Status Report on ICP Activities

2nd ICP 2011 Executive Board Meeting
New York
February 21, 2010
## Follow Up Actions

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Governance</td>
<td>The Governance Framework was revised</td>
<td>01.02</td>
</tr>
<tr>
<td></td>
<td>The TAG identified 10 priority topics and formed working groups.</td>
<td>01.04</td>
</tr>
<tr>
<td>2. Memorandum of Understanding</td>
<td>The process is at an advanced stage. The Memorandum was reviewed on the three sides and should be signed soon.</td>
<td>01.01</td>
</tr>
<tr>
<td>3. Country Participation</td>
<td>More than 160 countries secured</td>
<td>01.01</td>
</tr>
<tr>
<td>4. Preparation of the Core List</td>
<td>Core list was sent to all the regions.</td>
<td>01.01</td>
</tr>
<tr>
<td></td>
<td>How to link CIS to Global Results?</td>
<td>01.01</td>
</tr>
<tr>
<td>5. Quality Framework</td>
<td>The preparation of the documentation is underway and will complete by end of June 2010.</td>
<td>01.01</td>
</tr>
<tr>
<td></td>
<td>Checklists are being finalized</td>
<td>02.02</td>
</tr>
<tr>
<td>6. Capacity Building</td>
<td>Concept note prepared</td>
<td>02.04</td>
</tr>
<tr>
<td>7. Fund Raising</td>
<td>Ongoing.</td>
<td>03.02</td>
</tr>
<tr>
<td>8. Work plan</td>
<td>Revised</td>
<td>03.01</td>
</tr>
<tr>
<td>9. Outreach strategy</td>
<td>Concept note prepared</td>
<td>02.01</td>
</tr>
<tr>
<td>10. Poverty Analysis</td>
<td>Discussed by TAG</td>
<td>01.04</td>
</tr>
</tbody>
</table>
Governance Arrangements, MOUs, and Country Participation

Paper
01.01
MEMORANDA OF UNDERSTANDING

Preparation of Template  Review by Region  Review by World Bank  Finalize; Signature

Africa ✓ Ongoing
Asia ✓ ✓ ✓
CIS ✓ ✓ ✓
LAC ✓ ✓ Ongoing
W. Asia ✓ Ongoing
Eurostat -OECD ✓ ✓ ✓
COUNTRY PARTICIPATION

Total: 179
Secured [?]: 174

Africa
- Egypt
- Sudan
- 52

W. Asia
- 14

CIS
- Russia
- 9

OECD
- Eurostat
- 37

LAC
- Mexico
- Chile
- 14

Asia Pacific
- 24

Central and South America
- 5?

+ Turkmenistan & Uzbekistan?
Caribbean and Pacific

**Caribbean Countries**
- Around $2 million - Possible sources:
  - Eastern Caribbean Development Bank,
  - United Nations Development Account
  - World Bank
- IMF’s CARTAC expressed interest in providing support
- Surveys deferred to 2012

**Pacific**
- Australian Bureau of Statistics: Assessment report due June 2010
- Visits to selected countries
- Focus: statistical capacity building
- Strategy for participation in compliance with ICP requirements
Questions to be Addressed by the Board

1. There is a need to reconcile, on the one hand, the approach of linking the CIS region to the Globe through Russia that will participate both in the OECD-Eurostat and the CIS comparisons, and on the other hand, the core list approach that will be implemented in 2011.

2. Is there any specific recommendation about countries participating in more than one regional comparison, such as Sudan, Egypt, Russia, Mexico, Chile, etc.?
ICP Research and Collaboration

Paper
01.04
## TAG Priority Areas

<table>
<thead>
<tr>
<th>10 TOPICS</th>
<th>TAG Recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Owner-occupied housing</td>
<td>Approach identified</td>
</tr>
<tr>
<td>2 Financial services</td>
<td>Solutions adopted</td>
</tr>
<tr>
<td>3 Measurement of government outputs</td>
<td>Ongoing research</td>
</tr>
<tr>
<td>4 Survey frameworks</td>
<td>Approach identified</td>
</tr>
<tr>
<td>5 Exports and imports and net purchases abroad</td>
<td>Solutions adopted</td>
</tr>
<tr>
<td>6 Linking regional PPPs into global results</td>
<td>Ongoing research</td>
</tr>
<tr>
<td>7 Construction PPPs</td>
<td>Ongoing research</td>
</tr>
<tr>
<td>8 PPP-based poverty analysis</td>
<td>Ongoing research</td>
</tr>
<tr>
<td>9 Back-casting and PPP revisions</td>
<td>Research deferred</td>
</tr>
<tr>
<td>10 Sub-national PPPs</td>
<td>Ongoing research</td>
</tr>
</tbody>
</table>
National Accounts Framework for the ICP

The Framework

Derived from SNA-1993
Set of tables and forms
Step-by-step guidelines
Piloting in 3-6 countries

Division of work

National Accountants
- N.A. Activities
- Housing
- Public Education
- Public Health
- Comp. Of Empl.
- Construction Exp.

Price Experts
- Main List Prep.
- Main price survey
- Private Education
- Private Health
- Equipment
- Constr. pricing
- Other pricing

Expenditures – Price Consistency
Collaboration on Research

Objectives
- Seek expert knowledge
- Reach out to ICP users
- Ensure that data collected responds to users’ needs

Methodological Improvement

<table>
<thead>
<tr>
<th>Comparison-resistant</th>
<th>Other areas</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Education</strong></td>
<td><strong>Water</strong></td>
</tr>
<tr>
<td>Within and Outside the Bank</td>
<td>Water and Sanitation Program in the Bank</td>
</tr>
<tr>
<td><strong>Health</strong></td>
<td><strong>Energy</strong></td>
</tr>
<tr>
<td>Government occupations</td>
<td>Transport in the area of transport by air, by land, and by sea and inland waterways</td>
</tr>
<tr>
<td>Public Sector Governance Team in the Bank</td>
<td>Transport Team in the Bank IATA on air transport data ?</td>
</tr>
</tbody>
</table>

Within and Outside the Bank

Objectives

| Water and Sanitation Program in the Bank |
| Water and Sanitation Program in the Bank |

Energy Unit in the Bank

Objectives

Energy Unit in the Bank

Transport Team in the Bank
Collaboration on Health and Education

**Education**
- Collaboration on the collection of education statistics and indicators
  - Academy for Education Development
  - Human Development Network Education Team
  - UNESCO Institute of Statistics
- Collaboration on measuring the cost, output, and quality of education services

**Health**
- Collaboration on improving the national accounts expenditures on health, both private and public
  - Institute for Health Metrics and Evaluation
  - Human Development Network Health Team
- Collaboration on estimating and comparing the cost of health care across countries
Question to be Addressed by the Board

Does the Board have any comment about the ICP research program?
Outreach Strategy

Paper
O2.01
Outreach Strategy

Objective

- Increase the understanding of the importance and use of the PPP data and of the procedures that are needed to ensure the data are accurate, reliable and consistent.

Focus

- Raise awareness of the importance of the ICP in:
  - measuring and comparing the economic progress of societies
  - understanding how economies grow and change
- Help demonstrate usefulness of PPP data in poverty analysis and MDG monitoring progress

Proposed Approach

- Peer reviewed academic papers
- Press releases
- Policy statements and speeches by key policy makers
- Presentations at international meetings and conferences
- Promotion of 2005 data
- ICP “brand”
- Special briefing material for use by journalists
- Briefing material on the ICP for economic students
- “ICP at school” program
# Timetable of activities

*Progress is monitored every six months and reported to the EB.*

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<tr>
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<tbody>
<tr>
<td>EB approves Concept Note</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Paper on areas to be developed</td>
<td></td>
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<tr>
<td>Detailed material for the launch of the 2011 Round is prepared</td>
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<tr>
<td>Outreach strategy finalized</td>
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<tr>
<td>Strategy approved by EB</td>
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<td></td>
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<tr>
<td>Users Conference</td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>ICP and strategy Launched</td>
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</tbody>
</table>
Questions to be Addressed by the Board

1. Does the Board endorse the proposed list of mechanisms that can be employed to deliver messages and information about the ICP?

2. Does the Board endorse the proposed sequence and timetable of activities and the tentative budget for the preparation of the strategy?
Capacity Building Strategy

Paper 02.04
Capacity Building Strategy

**Principles**
- Use existing facilities and organizations
- Strategy to be designed on a regional basis with support and advice being provided by the Global Office.
- Integrate with on-going initiatives and programs
- Integrate with national strategies for the development of statistics

**Channels**
- Technical assistance and on-the job training;
- Regional and sub-regional workshops
- Formal short-course training programs by existing training centers

**Regionalized Approach**
- Separate strategies for each of the five regions
- OECD and Eurostat continue with their on-going development program
- Each regional implementing agency asked to prepare a strategy
- Based on consultation with participating countries
- Review by the ICP Board
- Overall summary prepared by Global Office
**Timetable of activities**

*Progress is monitored every six months and reported to the EB.*

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>EB approves Concept Note</td>
<td>GO prepares the initial paper</td>
<td>Regional implementing agencies prepare regional capacity building strategies</td>
<td>GO prepares a summary ICP capacity building program</td>
<td>Strategy approved by EB</td>
<td>Capacity building program is put into effect</td>
</tr>
</tbody>
</table>
Questions to be Addressed by the Board

1. What are the Board views on the coordination with other capacity building initiatives?
2. Does the Board endorse the proposed sequence and timetable of activities and the tentative budget for the preparation of the strategy?
ICP Quality Assurance Framework (ICP-QAF)

Paper
02.02
ICP Quality Framework

Objective
Assess the quality of ICP processes and ICP input and output data

Components
- Reference document
- Checklists
- A guide on best practices for data validation
- ICP Manuals

Levels
- National
- Regional
- Global

6-Part Structure
1. Prerequisites of quality: review of the legal and institutional environment
2. Integrity
3. Methodological soundness
4. Accuracy and reliability
5. Serviceability
6. Accessibility

Five dimensions of quality
Question

Does the Board endorse the framework?
2011 ICP Data Access Policy

Paper 02.03
# Data Access Policy

## Objectives
- Improving on and address shortcomings in the 2005 Data Access policy
- Ensuring effective dissemination and use of data and addressing users’ needs
- Securing the confidentiality and security of data

## Considerations
- National laws govern access to micro data
- Balancing between confidentiality requirements and users’ needs

## Modus Operandi
- Concept note results from desktop research and consultations
- TAG recommendation for research on ICP methodology and poverty analysis.
- Feedback from EB on discussion paper  
- More discussions with regional coordinators [April 2010]  
- Presentation to the TAG
Main uses of ICP data

• Poverty analysis – requires average price data with some disaggregation by region, by outlet types, and by urban/rural

• Research to improve ICP methodology, including aggregation methods – requires access to more detailed data

• Cost comparisons across countries in areas such as public sector wages, health, and education, to support policy analysis – requires disaggregated average price, quantity, and wage data and metadata

• Research into the price behavior of tradable goods and services – requires average price data

Types of ICP data

• Micro data (individual observations)

• National annual average prices

• Disaggregated annual average prices

• PPPs, PLIs, and expenditure data for unpublished categories (Basic Headings being the lowest)

• PPPs, PLIs, and expenditure data for published analytical categories

• Population and exchange rate data

• Metadata
## Concerns of GO, RCs and NIAs

<table>
<thead>
<tr>
<th>Concern</th>
<th>Proposed solution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Confidentiality of micro data needs to be preserved.</td>
<td>Confidentiality applies to micro data only. Policy will indicate that access to micro data will be generally restricted, and can only be provided with the approval of countries.</td>
</tr>
<tr>
<td>Quality of data at the detailed level is not good enough to support research uses.</td>
<td>Building close working relationship and partnership with researchers. Providing them with better metadata.</td>
</tr>
<tr>
<td>Global, regional and national offices might be publicly criticized because of data quality.</td>
<td>Criticism is usually higher when access is restricted as it sometime suggests hiding quality problems.</td>
</tr>
</tbody>
</table>
Conclusions

1. A less restrictive data access policy
2. Early decisions on data access policy
3. Two types of researchers (or more)
4. Taking breaches seriously
5. ICP data should be archived at the Global Office
6. A global information model

- Well-credentialed users:
  - TAG researchers
  - Users from within the World Bank and other partner organizations
  - Researchers from universities and research centers
- Other general users
Issues for Discussion

i. Is the proposed modus operandi appropriate?

ii. Is it agreed the most important research uses are those listed?

iii. Is there agreement to the broad conclusions listed?

iv. Is it agreed that it is not necessary to have a separate data access policy for global core product list data?

v. What should be the policy with respect to individual price observations taking into consideration legal and other constraints of the participating countries?

vi. Are the proposed changes to the research access arrangements broadly acceptable?
2011 ICP Timetable

Paper
03.01
ICP 2011 Timetable

1. Fund Raising
2. Meetings
3. Capacity Build.
5. Methodologies
7. Surveys Impl.
8. Nat. Accounts
9. Region. Results
10. Global Results
2011 ICP Budget and Fund-Raising

Paper
03.02
## Preliminary Global And Regional Budgets ('000 USD)

<table>
<thead>
<tr>
<th>Region</th>
<th>Budget ('000 USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global</td>
<td>10,260</td>
</tr>
<tr>
<td>Africa</td>
<td>44,734</td>
</tr>
<tr>
<td>Asia - Pacific</td>
<td>3,200</td>
</tr>
<tr>
<td>CIS</td>
<td>12,310</td>
</tr>
<tr>
<td>LAC</td>
<td>4,683</td>
</tr>
<tr>
<td>W. Asia</td>
<td>2,163</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>77,350</strong></td>
</tr>
</tbody>
</table>

![Regional Budget Pie Chart]

[Image: Pie chart showing regional breakdown of budgets]
## Preliminary Global Budget FY09-FY14
(000’ USD)

<table>
<thead>
<tr>
<th>FY09 ²</th>
<th>FY10</th>
<th>FY11</th>
<th>FY12</th>
<th>FY13</th>
<th>FY14</th>
<th><strong>Totals</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Compensation of staff and consultants</td>
<td>178</td>
<td>812</td>
<td>1 086</td>
<td>991</td>
<td>950</td>
<td>973</td>
</tr>
<tr>
<td>Travel and technical assistance missions</td>
<td>30</td>
<td>100</td>
<td>105</td>
<td>110</td>
<td>116</td>
<td>61</td>
</tr>
<tr>
<td>Research and methodology</td>
<td>675</td>
<td>268</td>
<td>281</td>
<td>295</td>
<td>155</td>
<td></td>
</tr>
<tr>
<td>Governance meetings</td>
<td>160</td>
<td>168</td>
<td>176</td>
<td>185</td>
<td>97</td>
<td></td>
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<tr>
<td>Software development</td>
<td>400</td>
<td>420</td>
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<tr>
<td>Outreach</td>
<td>120</td>
<td>41</td>
<td>21</td>
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<tr>
<td>Capacity building</td>
<td>21</td>
<td>150</td>
<td>158</td>
<td>165</td>
<td>174</td>
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<tr>
<td>Quality assurance framework</td>
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<tr>
<td>Data access strategy</td>
<td>21</td>
<td></td>
<td></td>
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<tr>
<td>Publications</td>
<td></td>
<td>30</td>
<td></td>
<td>75</td>
<td></td>
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<tr>
<td>Potential grants to regions</td>
<td>550</td>
<td>950</td>
<td>800</td>
<td></td>
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<tr>
<td>Contingencies</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>50</td>
<td></td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td>208</td>
<td>2 979</td>
<td>3 318</td>
<td>2 637</td>
<td>1 833</td>
<td>1 585</td>
</tr>
</tbody>
</table>

¹ Fiscal year accounting (July - June); 2. April-June 2009 only
Preliminary Global Budget FY09-FY14 (000’ USD)
Fund-raising

- Discussions with DFID, IMF, AusAid and CIDA on potential contributions to the ICP
- Talks with the Islamic Development Bank to renew its contribution
- Discussions with IMF CARTAC to organize and fund some activities for the Caribbean
THANK YOU