002

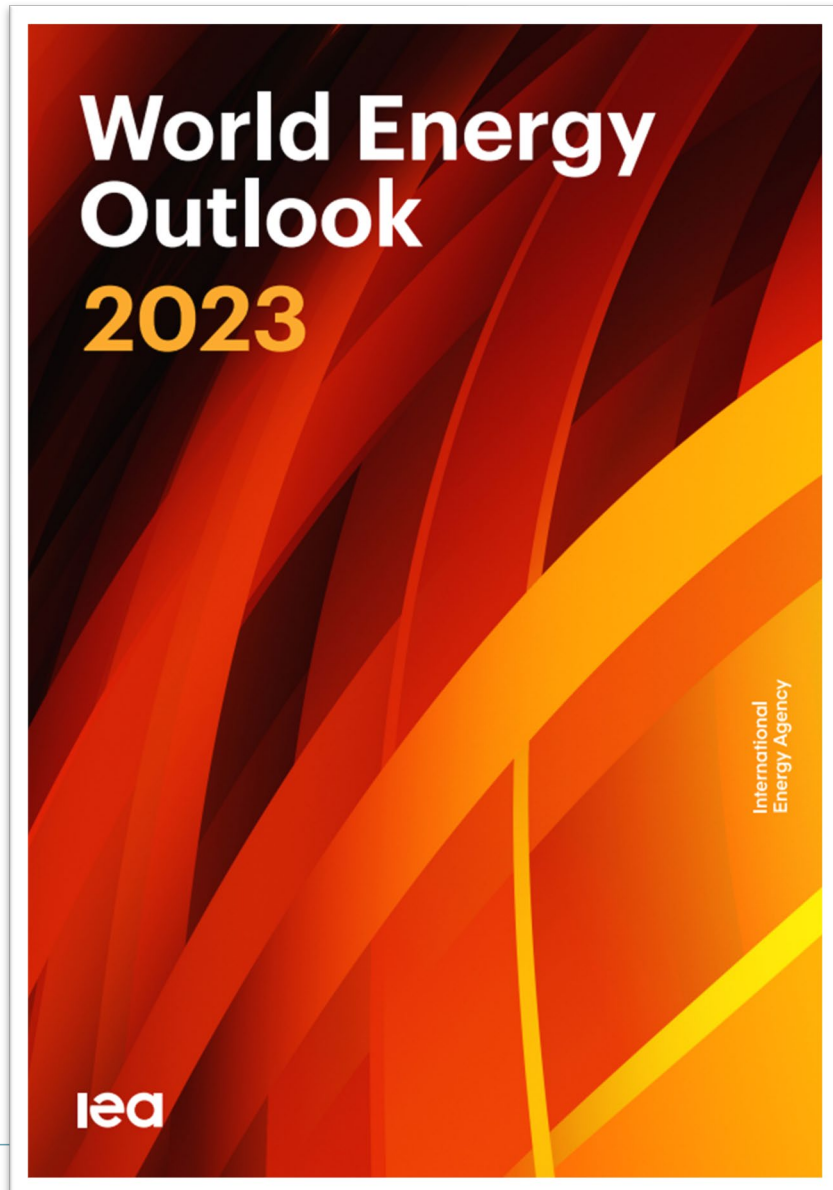
The joint International Monetary Fund - World Bank December 2022 report **“Enhancing Sustainable and Inclusive Growth in the Central African Economic and Monetary Community”** uses PPP-based GDP per capita to compare countries' economic growth over a thirty-year period.

Uses: IEA–IRENA–UNSD–World Bank–WHO



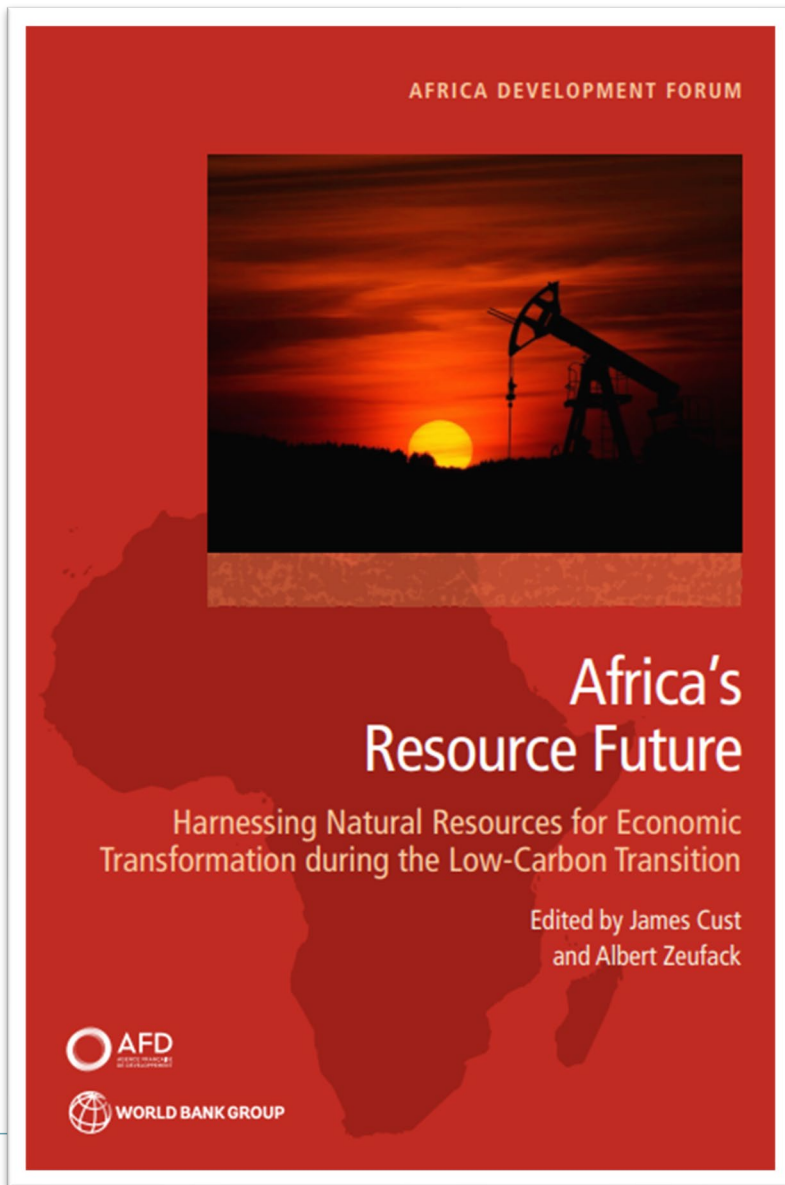
The multi-agency report “**Tracking SDG 7: The Energy Progress Report 2023**” published in June 2023 uses an indicator on the energy used per unit of economic output – measured in PPP terms – to track improvements in energy efficiency.

Uses: IEA



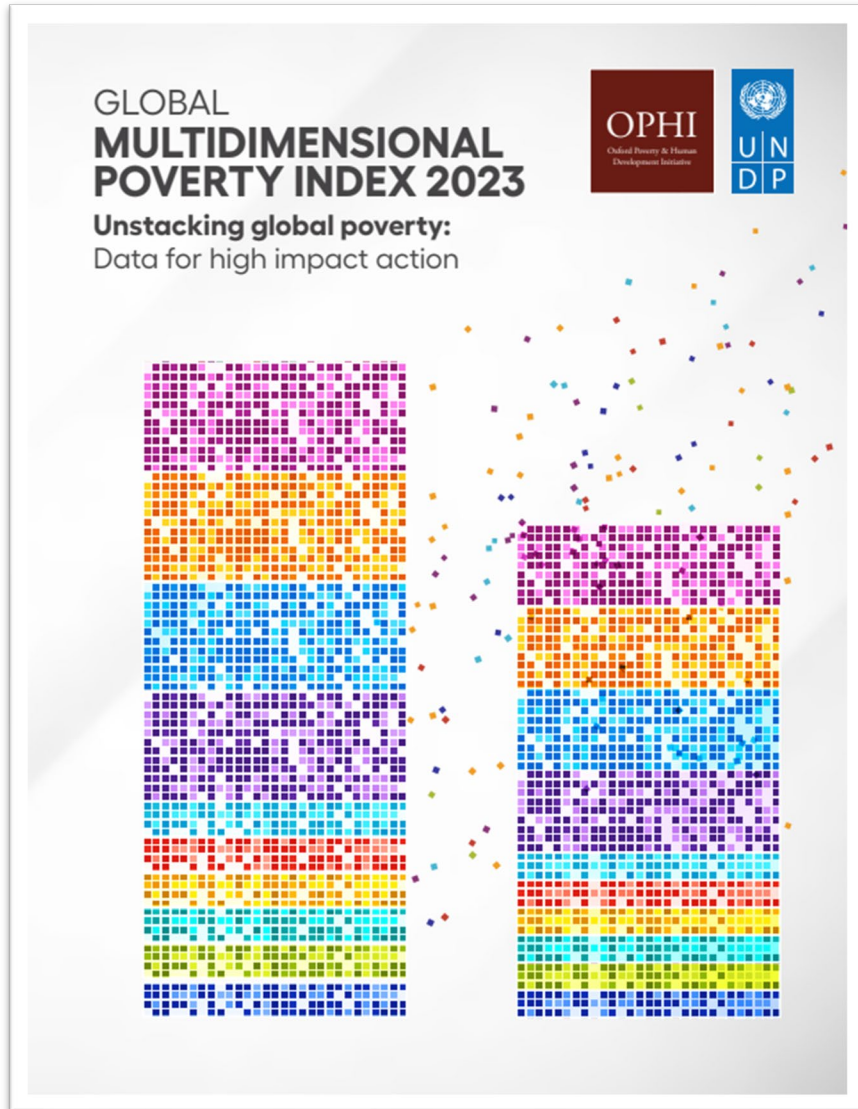
In the International Energy Agency's latest **World Energy Outlook**, published in October 2023, PPP-based GDP is used to measure both fossil fuel and carbon dioxide emission intensity, while PPP-based GDP per capita is used to analyze countries' current and future energy demands.

Uses: World Bank



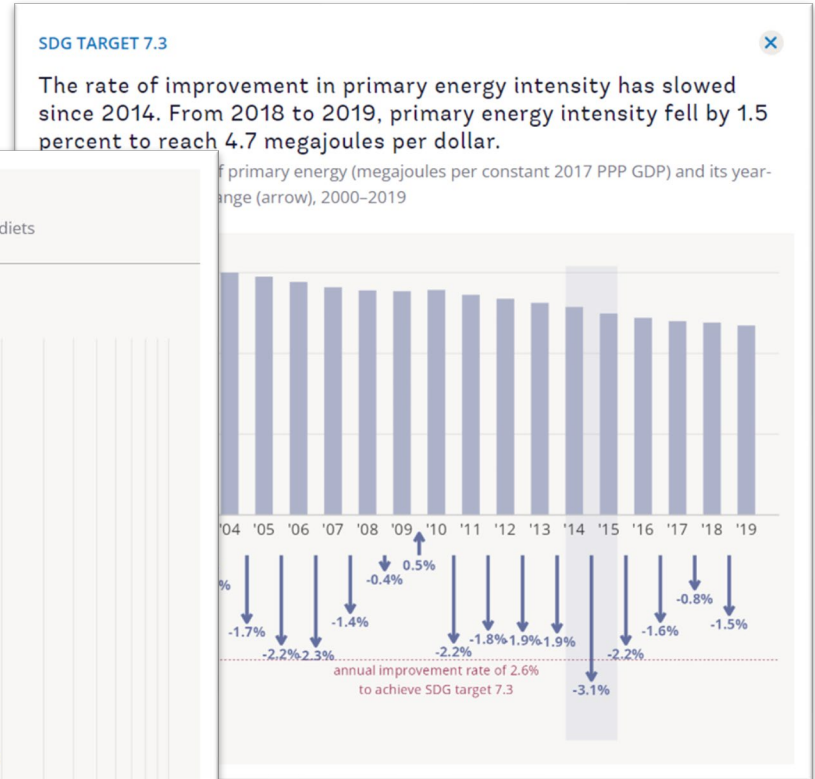
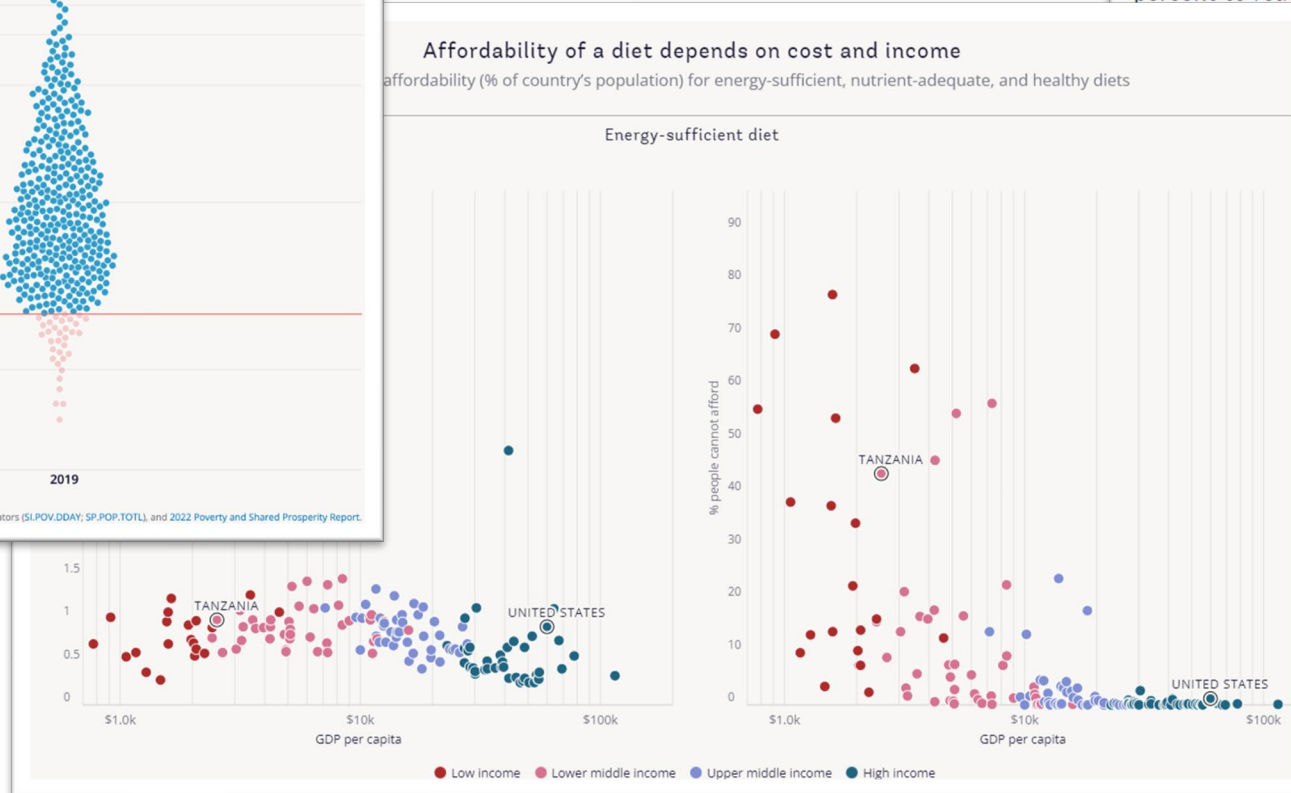
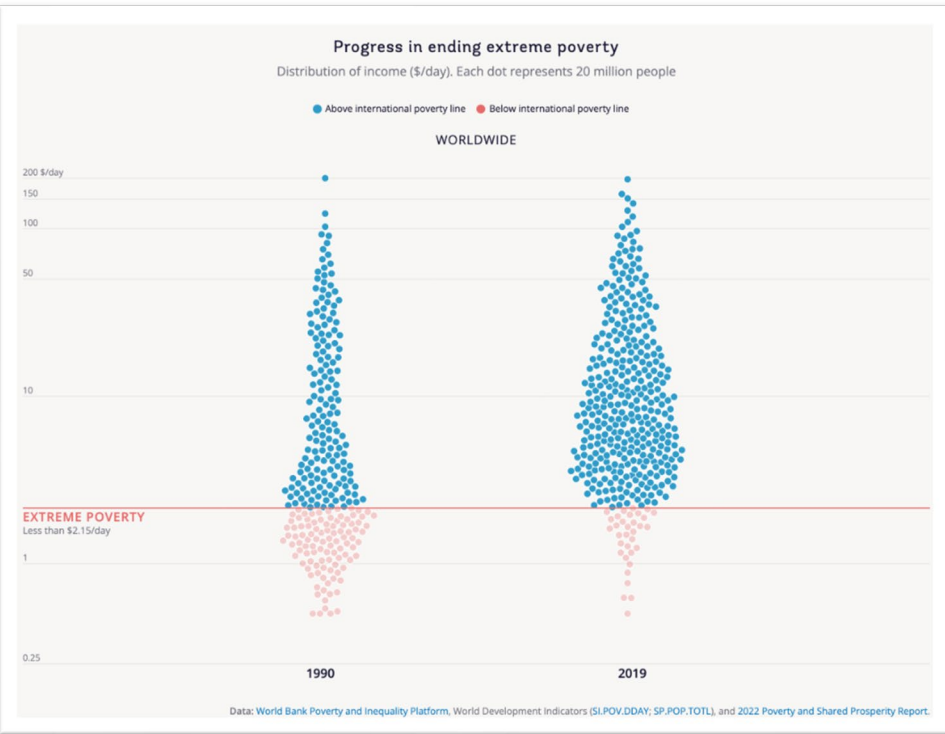
The Agence française de développement and World Bank publication "**Africa's Resource Future Harnessing Natural Resources for Economic Transformation during the Low-Carbon Transition**", published in April 2023, uses PPP-based poverty data in its examination of how natural resource wealth is driving Africa's economic transformation and the implications of the low-carbon transition for resource-rich economies.

Uses: UNDP - OPHI



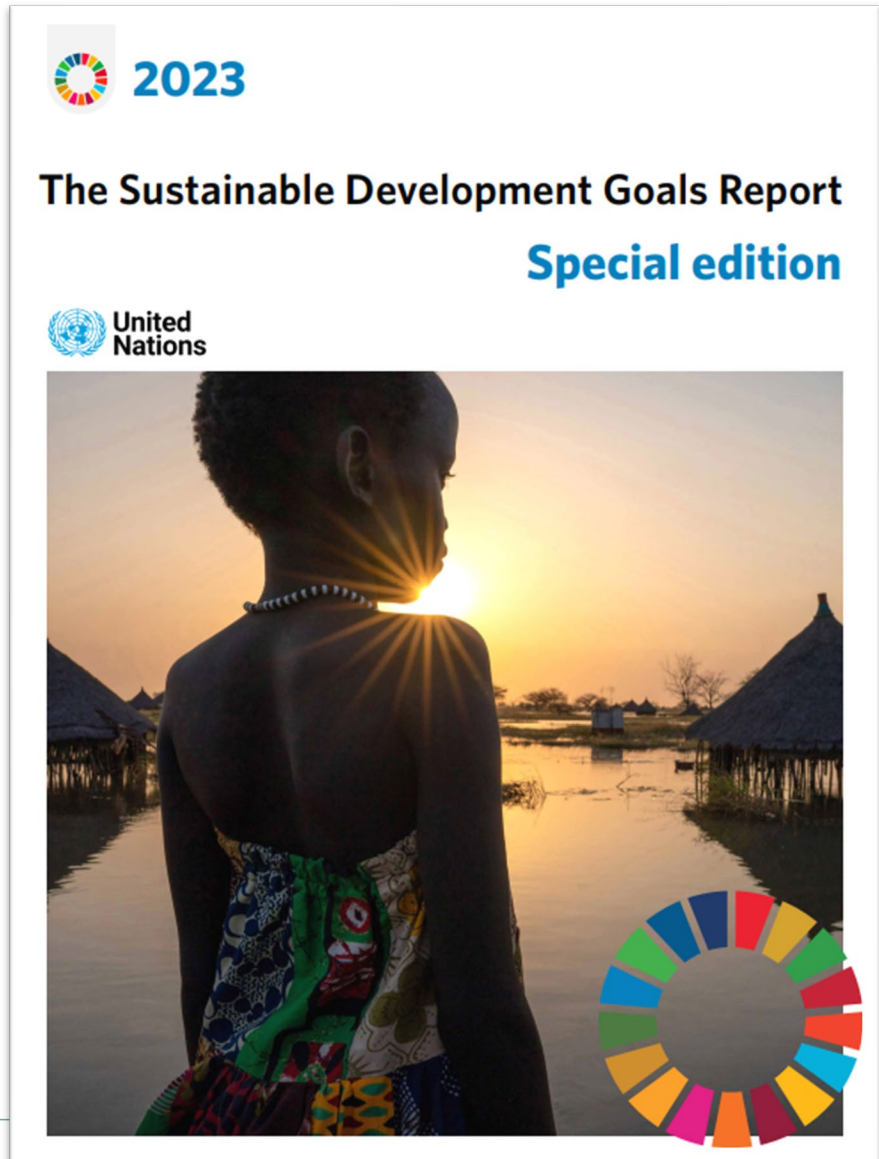
The UNDP and OPHI publication “[Global Multidimensional Poverty Index 2023 - Unstacking Poverty: Data for high impact action](#)”, published in June 2023, compares the PPP-based international poverty line of \$2.15 a day with an index that combines deprivations across health, education, and standard of living parameters to **examine how multidimensional data can be used to track progress towards SDG 1.**

Uses: Atlas of Sustainable Development Goals 2023



The World Bank June 2023 ATLAS of Sustainable Development Goals 2023 highlights PPP-based indicators used for SDG tracking

Uses: UN Sustainable Development Goals



The UN's "[The Sustainable Development Goals Report 2023: Special Edition](#)", published in July 2023, includes an analysis of the effect of COVID-19 on **global poverty using the extreme poverty line of \$2.15 at 2017 PPPs**. It also reviews changes in energy intensity over recent years, defined as the amount of energy used per unit of PPP-based wealth created.

Uses: ILO



- ILO's flagship annual report **World Employment and Social Outlook Trends 2023** (January 2023)
- Uses **PPP-based income levels** under which employed people are considered to be the "working poor" or living in extreme poverty. It also expresses **output per worker in PPP terms** in comparing labor productivity across countries.



THANK YOU