8th ICP Executive Board Meeting
New York, February 24, 2013

2011 ICP Progress Report
As of February 15, 2013
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I. INTRODUCTION

The purpose of this progress report is to provide the ICP Executive Board with a summary of the status of the 2011 Round of the International Comparison Program (ICP) at global and regional levels, major activities and update on data submission and risk assessment since the submission of the November 2012 Progress Report.

The decisions made by the ICP Executive Board at its 7th meeting held on November 13, 2012 were successfully implemented. The Global Office continues to produce capacity building and outreach material. At the regional level, data validation workshops and expert meetings were held and continue to be organized.

Most participating countries have completed the price surveys as planned, and the rest are expected to complete them by March 31, 2012. In addition, most participating countries have also submitted their latest National Accounts data which are being validated. There exist some timetable differences between the regions in implementing the Special Surveys – related to other GDP components – and this poses some timeline risks.

While no burning issue is being reported herein, Board members may wish to urge the Regional and National Coordinating agencies at all levels to keep the momentum of finalizing the collection and validation of data and metadata and submitting them to the Global Office to ensure the quality and timeliness of the 2011 ICP.

The body of this report comprises three parts: (i) Implementation of Board’s Decisions; (ii) Update on the implementation of the 2011 ICP in terms of data submission, risk assessment, preparation of capacity building and outreach materials, as well as regional activities and; (iii) major milestones for 2013.

II. IMPLEMENTATION OF BOARD’S DECISIONS

The decisions made by the ICP Executive Board at its 7th meeting held on November 13, 2012, were implemented as shown in Table 1 below.

Table 1. Implementation of Board’s Decisions in its 7th Meeting

<table>
<thead>
<tr>
<th>BOARD DECISIONS</th>
<th>ACTIONS TAKEN</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. The Board decided that high level missions should be conducted jointly by the World Bank/Global Office and the regional coordinating agencies concerned to any major economy/country that exhibits unexplainable variations between 2005 and 2011 with a view to resolving the inconsistencies or confirming any underlying justifications. The Global Office will prepare a note to clarify details on high level missions.</td>
<td>A note on high-level ICP missions was prepared and circulated to the Board.</td>
</tr>
<tr>
<td>2. The Board agreed that countries that are identified as outliers based on statistical analysis</td>
<td>A flowchart of the validation steps was prepared and will be circulated to the</td>
</tr>
</tbody>
</table>
should be included in the global results on the basis of their regional estimates but they should be excluded from the global linking process so that they have no effect on the inter-regional PPPs.

3. The Board decided that singleton countries and the Pacific Islands will be included in the global comparison; they will not be included in the global linking process so their PPPs will have no effect on the multilateral comparison PPPs for all other countries in the global comparison.

A note on Linking Steps was prepared by the Global Office to reflect this Board decision and will be circulated to the TAG and Regional Coordinators.

4. The Board decided that in the light of the large number of products priced by the countries, Regional Coordinators and/or the Global Office should reserve the right to exclude outlier average prices, as a last resort, through a transparent validation process. A flowchart of the validation steps would be prepared to ensure clarity.

A flowchart of the validation steps was prepared and will be circulated to the TAG and Regional Coordinators.

5. The Board decided that a technical note on the criticality of “importance” indicators and the findings of the sensitivity testing of several weighting ratios will be prepared by the Global Office, in consultation with the TAG, and submitted to the Board to allow for an informed decision on the best way of applying them.

A technical note on the criticality of “importance” indicators and the findings of the sensitivity testing of several “importance” weights was prepared and will be circulated to the TAG for their review and input.

6. The Board agreed process steps yet to be defined should be implemented, and that the results should be published together with the ICP 2011 results

A note on enhancing the comparability of the ICP 2005 and 2011 results was prepared and circulated for the Board’s attention.

7. The Board determined that the Global Office will prepare, in consultation with the TAG, a draft revision policy to be submitted to the Board at the February 2013 meeting. The policy document will include the justification of PPP revision, the approach, the scope, and any other relevant aspect.

A draft ICP revision policy will be prepared and circulated once consultations with the TAG at its May meeting are completed.

8. The Executive Board adopted the 2011 ICP Data Access and Archiving Policy, with the changes noted by Board members.

The 2011 ICP Data Access and Archiving Policy was finalized and is available on the ICP website.

### III. UPDATE ON THE IMPLEMENTATION OF THE 2011 ICP

#### A. DATA AND METADATA SUBMISSION

*Price Data*
Averages for the 2011 Household Consumption (HHC) Main Price Survey for 174 countries – three of which participate in two regional programs – were submitted to the Global Office. These are 50 countries in Africa; 23 in Asia-Pacific; 9 in the Commonwealth of Independent States; 17 in Latin America; 12 in Western Asia; 18 in Caribbean; 47 in Eurostat-OECD; and 1 singleton country (Iran) as shown in Table 2 below.

Special Surveys were implemented for comparison-resistant areas including Gross Fixed Capital Formation, Government services, Housing and Water Services, and Private Education. The status of data submission for special surveys is also shown in Table 2 below.

**Table 2. 2011 HHC Main Survey and Special Surveys – Status of Data Submission**

<table>
<thead>
<tr>
<th>Region</th>
<th>Main HHC Survey</th>
<th>Special Surveys</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>National Annual Averages</td>
<td>Housing - Rental</td>
</tr>
<tr>
<td>Africa</td>
<td>50</td>
<td>Jun’13</td>
</tr>
<tr>
<td>Asia-Pacific</td>
<td>23</td>
<td>Apr’13</td>
</tr>
<tr>
<td>CIS</td>
<td>9</td>
<td>n/a</td>
</tr>
<tr>
<td>Latin America</td>
<td>17</td>
<td>Feb’13</td>
</tr>
<tr>
<td>Western Asia</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>Caribbean</td>
<td>18</td>
<td>7</td>
</tr>
<tr>
<td>Pacific Islands</td>
<td>Nov’13</td>
<td>n/a</td>
</tr>
<tr>
<td>Iran</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Georgia</td>
<td>Feb’13</td>
<td>n/a</td>
</tr>
<tr>
<td>ICP Regions</td>
<td>130</td>
<td>33</td>
</tr>
<tr>
<td>EUROSTAT-OECD</td>
<td>47</td>
<td>n/a</td>
</tr>
<tr>
<td>(Dual Participation)</td>
<td>(3)</td>
<td>-</td>
</tr>
<tr>
<td>Grand Total</td>
<td>174</td>
<td>33</td>
</tr>
</tbody>
</table>

Africa experienced delays in conducting the special surveys for the ICP. The region is organizing various sub-regional and regional workshops in March –April 2013, and they are expected to submit the final data for special surveys by June 2013. Countries for which the Global Office does not have special survey data by the end of June 2013 will most likely be included in the final results for the Household Consumption component only.

Asia is organizing regional validation workshops for main household survey, special surveys, and National Accounts in March 2013, and is supposed to finalize and submit data in early April after the workshop. For Asia, data on water supply and private education was collected as part of the Household Consumption main survey, no special survey was conducted for neither water nor private education.

Western Asia submitted data to the Global Office for all surveys. However, following their validation workshop in January 2013, they are expected to submit by the end of February more updated data sets, revised by the countries after the workshop.
Latin America submitted quarterly average prices for all 17 countries. They are expected to submit the final data for Household Consumption by March 2013.

Regarding the Caribbean Islands, 19 out of 21 islands (excluding Guyana and Turks and Caicos islands) have submitted household prices to ECLAC. The Global Office received quarterly data for 18 islands. The final national annual average data and quarterly data will be submitted to the Global Office by the end of March 2013, after validation in the upcoming March 2013 meeting in Jamaica. Regarding the special surveys, final data will be submitted to the Global Office between March 2013 and June 2013.

For the Pacific islands, 20 countries have submitted data for the first three quarters of 2012 to the Australian Bureau of Statistics, except New Caledonia which has only provided data for the third quarter of 2012. The Australian Bureau of Statistics is conducting spatial and temporal validation. The data still requires further validation at intra-country and inter-country levels. The final data validation workshop is scheduled for June 2013, and the final data will be sent to the Global Office in October 2013.

CIS-STAT will submit validated national annual average data for construction and compensation of employees for non-market services by the end of February 2013. Disaggregated GDP data is expected by April 2013.

Georgia's national annual average data are being validated and will be submitted to the Global Office by the end of February 2013.

For CIS and Georgia, data on water supply and private education was collected as part of the Household Consumption main survey, no special survey was conducted for neither water nor private education.

For housing, Eurostat-OECD, CIS and Georgia will be linked through the Quantity Approach. Thus, they are not expected to submit rental data.

Eurostat-OECD will submit PPPs for all 155 Basic Headings plus the data and metadata needed for linking their program to the ICP.

**National Accounts**

While the Global Office has already received GDP expenditure data at basic heading level for the reference year 2011 for all OECD-Eurostat countries, so far, no ICP region has done the same for their countries. It is worth noting, however, that GDP estimates and main aggregate values have been submitted for eight CIS countries as well as Iran and Georgia.

All ICP countries have yet to submit their detailed vectors of GDP expenditures in the MORES format or any other regionally agreed template that shows how the basic heading values were compiled.

**B. UPDATE ON RISK ASSESSMENT**

**Data quality risk**

A preliminary assessment of the revised National Annual Averages for HHC received was conducted by the Global Office. It showed noticeable improvement in country data, especially regarding systematic local currency unit mistakes and unit of measurements mistakes observed in previous submissions. However, the data for some regions requires further inter-country validation. Regional Coordinators continue to validate this data with their countries, and they are
organizing a series of regional/sub-regional workshops to address any remaining data quality issues. To aid this validation process, the Global Office provides operational material and guidelines on validating price data, as well as technical support in data validation to regions where needed.

Another quality risk observed is ICP prices exhibiting inconsistencies with the times series of ancillary data (such as the CPI), where some countries exhibit systematic data problems including systematically higher/lower prices across all the basic headings. In light of this, as noted above, the Global Office has drafted a note on the conduct of high-level ICP missions to the countries exhibiting these inconsistencies. If a participating country/economy chooses not to revise data that could be perceived as inconsistent at the conclusion of the high-level mission, the regional coordinating agency and the ICP Global Office reserve the right to document these inconsistencies in footnotes to the data tables in their 2011 ICP final regional and global reports. This would ensure full transparency on the data usage to users of the ICP data and results.

The quality of importance indicators is also being assessed. ICP 2011 requires countries to allocate importance indicators to items as a source for weights in the calculation of the CPD-weighted method. A technical note on the criticality of “importance” indicators and the findings of the sensitivity testing of several “importance” ratios was prepared and will be circulated to the TAG for their review and input.

**Metadata completeness and quality risk**

Securing the quality and completeness of metadata is a crucial issue for this round of the ICP. The Global Office prepared a series of metadata questionnaires to ensure that the 2011 round would have better metadata than the 2005 round.

The Quality Assurance Framework Checklists were prepared to help collect the information required to evaluate and assess the quality of the ICP, based on the ICP Quality Assurance Framework. They are available in English, French, Spanish, and Arabic. The countries are expected to complete the checklists by June 2013, the Regional Coordinators by December 2013, and the Global Office by March 2014.

On the National Accounts side, the Model Report on Expenditure Statistics (MORES), the National Accounts Quality Assurance Questionnaire, and the National Accounts Exhaustiveness Questionnaire provide a wealth of metadata on how the countries are splitting their GDP expenditures into 155 Basic Headings and the quality and exhaustiveness of their GDP expenditures estimates.

On the price survey side, a Survey Framework Questionnaire was prepared in English, French, Spanish, and Arabic. This questionnaire is crucial as it provides information on the survey coverage across countries. Countries are expected to complete it and return it to the Global Office at the latest by March 2013.

**Timeline risk**

The 2011 ICP is being implemented according to the timetable set at the beginning of the program. In some regions, the delay in implementing special surveys is still a serious risk. The Global Office is working closely with the Regional Coordinators to ensure that all activities are taking place according to the timetable. If some countries fail to conduct the Special Surveys in a timely manner, a possible contingency plan would be to include these countries in the Global results for the Household Consumption component only.
**Funding risk**

There is no funding risk for ICP 2011. The 2011 Round remains on budget with the overall budget at the global level around 14.5 million USD. The Multi-Donor Trust fund recently provided three grants to UN-ECLAC, UN-ESCWA, and CIS-STAT to support their regional programs, where budget gaps exist.

**C. CAPACITY BUILDING AND OUTREACH MATERIAL**

**ICP Book**

The ICP Book *Measuring the Real Size of the World Economy* brings together a presentation 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 data for the 2011 ICP. The purpose is to make these developments available to researchers, users of PPPs, and those involved in the implementation of the programs. The Book also provides a forward looking view of methodological developments that can improve future comparisons. The book was finalized and has an official release date of March 2013. The full book is also available online. Board members are invited to publicize and further disseminate the ICP Book to the extent possible.

**ICP Operational Guide**

All twenty-seven chapters of the ICP Operational Guide have been prepared and are currently in for final review with a professional editor. A complete edited electronic version will be available on the ICP website in April 2013. For the time being, all finalized chapters are posted on the ICP website at: [http://go.worldbank.org/YIR7WSNL40](http://go.worldbank.org/YIR7WSNL40).

**Price Spread Visualization Tool**

The Price Spread Visualization tool was created to help Regional Coordinators and the Global Office in analyzing average prices received by all participating countries in the ICP 2011. The tool accompanied by its guidelines was sent to the Regional Coordinators in October 2012. Using the tool, one can visually identify outlier average prices within a region (intra-regional analysis) and assess whether all regions have priced comparable items (inter-regional analysis). This tool can also be customized for the use of Regional Coordinators to validate average price data using sub-regional groupings.

**Special Survey Data Submission Format**

The submission of the ICP Special Survey data can be effected using the following submission format options: (i) ICP Special Survey Collection Forms, as submitted by the countries; (ii) ICP-Kit Data Files, as generated by the software; or (iii) Special Survey Submission Format Template. The Special Survey Submission Format Template was circulated to Regional Coordinators in December 2012.

**Tableau Software**

A new interactive data visualization tool called Tableau was introduced to the Global Office. Tableau is a data-visualization software that combines data from a server or worksheet into a powerful yet user-friendly dashboard that enables charts and graphs to be created within minutes. Results may be published on the web so users can filter, highlight and perform a number of other useful functions in a browser while data is updated in real time. It has proven to be a very powerful data-visualization tool and the Global Office will consider the use of Tableau for
publishing the 2011 results. More information on the software and a trial version can be found at: http://www.tableausoftware.com.

Wiki Page for Global Report

A Wiki page was created to aid in the preparation of the ICP 2011 Global Report. As they become available, the draft sections of the Global Report will be posted on the wiki page to enable the ICP Regional Coordinators and Technical Advisory Group members to provide the Global Office with their comments to the draft report.

ICP Quarterly Updates

The Global Office continues to produce Quarterly Updates, which can be found online on the ICP website. These updates aim to bring more awareness on the current and upcoming governance activities, regional workshops and meetings, operational materials and outreach activities. The latest issue for Quarter 4 of 2012 was circulated and it included a special interview with Oliver Chinganya, Africa Regional Coordinator.

D. REGIONAL ACTIVITIES HIGHLIGHTS

Africa

Three price data validation workshops were organized by the African Development Bank for the last quarter of 2012. The workshop for ECOWAS English speaking countries took place on October 15-19 in Tunis, Tunisia, while the workshop for AFRISTAT and AMU countries took place on November 12-17 in Dakar, Senegal. Both workshops served to: (i) validate the 2011 and 2012 data with a view of improving its quality; (ii) review and address issues raised during the 7th Regional Coordinators meeting held on September 19-21 in Washington; (iii) conduct a thorough review of problematic basic headings; (iv) develop a format and agenda to make subsequent sub-regional and regional workshops more efficient; and (v) validate the matrix of availability and importance. Additionally, the workshop in Senegal helped to update Country Reports and to submit reports on the implementation of specific surveys.

The price data validation workshop for COMESA and SADC countries was held on November 26-December 1 in Pretoria, South Africa with the following objectives: (i) validating the price data for all quarters of 2011 and first two quarters of 2012; (ii) examining the issues raised at the 7th Regional Coordinators meeting; (iii) providing country metadata reports and revised matrices of availability and importance; and (iv) submitting reports on the implementation of specific surveys.

The next regional price data validation workshop is scheduled for March 11-16 in Abidjan, Cote d'Ivoire. An upcoming special survey validation workshop for COMESA, ECOWAS and SADC countries is scheduled for March 25-29 in Lusaka, Zambia and that of the AFRISTAT will follow soon after.

Asia and Pacific

A workshop on the Technical Evaluation of 2011 ICP Data will be held on March 14-26, 2013. Household data will be evaluated from March 14-16; productivity and National Accounts will be discussed from March 18-19; and an evaluation of non-household data will take place on March 20-22. The workshop will be followed by an experts' meeting on March 25-26.

The purpose of this Technical Evaluation is to finalize all price data and review resulting regional PPPs and discuss productivity adjustments. The experts' meeting will review results, decide on any pending issues, and discuss the outline of the final regional report.
**CIS**

The CIS ICP Coordination Council will meet on March 28-29, 2013 in Moscow, Russia on the issues of 2011 ICP in the CIS region. The CIS ICP experts will meet on April 17-18, 2013 to discuss GDP disaggregation issues.

CIS continues to translate the ICP Book "Measuring the Real Size of the World Economy" into Russian. Some chapters of this book are already translated and posted at the CIS-Stat website ([http://icp.cisstat.com/materials/vsemirnogo_banka/](http://icp.cisstat.com/materials/vsemirnogo_banka/)).

Meanwhile, CIS is preparing and signing Subsidiary Grant Agreements with the participating countries to provide them with sub-grants for technical assistance and participation in the CIS ICP meetings.

**Eurostat-OECD**


The manual gives a complete and detailed description of the sources and methods employed by Eurostat and OECD to produce PPPs, with 2011 as reference year.

The annual Eurostat PPP Working Group meeting was held on November 20-21 in Luxembourg, bringing together PPP experts from all 37 participating countries, as well as from OECD, UNECE, ROSSTAT and CIS-STAT. The meeting served to review the forthcoming release of the PPP data for 2009, 2010 and 2011, as well as to discuss several methodological developments such as the new approach to measuring health PPPs, the treatment of discounts, the basic heading classification and the capital goods surveys.

**Latin America and the Caribbean**

An Expert Group Meeting on Price Statistics for the ICP 2011 was held on December 3-6, 2012 in the UN-ECLAC House in Santiago, Chile. The meeting was jointly organized by UN-ECLAC, CARTAC, CARICOM and the ECCB with the objective of validating 2012 price data for the Caribbean. Price focal points from 20 Caribbean economies, plus representatives from both Caribbean Netherlands and Saint Maarten attended the meeting.

A meeting for Latin America National Accounts experts will be held from March 12-13, 2013 in Santiago, Chile, for validating National Accounts data and questionnaires. A data validation workshop for the Caribbean is planned for March 13-15, 2013 in Jamaica. This meeting will be dedicated to validating the fourth quarter price data, the annual average prices, and National Accounts data and questionnaires.

**Pacific Islands**

The third data validation workshop for the Pacific ICP took place on November 6-9, 2012 in Apia, Samoa. The objectives of the workshop included: (i) reviewing the process of within-country and across-country data validation and completing within-country and across-country data validation for the March and June data; (ii) resolving issues with difficult products; (iv) completing a first round of data validation for the September data; and (v) determining the additional steps needed to ensure good estimates of national average annual prices for each economy in the Pacific. The next workshop is scheduled for June 2013.
Western Asia

The 6th Western Asia ICP Price Validation Workshop, organized by UN-ESCWA, took place from January 21-27, 2013 in Istanbul, Turkey. The objective of the workshop was to validate price and metadata from Western Asia countries for the following ICP surveys: i) Household Consumption; ii) Machinery and Equipment, iii) Construction and Civil Engineering; iv) Housing; v) Compensation of Government Employees; vi) Private Education; and vii) Water Tariff. Preceding the workshop, a bilateral meeting was held between ESCWA and the Global Office to: i) discuss data quality based on the findings from the Global Office analysis; and ii) develop a validation strategy for the Workshop.

Singleton Countries

The next workshop for Iran is tentatively planned for March 2013, while the next workshop for Georgia is scheduled for April 2013.

IV. 2013 MAJOR MILESTONES AND GOVERNANCE MEETINGS

The 8th Regional Coordinators’ Meeting was scheduled to be held on February 22, 2013 at the United Nations in New York. The draft agenda for the meeting included: (1) Review of data and metadata submission: coverage and quality; (2) Review of ICP Notes for the Executive Board; and (3) Next steps to Spring 2013 meetings.

The 8th Meeting of the Technical Advisory Group is scheduled to be held on May 6-7, 2013 and the 8th Regional Coordinators’ Meeting is scheduled for May 8-10, 2013. Both meetings will take place at the World Bank in Washington, DC. The next Executive Board meeting is scheduled for November 2013. Table 3 below highlights the major milestones and governance meetings in 2013.

Table 3. 2013 Major Milestones and Governance Meetings

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>March</td>
<td>Submission of semi-final price data for all regions (Household Consumption and Special Surveys) Submission of preliminary 2011/ revised 2005 National Accounts data</td>
</tr>
<tr>
<td>May</td>
<td>8th Technical Advisory Group and 9th Regional Coordinators meetings</td>
</tr>
<tr>
<td>June</td>
<td>Submission of final data for all regions (Household Consumption, Special Surveys and National Accounts) Preparation of the Interim Report to the Executive Board</td>
</tr>
<tr>
<td>September</td>
<td>9th Technical Advisory Group and 10th Regional Coordinators meetings</td>
</tr>
<tr>
<td>October</td>
<td>Submission of final 2011 price data and metadata Submission of final 2011 National Accounts data and metadata Submission of final Regional PPPs</td>
</tr>
<tr>
<td>November</td>
<td>9th Executive Board meeting Preparation of the Report to the 45th session of the United Nations Statistical Commission</td>
</tr>
<tr>
<td>December</td>
<td>Release of 2011 Global PPPs and results</td>
</tr>
</tbody>
</table>