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**Criteria for Publication for the 2017 ICP Cycle Results**

## Criteria for Publication for the 2017 ICP Cycle Results

1. This note presents criteria for guiding decisions on two of the main International Comparison Program (ICP) publication related questions for the 2017 ICP Cycle: at what level of detail should results be published; and, should new aggregates for publication be created, expanding the set beyond those published for the 2011 ICP results. The first question relates to whether unconditional access should be provided to more detailed results, e.g. for detailed food aggregates such as “*Meat*” or “*Breads and Cereals*”. The second question touches on whether *new* aggregates – that were not present in the 2011 Global ICP publication – should be created and published, e.g. generate and publish aggregates for “*Consumer Goods*” or “*Government Services*”.
2. As will become clear later, both questions are often interrelated as the decision to introduce new groupings may depend on the degree to which the results underlying the new aggregate are deemed suitable for publication. Furthermore, while it is true that both questions could be answered differently depending on the ICP indicator in question, the ensuing proposed criteria for publication is general enough to cover aspects applicable to each ICP indicator. In this sense, the criteria for publication will be applicable to Purchasing Power Parities (PPPs), Price Level Indices (PLIs) and related price and/or volume indices, even though the extent to which each criteria element applies will inevitably vary from one indicator to another.
3. The main motivation to publish ICP results at a finer level of detail, and include new aggregates in the publication, stems from the United Nations Friend of the Chair (FOC) group evaluation of the 2011 ICP. The FOC noted the need for “*showcasing to donors that ICP generally responds to user needs and strives for further openness with regard to access to data and metadata*” and recommended that “*the Governing Board establish policies that improve openness with regard to access to ICP data and metadata*”. These recommendations, along with the increased user demand for greater access to and transparency of ICP data, helped shape the current ICP objective of increasing its value proposition by extending the publication level of results beyond what was published in the previous two ICP rounds.
4. It is evident, however, that aside from considerations on why to publish more detailed ICP data, the decision on what to publish and at what level is impossible a priori without first agreeing on criteria for publication. As a result, the ICP Governing Board recommended, at its second meeting (Washington, 15 September 2017), that the Inter-Agency Coordination Group (IACG) discuss and propose criteria for extending the publication level of ICP results. In response, the IACG agreed, at its fourth meeting (Washington, 23-25 October 2017), to expand the publication level of results for the 2017 ICP Cycle. The IACG also concurred that the decision on the level at which ICP results should be published should be decided after assessing the quality and reliability of the results.
5. Against this background, the proposed criteria for extending the publication level of ICP results, drawing heavily from IACG discussions on the topic, focuses on two data-related quality and reliability criteria elements:

- i) Assessment of the quality and reliability of the nominal expenditure data for the aggregate and publication level of interest
- ii) Assessment of the quality and reliability PPPs for the aggregate and publication level of interest

In both cases, reliability here refers to the precision of the provided measurements, where poor reliability implies a low precision of the reported expenditures or estimated PPPs.

6. The third and last proposed criteria element for publication, also drawing from IACG discussions, is the following:

- iii) Assessment and identification of potential inconsistencies in approaches and classifications when deciding on the level of detail to publish and on new aggregates to construct (and publish)

7. A starting point for analyzing nominal expenditures for publication purposes is to take the notion that higher levels of aggregations are more reliable than lower levels of aggregation when deciding at what level of aggregation to publish. Hence, care should be exercised when publishing at lower levels of aggregation. Additional care should also be taken when constructing aggregates or publishing details for services, notably government and housing services, where underlying expenditure data is often unreliable due to measurement problems. To mitigate risks when deciding what to publish, metadata information on countries' national accounting practices should be reviewed to detect potential weaknesses on the expenditures aggregates of interest. Moreover, insights on the reliability of an aggregate can be gained by comparing nominal expenditure shares and per capita nominal expenditures in a common currency (for the aggregate of interest) with neighboring countries or countries of similar income levels.

8. The assessment of the reliability and quality of PPPs can be more complex than for nominal expenditures given the multitude of factors that impact the estimates, including (but not limited to): sampling errors, product selection, number of products, number of observations per product and quality of the reported nominal expenditure data, used as weights. Research to establish an analytical framework to construct reliability measures associated with PPPs has been planned under the ICP Research Agenda. In the interim, however, a starting point to assess the reliability of the PPPs for given aggregate is to analyze the coefficient of variation (CV) of both the PPPs at the level of the aggregate of interest and of the basic headings underlying the aggregate. Furthermore, as with expenditures, it is generally accepted that higher level aggregates tend to be more reliable than lower level aggregates. In addition, past ICP exercises have shown that PPPs for services (particularly housing, government, health and education) are generally less reliable than PPPs for goods. And PPPs for food are generally more reliable than other more abstruse goods, such as pharmaceuticals. Lastly, care should also be taken when publishing aggregates containing very few products, such as the "*Housing, water, electricity, gas and other fuels*" category, which contains only a third of the products as the "*Clothing and Footwear*" category, and as such may be more susceptible to quality and reliability issues.

9. The assessment and identification of potential inconsistencies in approaches and classifications is essential to prevent logical inconsistencies that may lead to double-counting and possible loss of information. Such assessment at the item-level could, for example, detect that including aggregates comprised of *both* goods and services, such as "*Maintenance and repair of personal transport*

*equipment*”, under a new aggregate labeled “*Consumer Services*” can be troublesome. The concern over inconsistencies is particularly worrisome for areas such as health, education and construction where regions such as Eurostat-OECD use different approaches and classifications from those followed by other ICP regions. On this last point, it must be emphasized that the fundamental worry is not that different regions may publish different aggregates or at different levels of detail, but rather that differences in approaches and classifications may pose challenges for the linking of regional results to form the global set of PPPs and related measures of price and volume relatives. As such, potential inconsistencies reflected in differences in approaches and classifications can be detected indirectly, for example, by assessing the feasibility and robustness of inter-regional linking.

10. The criteria for publication just described will be first applied once the preliminary 2017 ICP cycle results become available. Hence, the criteria for publication may evolve according to the status and shape of the preliminary data, although the underlying foundations for the criteria would most likely remain unchanged.