2011 ICP Interim Progress Report to the Executive Board

As of July 25, 2012
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I. INTRODUCTION

The purpose of this interim progress report is to provide the Executive Board with a summary of the status of the 2011 Round of the International Comparison Program (ICP) at global and regional levels as well as major activities undertaken since the submission of the February 2012 Progress Report.

During the period between February 1, 2012 and July 25, 2012, the Global Office conducted the 6th Meeting of the Regional Coordinators, participated in regional capacity-building activities, prepared operational material, and provided technical and financial assistance to regions. The Global Office is planning governance meetings for the remaining of 2012. These include meetings of the Executive Board, Regional Coordinators (RCs), the Technical Advisory Group (TAG) and other working groups.

At the regional level, Regional Coordinators organized workshops to validate price and National Accounts data and discuss survey implementation and requirements, and they provided technical assistance to participating countries.

The body of this report comprises three parts: (i) Governance Activities, (ii) Update on the Implementation of the 2011 ICP, and (iii) Funding and Technical Assistance Support.

II. GOVERNANCE ACTIVITIES

A. EXECUTIVE BOARD MEETING

The 6th Executive Board Meeting was held on February 27, 2012 in New York. The meeting produced several policy decisions. In particular, the Board: (1) appealed for more punctuality in data submission so that the 2011 round can proceed according to the planned timeline, without sacrificing data quality; (2) discussed participation and fund-raising issues; and (3) highlighted the need for a comprehensive communication strategy.

B. ICP TECHNICAL ADVISORY GROUP MEMBERSHIP

The Executive Board agreed to invite Professor Youri Ivanov to join the ICP 2011 Technical Advisory Group (TAG) as a member. Professor Ivanov is a well-known expert in the Systems of National Accounts (SNA) methodology and implementation and has authored several methodological works on National Accounts and international comparisons based on PPPs. As the Deputy Chairman of the CIS-Stat, Professor Ivanov was one of the experts that led the implementation of the SNA in the CIS countries in 1992-2011, and coordinated the 2005 Global ICP round in the CIS region.
C. Regional Coordinators’ Meeting

The 6th ICP Regional Coordinators’ Meeting was held on April 23-25, 2012 in Paris, France. The meeting reviewed and discussed the status of the Global and Regional programs, and reached agreements including: (i) Approach for gathering required metadata information; (ii) Deadlines for the Household Consumption and National Accounts data submission and validation; (iii) Action plan for the forthcoming Technical Advisory Group Meeting, scheduled for September 2012, and the Executive Board meeting, scheduled for November 2012; and (iv) Timetable for upcoming activities.

D. Upcoming 2012 Governance Meetings

The 7th Executive Board Meeting will take place on November 13, 2012 at the World Bank in Washington DC. The 7th meeting of the Technical Advisory Group is scheduled to be held on September 17-18, 2012 and the 7th Regional Coordinators’ Meeting is scheduled for September 19-21, 2012. Both meetings will be held at the World Bank in Washington DC, and will address technical and operational aspects of the implementation of the program and the computation of PPPs for which a report will be submitted to the Executive Board on November 13 as per the Board decisions made in February 2012. These aspects relate to: (i) the testing of the computation processes recommended by the TAG for this round [Decision 1]; and (ii) the procedures for GDP splitting [Decision 2].
III. Update on Implementation of the 2011 ICP

A. Data and Metadata Submission Status

Main Survey

The status of quarterly and annual price data submission to the Global Office as of July 15 is summarized in Table 1.

Table 1. 2011 HHC Main Survey - Data Submission

<table>
<thead>
<tr>
<th>REGION</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>2011 Annual Average</th>
<th>Participation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa</td>
<td>46</td>
<td>44</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>50</td>
</tr>
<tr>
<td>CIS</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>Expected Aug 2012</td>
<td>10</td>
</tr>
<tr>
<td>Latin America</td>
<td>16</td>
<td>16</td>
<td>15</td>
<td>15</td>
<td>-</td>
<td>18</td>
</tr>
<tr>
<td>Western Asia</td>
<td>8</td>
<td>11</td>
<td>-</td>
<td>-</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>Caribbean*</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>10</td>
<td>Expected end 2012</td>
<td>21</td>
</tr>
<tr>
<td>Pacific Islands*</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>Expected end 2012</td>
<td>21</td>
</tr>
<tr>
<td>Georgia</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>Expected end 2012</td>
<td>1</td>
</tr>
<tr>
<td>Iran**</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>1</td>
<td>Expected end 2012</td>
<td>1</td>
</tr>
<tr>
<td>ICP Regions</td>
<td>92</td>
<td>94</td>
<td>16</td>
<td>16</td>
<td>12</td>
<td>154</td>
</tr>
<tr>
<td>OECD-EUROSTAT</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>47</td>
<td>47</td>
</tr>
<tr>
<td>Grand Total</td>
<td>91</td>
<td>93</td>
<td>16</td>
<td>16</td>
<td>59</td>
<td>200</td>
</tr>
</tbody>
</table>

*Caribbean and Pacific Islands are conducting surveys in 2012 and plan to submit data at the end of 2012.

**Iran submitted data for Q3 and Q4 2011, as well as Q1 2012. They will continue their survey throughout 2012 and submit data at the end of 2012.

National Accounts

Table 2 summarizes the status of submission for National Accounts data to the Global Office from various regions.
Table 2: National Accounts Data Initial Submission from RCs to GO

<table>
<thead>
<tr>
<th>Number of Countries</th>
<th>MORES/Breakdown to 155 ICP Basic Headings for Latest Available Year</th>
<th>Aggregate Level for 2011</th>
<th>MORES/Breakdown to 155 ICP Basic Headings for 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa</td>
<td>51</td>
<td>51</td>
<td>51</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>23</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>CIS</td>
<td>10</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>Latin America</td>
<td>18</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>Western Asia</td>
<td>12</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>Caribbean</td>
<td>21</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>Pacific Islands</td>
<td>21</td>
<td>21</td>
<td>21</td>
</tr>
<tr>
<td>Singleton Countries</td>
<td>2</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>OECD-Eurostat</td>
<td>46</td>
<td>46</td>
<td>46</td>
</tr>
</tbody>
</table>

Special Surveys

Special surveys have started according to a different timeline than the main household consumption price survey. Table 3 below shows the expected submission dates for Special Surveys data from regions.

Table 3: Special Survey Data Submission

<table>
<thead>
<tr>
<th>ICP Data Submissions</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q3</td>
<td>Q4</td>
</tr>
<tr>
<td>Private Education Data Submission</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Machinery and Equipment Data Submission</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Construction Data Submission</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Housing Data Submission</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Compensation Data Submission</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

B. Regional Capacity Building Activities

Africa

The ICP Global Office and the African Development Bank (AfDB) held a bilateral validation meeting on March 5-9, 2012, in Tunis, Tunisia. The purpose of the meeting was to: (1)
discuss the ICP Global Office comments on the submitted Africa’s price data sets prior to the Regional Coordinators Meeting in April 2012; (2) review the validated average prices as well as the importance indicators and Quaranta Tables; (3) explore possible approaches to improve the computation of national annual averages; and (4) learn about AfDB future strategy and timetable on data submissions and validation.

The 4th African ICP Regional Workshop was held on June 4-8, 2012 in Tunis, Tunisia. The purpose of the workshop was to validate Household Consumption price data submitted by 50 countries for the 4 quarters of 2011 as well as February and April 2012, and to discuss and prepare activities relating to the ICP Special Surveys and National Accounts. The workshop was attended by 120 delegates representing 50 countries, 5 sub-regional organizations, the World Bank, as well as the ICP Regional Coordinator for Western Asia.

The Workshop consisted of the following sessions related to price statistics and National Accounts: (i) review of the status of implementation of the Global, Regional and Country programs; (ii) validation of Household Consumption price data; (iii) review of National Accounts activities; (iv) review of Special Surveys activities; (v) presentation of the 2009 African PPP exercise results; and (vi) establishment of timetable for upcoming activities.

**Asia-Pacific**

A regional workshop on the ICP data organized by the Asian Development Bank was held in Siem Reap, Cambodia on March 19-30 (National Accounts activities ran on 19–21, the Household price data validation from 22-27, and the technical evaluation of non-household price surveys span from 28-30). The main objective of the successful and three-pronged workshop was to review country data related to GDP expenditures, household consumption prices and non-household surveys.

Another workshop was held on July 3-10, 2012 in Manila, Philippines. The workshop validated household consumption survey prices as well as prices pertaining to special surveys (Machinery and Equipment; Construction; Housing; Government services). The workshop also reviewed preliminary PPPs.

After the workshop, a focus group discussion was held from July 11-12 amongst selected national experts, international consultants and the Global Office, to address issues on Machinery and Equipment and Construction specifications and data that emerged from and remained unresolved during the workshop.

**The Commonwealth of Independent States**

The 47th Meeting of the Council of Heads of Statistical Services of the Commonwealth of Independent States (CIS) and the Meeting of the Coordinating Council of the CIS on the conduct of International Comparison Program were held in Moscow, Russia, on April 18-
20, 2012. During these meetings the CIS-STAT proposal, whereby the Global Office would link the CIS ICP regional results to the global ones directly on an experimental basis, was approved. The results of this proposal will be reviewed for the Council to decide later on whether any subsequent linking of the CIS results should be carried out by the Global Office or not.

Other regional activities included an Expert Meeting on the Implementation of the SNA 2008 for ICP Purposes, which was held in Moscow on April 9, 2012, and a CIS Regional Experts Meeting on the Validation of Prices for Consumer Goods, which was held in Moscow on June 18-22, 2012.

**Latin America**

A meeting on Government Services and Compensation of Employees was held on May 7-8, 2012, with the participation of 15 countries from South and Central America. The workshop discussed the approach and data requirements for the Compensation of Employees Survey, and the sources for compiling government expenditure data. The workshop also drew up the timetable of activities to be carried out by ECLAC and the countries.

The 4th Workshop on the Validation of Household Consumption Data was held in Santiago, Chile on June 18-22, 2012. The workshop: (i) validated the price data for Household Consumption submitted by the countries; (ii) validated the resulting National Annual Average prices and preliminary PPPs; and (iii) established the timetable for upcoming activities.

**The Caribbean**

A short ICP side meeting was held around the 43rd session of the UNSC, on February 29, 2012, to review the status of ICP 2011 Round in the Caribbean. In attendance were country and regional representatives and World Bank staff. The main issues discussed include: (1) coordination concerns that may delay the ICP price data collection in the Caribbean; and (2) importance of upcoming Expert Group Meeting (EGM).

An EGM on Price Statistics and National Accounts was organized by the United Nations Economic Commission for Latin America and the Caribbean (ECLAC), the Caribbean Community Secretariat (CARICOM), the Caribbean Regional Technical Assistance Center (CARTAC) and the East Caribbean Central Bank (ECCB) in St. Kitts in the ECCB’s premises, over the period March 26-30, 2012. The purpose of the meeting was to prepare the Caribbean islands participating in the ICP 2011 for data collection and validation. The meeting trained the participating countries on the use of ICP-Kit and on price data validation. The meeting also discussed national accounts activities and requirements, and
the operational aspects of the ICP special surveys. The meeting concluded by drawing a timetable of upcoming activities in the region.

**Western Asia**

The Executive Board Meeting of Western Asia was held on February 27, 2012 in New York, following the 6th Executive Meeting. The purpose of the meeting is to inform the Members of the Board about the (1) progress made in the 2011 round of the ICP, (2) budgetary situation and (3) plans and initiatives.

The 5th Western Asia ICP Regional Workshop was organized by ESCWA on March 12-15, 2012, in Dead Sea, Jordan. The Regional Coordinating team and the participating countries worked together in the workshop to review the status of the ICP implementation in each country, as well as to thoroughly validate the third quarter Household Consumption price data. In addition, the ICP Special Surveys and the National Accounts activities, including Model Report on Expenditure Statistics (MORES) for the ICP, were discussed in detail.

After the Regional Workshop, the ICP Global Office and ESCWA had a bilateral meeting on March 16-17, 2012. The purpose of the meeting was to discuss the Global Office comments on the first and second quarter datasets, in preparation for the upcoming Regional Coordinators Meeting in April 2012, and to present and discuss the recent ICP-Kit module, with focus on the new functionalities and PPP calculation at aggregated levels. In addition, various issues raised at the preceding ESCWA Workshop were further discussed.

A training workshop on ICP National Accounts Activities was held from July 17-18, 2012 in Amman, Jordan, with the purpose of reviewing the national progress in implementing National Accounts Activities in the context of ICP, applying the recommended approaches for splitting GDP expenditures using the MORES template, and discussing issues around the completion of the GDP Exhaustiveness and Quality Assurance questionnaires. Participants from 10 countries attended hands-on sessions during which they filled out their respective MORES under the guidance of the ICP Global Manager and the ESCWA Regional Coordinator.

**Pacific Islands**

The second workshop for the ICP in the Pacific Islands was held in Nadi, Fiji on March 26 – 30, 2012 with 19 of the 21 Pacific Islands participating. At the workshop, the ICP software was provided and training on data entry and intra-country data validation was delivered. The first round of inter-country data validation was also held with the Islands.

Other regional activities included a mission by the Regional Coordinator to the Solomon Islands in late May/early June to help with the data collection.
**Singleton Countries**

**Iran**

A third series of joint meetings between the Central Bank of the Islamic Republic of Iran (CBI), Turkish Statistical Institute (Turkstat) and the Global Office (GO) were held in Ankara, Turkey, on April 26-29, 2012. The purpose of the meetings was to discuss and agree on various technical aspects related to linking Iran to the ICP 2011. As per the bilateral arrangement, Turkey serves as a bridge country for the linking of the household consumption component of the ICP.

During the trilateral meetings, the process for linking Iran was reviewed and a common item list for Food, Beverages and Tobacco was established. Bilateral meetings between the CBI and GO covered the validation of the household consumption price data, and discussions implementing the ICP Special Surveys and National Accounts activities.

**Georgia**

The fifth mission of the bilateral comparison between Armenia and Georgia for ICP 2011 was held on February 20-23, 2012 in Tbilisi, Georgia. World Bank consultants and price statisticians from National Statistics Service of Armenia visited National Statistics Office of Georgia to review progress, participate in their inter-country validation, and review the price metadata and the national accounts materials including MORES.

**C. Capacity Building Material**

**Status of the ICP Book**

The Global Office has prepared a book titled “Measuring the Real Size of the World Economy” that provides a comprehensive review of the methodology available for international comparisons, the choices made for the 2005 ICP, the outcome of those choices, and steps to be taken to improve the quality of the results from the 2011 ICP. The purpose is to make these developments available to researchers, users of PPPs, and those involved in the implementation of the ICP. The book provides a forward looking view of methodological developments that can or will be taken to improve future comparisons. Currently all 24 Chapters of ICP book are available online at http://go.worldbank.org/6VPHKOKHG0. The final, completed e-Book will be published in early September 2012.

**Status of the ICP Operational Guide**

The Global Office has prepared and published five additional Operational Guide chapters: the Validation of Machinery and Equipment Goods, the Computation of National Annual Average Prices, the Water Tariff Survey, the Validation of Construction Survey, and the
Validation of Availability and Importance Indicators. Additionally, updated versions of the chapters on Validation Tables and the Validation of Household Consumption Survey were released. These chapters are available on the ICP website under the Operational Guide section.

**Updates on ICP-Kit**

The upgraded version of ICP-Kit was released in March 2012, with specific enhancements being made to the Regional and Country Modules. The new ICP Regional Module features the creation of an overall regional PLI table on the first page of Quaranta Tables as well as the option to generate individual country diagnostics reports for validation purposes.

D. **Outreach Activities**

**ICP Quarterly Updates**

The Global Office released 14 issues of ICP Monthly Updates by the end of 2011. From the beginning of 2012, in alignment with the schedule of activities at regional and global levels, the ICP Updates has been released on a quarterly basis. The first and the second ICP Quarterly Update were released in order to inform ICP community on ICP related news and issues in Q1 and Q2 in 2012.

**ICP Online Calendar**

The Global Office developed a virtual calendar of activities that lists all the main global and regional ICP events. The ICP calendar was launched on July 6, 2012 and can be accessed via http://icpcalendar.worldbank.org/ICP_Calendar.aspx.

E. **Timetable**

ICP 2011 is progressing according to the initial timetable. The 6th Regional Coordinators’ meeting agreed to the following timetable of activities over the period 2012-2013, leading to the computation and publication of final PPPs and results in December 2013.
Table 4: Timetable for Computation of PPPs

<table>
<thead>
<tr>
<th>Activities</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q3</td>
<td>Q4</td>
</tr>
<tr>
<td>HHC Preliminary Price Data Submission</td>
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<td></td>
</tr>
<tr>
<td>National Accounts Latest Available Year Data Submission</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Calculation of Preliminary HHC PPPs</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Private Education Data Submission</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Machinery and Equipment Data Submission</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Construction Data Submission</td>
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<td>✓</td>
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<tr>
<td>Housing Data Submission</td>
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<td>HHC Final Price Data Submission</td>
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<tr>
<td>NA 2011 Preliminary Data Submission</td>
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<td>✓</td>
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<tr>
<td>Compensation Data Submission</td>
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<td>✓</td>
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<tr>
<td>Calculation of GDP Preliminary PPPs</td>
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<tr>
<td>NA 2011 Final Data Submission</td>
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<td></td>
</tr>
<tr>
<td>Calculation of Final PPPs</td>
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<td></td>
</tr>
</tbody>
</table>

IV. FUNDING AND TECHNICAL ASSISTANCE SUPPORT

The 2011 Round remains on budget. The overall budget at the global level is around 14.5 million USD. Excluding grants to regional programs, the global budget is around 11.5 million USD. The total budget for the 2011 ICP including the regional programs’ budget is estimated at around 37.0 million USD.

A. FUNDING SUPPORT TO REGIONAL PROGRAMS

The Multi-Donor Trust fund is providing grants to regional agencies to support regional programs where budget gaps exist. In addition to existing grants, three new grants are being provided to ESCWA, ECLAC and CIS-STAT in fiscal year 2012/2013.

B. TECHNICAL ASSISTANCE SUPPORT

The Multi-Donor Trust fund is also funding technical assistance in the form of consultants and technical assistance missions to support regions and countries in LAC, Asia, Western Asia, and the CIS. Consultants are also facilitating sessions in regional workshops.