

International Comparison Program

**Inter-Agency Coordination Group Meeting:
ICP 2021 Cycle**

World Bank HQ (MC C1-200), Washington, DC



International Comparison Program

May 15-18, 2023

A world map composed of a grid of small dots, with the text "Opening Remarks" centered over it.

Opening Remarks

Draft Agenda [1]

DAY 1: Monday, May 15, 2023: 9am – 5pm (EDT)

- Regional updates
- Global updates
- Data review: Household consumption price and importance data (!)

DAY 2: Tuesday, May 16, 2023: 9am – 5pm (EDT)

- Data review: Housing prices and volumes (**+ADB's housing PPP update**)
- Data review: Private education
- Data review: Government compensation and productivity adjustment
- Data review: Machinery and equipment
- Data review: Construction and civil engineering

Draft Agenda [2]

DAY 3: Wednesday, May 17, 2023: 9am – 5pm (EDT)

- Data review: 2017-2021 National accounts expenditures **(+COVID-19 impact)**
- Data review: 2017-2021 Population and market exchange rates
- Data review: 2017-2021 timeseries data (PPPs, CPIs, deflators)
- Result review: ICP 2021 results **(!)**

DAY 4: Thursday, May 18, 2023: 9am – 5pm (EDT)

- Planning for the 2023 governance activities and ICP 2021 cycle release
- Planning for the ICP 2024 cycle **(+COICOP 2018 update)**
- Planning for an approach to produce annual ICP results and forecasts **(!)**
- ICP PPP calculation tools
- Any other business and closing



SESSION 01: REGIONAL UPDATES

ICP 2021 Cycle Preparations: Regions

- **Updates on country participation | Survey implementation, expenditure compilation, data submission, data validation, and PPP estimation status (2021 and revised 2017) | Recent and forthcoming workshops and meetings | Outreach activities and announcements |**
 1. In-person: Western Asia (UN-ESCWA)
 2. In-person: Latin America and Caribbean (UN-ECLAC)
 3. In-person: Eurostat-OECD PPP Programme (Eurostat and OECD)
 4. Online: Commonwealth of Independent States (CIS-STAT)
 5. In-person: Asia and the Pacific (ADB)
 6. In-person: Africa (AfDB)
- **Housekeeping: approx. 25 minutes for each region with joint Q&A**

Global Update

International Comparison Program (ICP) Inter-Agency Coordination Group (IACG) Meeting



International Comparison Program

15-18 May 2023



SESSION 02: GLOBAL UPDATE



Participation, Timeline and Governance

Participation

Number of participating economies broadly consistent across cycles

[**ICP 2017**: 176 economies | **ICP 2021**: 179 economies]

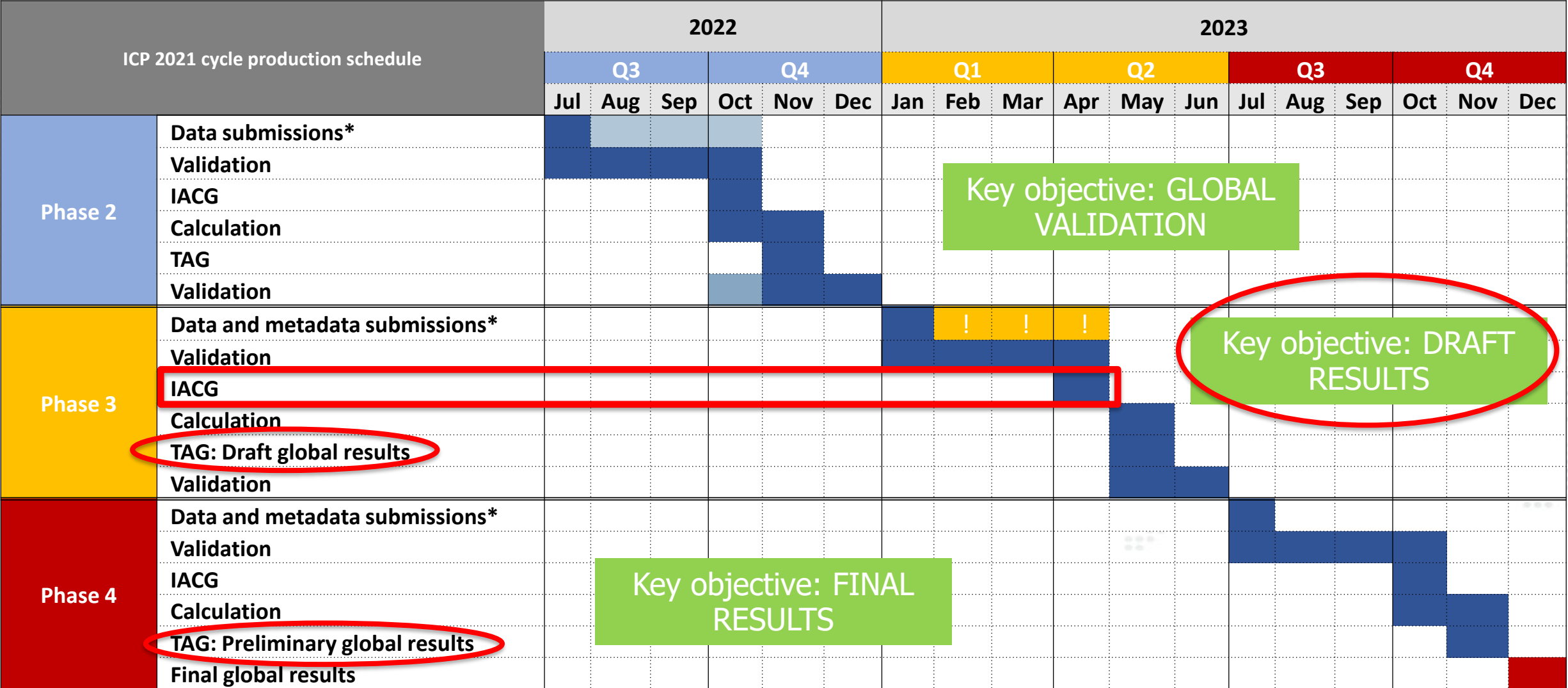
- **AFR [54]**: +4 Eritrea, Libya, Somalia and South Sudan potential participation
- **ASI [21]**: -1 Myanmar (delays for India, Lao and Pakistan)
- **CIS [9]**: +1 Uzbekistan
- **EUO [48+2]**: -1 Russia (as dual-participating country) | Georgia and Ukraine
- **LAT [13]**: +1 Guatemala, -1 Haiti
- **CAR [20]**: -3 The Bahamas, Barbados, Sint Maarten (submission delays)
- **WAS [17]**: +2 Syria and Lebanon, +3 Tunisia, Libya, Mauritania (as dual-participating countries)

ICP 2021 Cycle Overall Timeline

ICP 2021 Cycle	2020				2021				2022				2023				2024	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Price surveys					█	█	█	█	█	█	█	█						
National accounts									█	█	█	█	█	█				
Governing Board ¹						█			█				Mar			█		
TAG						█		█				█			█			
IACG ²		█		█		█		█	█	█		█			May		█	
Publication ³																!	█	?

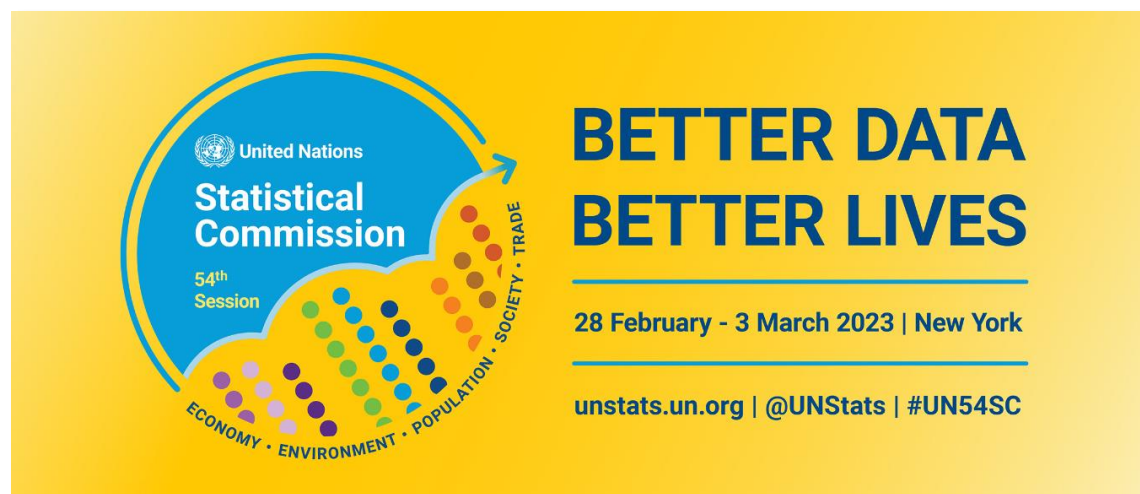
¹ Typically in conjunction with the UNSC session; ² Biannual
³ Revised 2017, 2021, 2018-2020 timeseries PPPs

ICP 2021 Cycle: Detailed Production Timeline



* iterative

Governance: United Nations Statistical Commission



- The Report outlines ICP 2021 activities undertaken in 2022 at the global, regional, and national levels.
- The Commission was invited to take note of the progress made in carrying out the current cycle and related risks, challenges, and mitigation measures, and **the call to ICP stakeholders to ensure their timely completion of the ICP 2021 cycle activities, to prepare for the next ICP 2024 cycle, and to continue to incorporate the ICP into their regular statistical work programmes.**

- **2023 ICP report for information: Agenda item 5(C)**
- **Arabic | Chinese | English | Español | Français | Russian**

Governance: Governing Board Meeting

- Recent meeting in February 2023
- **The Board noted**
 - Progress made with the ICP 2021 cycle, despite the Covid-19 pandemic and the war in Ukraine;
 - need to identify a new approach to link the CIS region;
 - Need to approach the NSOs on completing the ICP 2021 cycle activities in a timely manner and to begin preparations for the ICP 2024 cycle (!);
 - Need to identify sustained funding for the program and to strengthen advocacy effort; and
 - Current and anticipated uses of PPPs.
- Next meeting planned for end-2023

Governance: Technical Advisory Group Meeting

- **Recent meeting held in December 2022**
 - **Impact of COVID-19** on Eurostat-OECD data collection
 - **Implications of the war in Ukraine** on the ICP 2021 cycle
 - Reviewed progress with the **ICP Research Agenda**
 - Compilation of PPP Time Series | Compiling housing PPPs and real expenditures | Fine tuning global linking procedures | Exploring innovations in technology and data sources for PPP measurement
- Discussed **new uses of PPPs and ICP data**, e.g., WB income classification
- Next meeting planned for summer 2023 (?)

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Operational Activities and Submission Status

ICP 2021 Cycle Operational Materials

1. Item lists and SPDs and ICP Classification

- HHC | HOU | HOV | EDU | GOV | MEQ | CON

2. Metadata Questionnaires (!) [3]

- Survey framework and COVID-19 questionnaire | National Accounts Country Practice Questionnaire | Housing Metadata Questionnaire

3. Data Submission Forms

- AFR | ASI | CIS | EUO | LAC | WAS | Global
- **Note:** Includes aggregation and reference PPP mappings
- (!) A new code correspondence table for HOV form and submission form

4. COVID-19 Guidelines

- HHC | Private Education | National accounts

(!) All ICP Operational Materials are available at the [IACG OneDrive](#) and ICP [Item List Management Tool \(ILMT\)](#)

Reminder: New “Total” consumption heading

ICP 2017 published 44 headings (hierarchical and non-hierarchical)

- IACG agreed to add a “total” consumption” heading for ICP 2021 cycle, bringing in the number of published headings to **45** (Note: revised 2017 and 2021):

“Total” consumption

=

Household and NPISHs + Individual Gov. + Collective Gov. consumption

=

Actual individual consumption + Collective Gov. consumption

- (!) ICP Data Submission Form has been updated to include the new heading (data sheets and aggregation mapping)

ICP 2021 HHC Data Submission Status

Region	# and %	As of	Annual 2021	EXP 2021 ^c	PPPreg 2021
AFR [54 (!)]	48 [89%]	May	No ^a	-	-
ASI [21]	18 [82%]	May	Partial ^a	16 [76%]	-
CIS [9]	9 [100%]	Apr	Yes	-	-
LAT [13]	13 [100%]	May	Yes	13 [100%]	-
CAR [20]	18 [90%]	May	Yes	18 [90%]	-
WAS [17]	15 [88%]	May	Yes	7 [41%]	-
EUO [48]	48 [100%]	Apr	Yes	48 [100%]	48 [100%]
SPP [2] ^b	0 [0%]	-	-	1 [50%]	-

^a Covered quarters vary between the countries

^b Georgia and Ukraine (Eurostat)

^c N. of countries reporting EXP for over 100 BHs

ICP 2021 Non-HHC Data Submission Status

Region	REN	HOV	EDU	GOV	MEQ	CON
AFR [54 (!)]	-	-	-	-	-	-
ASI [21]	18 [86%]	16 [76%]	17 [81%]	20 [95%]	18 [86%]	18 [86%]
CIS [9]	-	-	9 [100%]	-	9 [100%]	9 [100%]
LAT [13]	6 [46%]	4 [31%]	10 [77%]	5 [38%]	5 [38%]	5 [38%]
CAR [20]	3 [15%]	3 [15%]	3 [15%]	11 [55%]	7 [30%]	4 [20%]
WAS [17]	16 [94%]	-	15 [88%]	15 [88%]	13 [76%]	14 [87%]
EUO [48]	-	-	-	48 [100%]	48 [100%]	12 [100%]
SPP [2] ^a	-	-	-	-	-	1 [50%] ^b

^a Georgia and Ukraine (Eurostat) | ^b Not used for linking

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Risk Assessment

Risk Assessment [1]

- **PARTICIPATION**: Participation risks persist in some regions (including “partial” participation concerns)
 - **Mitigation**: Continued monitoring and advocacy efforts by the implementing agencies, Governing Board, and UNSC
- **COMPARABILITY**: Standard PPP estimation methodology maintained to the extent possible, but the CIS region would be linked directly into the global set of results, instead of via Russia as a bridge country between CIS and OECD
 - **Mitigation**: TAG technical guidance on linking the CIS region, and assessment of the impact on ICP 2021 results

Risk Assessment [2]

- **QUALITY:** ICP 2021 - additional quality challenges resulting from COVID-19 (varying price survey schedules and quality of expenditure weights)
 - **Mitigation:** Continued validation efforts at national, regional, and global levels, as well as TAG technical guidance and assessment of results
- **TIMELINESS:** Publication of ICP 2021 results scheduled for end-2023, but several regions/countries faced delays in survey implementation and additional quality assurance measures require time
 - **Mitigation:** Close cooperation between the regional and global implementing agencies to actively monitor the production schedule, and advocacy by the Governing Board and UNSC

A world map composed of a grid of small dots, with the text "Outreach and Uses" centered over it.

Outreach and Uses

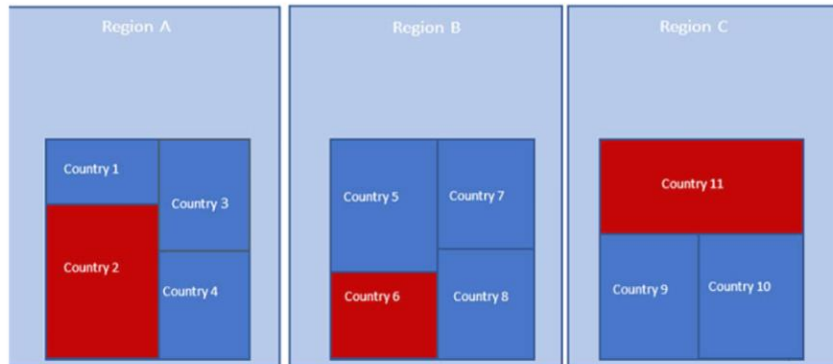
Outreach: ICP Blogs

Load input price and regional PPP data

```
#Load price data
data="price_data.csv"
prices=pd.read_csv(data)
#Load regional PPPs data
datappp="ppp_reg.csv"
ppp_reg=pd.read_csv(datappp)
```

Frequent users of ICP data will recall that the ICP Classification of Expenditures breaks down expenditure on final goods and services into different levels, and defines 155 basic headings as the lowest level at which participating economies can estimate explicit expenditures. Each basic heading consists of a group of similar well-defined goods or services and is the lowest level for which PPPs are calculated. As in our previous blog, we focus on three basic headings ("bh") as examples for our computation: garments, rice, and pork.

Furthermore, we use 11 countries in our example, each belonging to one of three different regions. Within the ICP framework, regions represent the first building block in the process of cross-country comparisons. The Regional Implementing Agencies are responsible for calculating regional PPPs based on the prices and national accounts expenditures provided by participating economies. Each region designates one country within their region as numeraire and regional PPPs are calculated in relation to this regional numeraire. In our example illustrated below, Country 2 is the numeraire for region A, Country 6 for region B and Country 11 for region C.



Regional numeraire countries shown in red. The different shape sizes reflect the relative size of each country's economy in the regional comparisons.

- [Demystifying ICP purchasing power parity Calculations using Python: Global results](#) (March 23, 2023)
- Showcases detailed methodological steps for linking regional PPPs into a global set of PPPs using Python software. Mock average price and expenditure data are used to illustrate the calculations.
- A follow up to an [earlier piece](#), which focused on the steps for estimating PPPs for countries within a single region.

Outreach: ICP Blogs

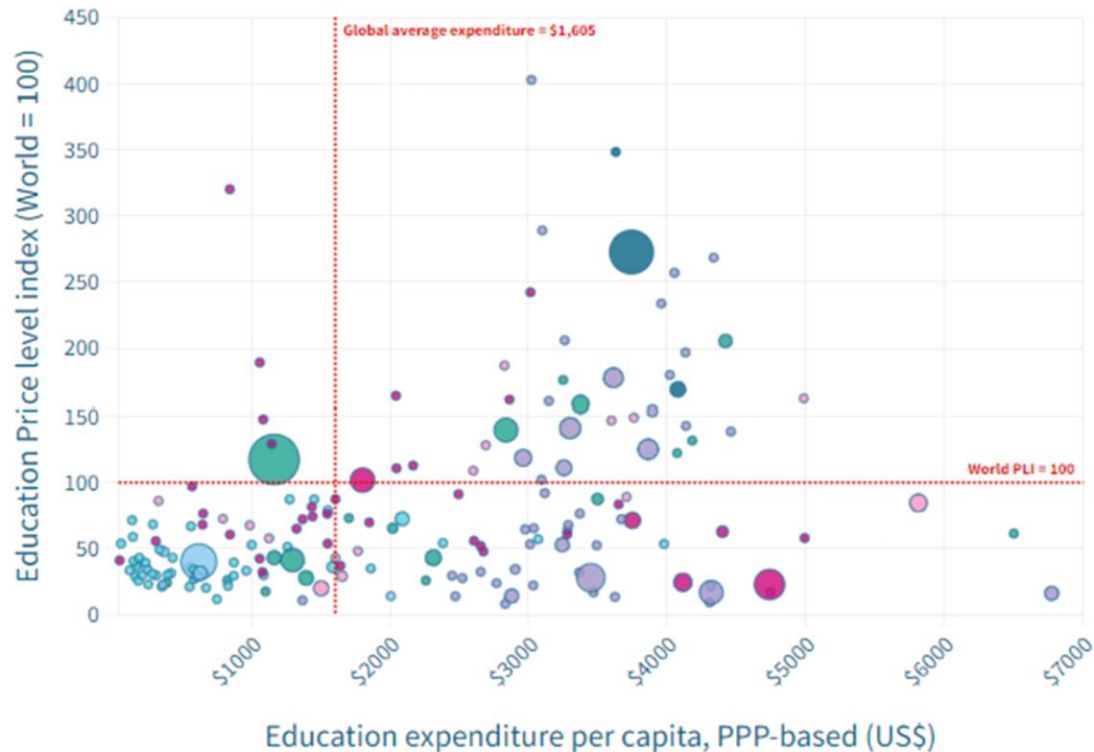
Expenditure and relative cost: Actual Education

2017

Filter your view by **income group** in the dropdown menu, or by **region** in the legend. Hover over economy to see full data.

All income groups

Region ● East Asia & Pacific ● Europe & Central Asia ● Latin America & Caribbean
● Middle East & North Africa ● North America ● South Asia ● Sub-Saharan Africa



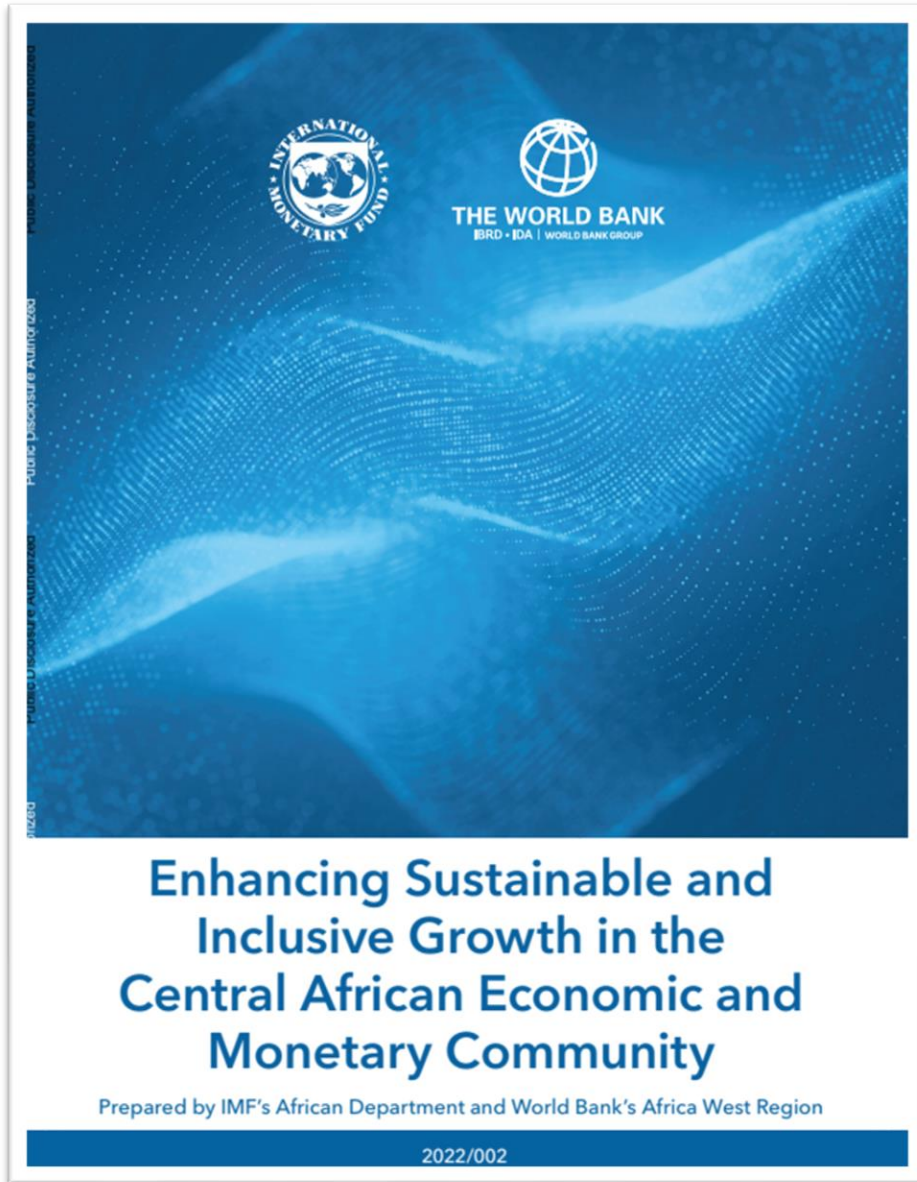
- How much do countries spend on education, and how do the price levels of education compare? Three charts from the ICP
- Published on International Education Day (January 24, 2023)
- Uses an interactive story of charts to lead users through the ICP data available on the **expenditure by households and governments on education** in countries around the world, and how the relative costs of education differ.

Uses: ILO



- ILO's flagship annual report **World Employment and Social Outlook Trends 2023** (January 2023)
- Uses **PPP-based income levels** under which employed people are considered to be the "working poor" or living in extreme poverty. It also expresses **output per worker in PPP terms** in its comparison of labour productivity across countries.

Uses: IMF – World Bank



- Joint IMF-World Bank report **Enhancing Sustainable and Inclusive Growth in the Central African Economic and Monetary Community** (December 2022)
- Uses **PPP-based GDP per capita** to compare countries' economic growth over a 30-year period

Uses: OECD - WHO



Step Up! Tackling the Burden of Insufficient Physical Activity in Europe



- The joint OECD-WHO report **Step Up! Tackling the Burden of Insufficient Physical Activity in Europe** (February 2023)
- Expresses the impact of insufficient physical activity (defined as less than 150 minutes per week) on total annual **health care expenditure in PPP-based euros**

A globe composed of numerous small, square images, each depicting a different scene or object, such as a car, a cup of coffee, a bicycle, a person, and various food items. The globe is positioned in the center of the slide, set against a background of a world map rendered in a dotted, halftone style. The overall color palette is light and airy, with a teal accent at the top right.

THANK YOU