Terms of Reference
Special Task Force for the 2011 International Comparison Program

1. Background
The International Comparison Program (ICP) is a worldwide statistical initiative aimed at estimating Purchasing Power Parities (PPPs) to be used as currency converters to compare the economic situation of economies around the world. The primary purpose of the ICP is to generate relevant PPP data to convert the Gross Domestic Product—and its sub-aggregates reported in different currencies—into a standard common currency that equalizes the real purchasing power of each of the currencies.

Following the successful completion of the ICP 2005 round under the World Bank management, the United Nations Statistical Commission requested the Bank to take on the global coordination of the 2011 Round. This new round leveraged the successful implementation of the 2005 round. This, together with a concerted effort by international and national statistical agencies, meant that the 2011 round was better planned, managed and coordinated. The ICP Global Office, hosted by the World Bank, worked to broaden the scope of the program, streamline quality assessment processes, improve the poverty relevance of PPP statistics, ensure the sustainability of PPP delivery, and enhance statistical capacity building activities related to the generation of ICP basic data with a specific focus on price statistics and the implementation of the System of National Accounts (SNA-1993).

The 9th meeting of the ICP 2011 Executive Board took place on October 30, 2013, at the World Bank in Washington DC, to address critical issues related to the finalization of the computation process and the publication of the 2011 round results. At the meeting, Board members raised reservations regarding ICP 2011 preliminary estimates in the Asia-Pacific region and suggested areas for further quality review to ensure 2011 PPP estimates do not suffer from undue bias.

Following the discussion, the Board decided on the creation of a Special Task Force in November 2013 to examine a number of technical issues set out below.

2. Purpose, Objective and Scope
The Special Task Force will examine the technical issues raised at the October 30 meeting, and make recommendations to the Board for potential adjustments to ICP estimates focusing on the following:

- Representativeness of the Global Core List items selected for pricing in the regions and the effect of this selection on global linking.
- The validation and treatment of outliers, focusing on whether higher prices were systematically deleted as outliers.
- The approach to pricing construction adopted in the ICP 2011, and its possible effect on PPPs for countries where construction expenditures represent a large share of the GDP.
- The approach to pricing housing and data collected in the ICP 2011, and the effect on PPPs and linking.
3. Composition and Reporting

As decided by the ICP executive Board in its 9th meeting, the Special Task Force will be formed with the membership of:

- ICP Global Office (Michel Mouyelo-Katoula, Nada Hamadeh, and Yuri Dikhanov)
- Asian Development Bank (Chellam Palanyandy and Eileen Capilit)
- China National Bureau of Statistics (Zhao Yuncheng, Yu Fangdong, Shi Ting, and Wang Lei)
- India Ministry of Statistics & Programme Implementation (G.M. Boopathy)
- ICP technical Advisory Group Chair (Paul McCarthy) and Co-Chair (Fred Vogel)
- Eminent ICP and poverty experts (Alan Heston, Angus Deaton, Erwin Diewert, and Prasada Rao)

The Special Task Force will report its findings to the ICP Executive Board through the ICP Global Office.

4. Outputs

The Special Task Force will prepare a short report presenting its findings, the results of the relevant simulations conducted, and recommendations for modifying ICP estimates, if judged necessary. This report will be shared with the ICP Executive Board only.

5. Activities and Timetable

The Special Task Force will start working in November 2013 and submit their findings by December 19, 2013. The proposed tentative timetable is set out below.

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<th>Activities</th>
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<td>Setting up of the Special Task Force</td>
<td>Nov. 1-4, 2013</td>
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<td>Meeting of the Special Task Force</td>
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<td>Simulations and analysis</td>
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<td>Submission of Findings to the ICP Executive Board</td>
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