



**INTERNATIONAL COMPARISON PROGRAM**  
**SECOND MEETING OF THE TECHNICAL ADVISORY GROUP**

**ICP 2017 CYCLE: PROGRESS REPORT**

**APRIL 2018**

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## I. Introduction

In 2018, the International Comparison Program (ICP) celebrates its “Golden Jubilee”, marking the fiftieth year since its establishment. The program has come a long way since its inception in 1968 as a joint venture of the United Nations and the International Comparisons Unit of the University of Pennsylvania. The program was initiated as a modest research project with financial contributions from the Ford Foundation and the World Bank, but the ultimate goal was to set up a regular program of purchasing power parity (PPP)-based comparisons of gross domestic product (GDP). Since then, ICP has evolved into the largest statistical partnership in the world, with an increasing number of participating countries. At its forty-seventh session in March 2016, the United Nations Statistical Commission (UNSC) instituted the ICP as a permanent element of the global statistical program, conducted more frequently starting from the 2017 cycle.

The implementation of the ICP 2017 cycle has been initiated at the global, regional and national levels. Moreover, various regions had undertaken interim comparisons between the 2011 round and the 2017 cycle. The aim is to utilize all available information to produce results for 2017, as well as to estimate a PPP time series for the period 2011-2017, by the end of 2019. However, delays in initiating survey activities in two regions pose serious risks to the timeliness, coverage and quality of the expected results. Thus, ICP stakeholders are multiplying their efforts to mitigate these risks and ensure a successful 2017 cycle that would put the permanent ICP program on a strong footing.

This report provides a comprehensive update on the activities, risks and mitigation measures undertaken from April 2017 to April 2018. It is organized in five sections as follows: governance and coordination; implementation of interim and 2017 cycle activities; risks and mitigation measures; research activities; uses of PPPs; and knowledge and advocacy.

## II. Governance and coordination

### i. United Nations Statistical Commission

The UNSC is the ultimate stakeholder of the ICP, deciding the frequency and operational modality of the program. The forty-ninth session of the UNSC took place from March 6-9, 2018 in New York. The UNSC discussed the [report](#) of the World Bank that outlines the ICP activities undertaken at the global, regional and national levels to complete interim comparisons, launch the implementation of its 2017 comparison cycle and transform it into a permanent element of the global statistical work program. Countries commented on the report, indicating their commitment to the ICP, the usefulness of the program, and the importance of integrating ICP surveys into the regular work programs in countries.

### ii. Governing Board

The Governing Board’s role is to set the policies that govern the production of regional and global PPPs; approve the methodology and any methodological improvements; conduct outreach to policy-makers to ensure the inclusion of the ICP in the national permanent statistical work; and help with fund-raising at country level to increase national funding for the ICP.

The second [meeting of the ICP Governing Board](#) took place on September 15, 2017, in Washington, D.C. The Board took note of the status of interim and 2017 cycle activities and identified risks and related mitigation measures. It stressed the importance of close cooperation between global, regional and national implementing agencies to ensure timeliness, quality, reliability and usability of ICP results. The Board also adopted the proposed ICP research agenda, which focuses on: methodological aspects of building PPP time series; fine-tuning established methods and procedures without introducing methodological changes; and providing guidelines to countries to improve the quality, reliability and comparability of PPP estimates. On data access, the Board took note of the main drivers and objectives of a proposed enhanced data access policy, with emphasis on equal reciprocation in providing data by each participating country. The next meeting of the Board is scheduled for October 2018, in conjunction with the UN World Data Forum in Dubai, United Arab Emirates.

### iii. Technical Advisory Group

The Technical Advisory Group (TAG) is the technical body that assures methodological soundness and overall quality of the PPP estimates; ensures transparency of the PPP estimation process; and supports the establishment of a permanent and more frequent ICP.

The first [meeting of the ICP TAG](#) took place on May 24, 2017, at Princeton University. The meeting took note of the ICP Governance Framework as well as the status of the ICP interim activities and the 2017 comparison cycle, and put forth a comprehensive research agenda for the program, which was subsequently approved by the ICP Governing Board. The work of the TAG will be supported by task forces that tackle specific topics on the research agenda. The second meeting of the TAG is scheduled for May 2018 in Washington, D.C.

### iv. Inter-Agency Coordination Group

The Inter-Agency Coordination Group (IACG) is the coordinating body, which collaborates on establishing timetables and work plans; develops common standards, methods, and protocols; and agrees on operational materials.

The fourth [meeting of the IACG](#) was held from October 23 to 25, 2017, in Washington, D.C. Participants discussed the status of interim activities, the 2017 cycle and related risks, the assessment of data for interim years, data access and the publication of results, the PPP eLearning course, and ICP data-management solutions.

A [meeting of the IACG Principals](#) was held in New York on March 4, 2018, in conjunction with the forty-ninth session of the UNSC. The main objective of the meeting was to provide updates on global and regional ICP activities and related risk assessment.

The fifth [meeting of the IACG](#) was held on March 14-15, 2018, in Washington, DC. The meeting discussed the status of global and regional activities and risks, status of data submissions and feedback on operational materials, regional support needs on gross fixed capital formation surveys, overall timeline, publication of results and data access, update on data processing tools, and outreach, knowledge and uses. The next meeting of the IACG is scheduled for September 2018.

### III. Implementation of interim and 2017 cycle activities

#### i. Overall timetable

The timetable of the main surveys, which include data collection of prices for household goods and services, varies across regions. These price surveys are being conducted from the first quarter of 2016 until the fourth quarter of 2018. Other data collection and compilation activities, including housing rentals and volume, compensation of government employees, machinery and equipment, and construction and civil engineering, will be carried out from the second quarter of 2017 to the fourth quarter of 2018. National accounts expenditure data compilation will be conducted from the first quarter of 2017 to the third quarter of 2019. It is expected that the final global results for 2017 will be published by the end of 2019. In addition, global PPP time series for the period from 2012 to 2016 will be produced through linking interim regional results, where available. The overall [ICP 2017 cycle timetable](#) is available on the ICP website.

#### ii. Status of regional programs and capacity-building activities

##### Africa

Forty-seven countries are participating in the interim activities for the years 2015 and 2016. The African Development Bank (AfDB) established the ICP-Africa Regional Expert Group to review methodology and data for the interim exercise. The first meeting to discuss the 2015-2016 interim PPP update was held on April 4-10, 2018, in Abidjan, Cote d'Ivoire. Global ICP Unit (GIU) staff joined the meeting to provide technical assistance and advice as members of the group.

Fifty countries are joining in activities for the 2017 cycle. Eritrea, Libya Somalia and South Sudan are not part of the 2017 cycle comparison, while Egypt, Morocco and Sudan are participating in both the Africa and Western Asia regional comparisons. For the 2017 cycle, due to unexpected challenges in channeling funds to participating countries, the data collection for household consumption main survey started with delay in the region. Preliminary regional results will be calculated in the third quarter of 2019 and the final regional results are expected to be available in the fourth quarter of 2019.

A catch-up workshop was organized in June 2017 in Abidjan, Côte d'Ivoire, to accommodate the countries that could not attend the previous workshop to launch the 2017 cycle activities. Prior to the workshop, GIU staff had a bilateral preparation meeting with the AfDB ICP team to discuss the implementation of the 2017 cycle activities in the region and provide technical assistance to the AfDB ICP team.

Sessions on the ICP were organized within a technical workshop on national accounts for French-speaking countries in October 2017 in Bamako, Mali, and within a sub-regional workshop for computing the Harmonized Consumer Price Index (HCPI) for member countries of the Economic Community of West African States (ECOWAS) and West African Economic and Monetary Union (UEMOA) in April 2018.

Several in-country training workshops were organized during the reporting period to initiate ICP 2017 activities and/or discuss subnational PPPs: Rwanda in August 2017; South Africa in August 2017 (the GIU joined this technical assistance mission); Egypt in January 2018; Ghana in January 2018; Côte d'Ivoire in February 2018; Congo in February 2018; Niger in February 2018; Nigeria in March 2018; and Togo in April 2018. Following requests from countries for ICT support for data collection purposes, the AfDB ICP team developed an ICP Smart Data collection solution in both French and English.

## Asia

Twenty countries are participating in the interim update exercise for 2016. The final review of price and national accounts expenditure data is underway and the data for the interim exercise are planned to be finalized in the second quarter of 2018.

Twenty-two countries are joining the 2017 cycle. In addition, Afghanistan expressed its interest in participating in the work of ICP and a briefing session on the program was delivered to the national statistical office; however, Afghanistan's participation in the ongoing 2017 cycle is uncertain due to the current security situation in the country.

In Asia, the main survey on price collection for household consumption started in the second quarter of 2017 for most countries while some started in the third quarter of 2017. Price data are expected to be finalized by the first quarter of 2019 and it is expected that the final regional results will be released in the last quarter of 2019.

During the reporting period, three regional workshops were held in Bangkok, Thailand, in June-July 2017, October 2017, and January-February 2018 to review 2016 data and estimate preliminary results and to implement 2017 price-collection activities. GIU staff members joined preparatory sessions for the three workshops and provided technical assistance to the Asian Development Bank ICP team. Also, in-country training workshops were conducted for Myanmar in April 2017 and for China in May 2017.

The next regional workshop is planned for May 2018, and the GIU staff would join to provide assistance for the computation of interim results.

## Commonwealth of Independent States

Eight countries of the Commonwealth of Independent States (CIS) participated in the interim 2014 comparison. The final results were released in April 2017 and the statistical abstract presenting detailed results was published in June 2017.

These eight countries are joining the 2017 cycle, and discussions with Turkmenistan and Uzbekistan to confirm their participation are still underway. Russia is participating in both the CIS and the Organization for Economic Cooperation and Development (OECD) comparisons. The main survey on data collection for household consumption was conducted from the second to the last quarter of 2017, and the survey on gross fixed capital formation from the third to the last quarter of 2017. Other data collection activities for the 2017 cycle will be carried out in 2018. Summary results are expected to be released in the last quarter of 2019 while detailed results will be published in the second quarter of 2020.

Two regional expert meetings were conducted during the reporting period in Moscow, Russia, to review the household consumption surveys in April 2017 and to discuss preliminary 2017 machinery and equipment goods survey results and related methodological issues in December 2017. GIU staff joined the December workshop to provide technical assistance to countries.

The next regional expert meeting is planned for May 2018 in Moscow, Russia to discuss price surveys and preliminary PPP estimates for household consumption.

### Latin America and the Caribbean

In the interim period, technical assistance and informative sessions were provided to a few countries in the Latin America and the Caribbean region on consumer prices and national accounts in preparation for the 2017 cycle, but data collections were not conducted to estimate interim regional results.

Thirty-four countries are expected to participate in the 2017 cycle activities. Guatemala and Dominica have not yet confirmed their participation though they indicated their willingness to participate, while Venezuela and Cuba are not joining the 2017 cycle. Colombia and Costa Rica are participating in the OECD PPP program. As a result of unforeseen funding issues and other statistical priorities underway in various countries, the main survey for household consumption started with delay in the region. The final regional results and findings are expected to be published in the last quarter of 2019.

The first regional technical meeting on household consumption surveys for the 2017 cycle was held in June 2017 in Santiago, Chile. Prior to the workshop, GIU staff members provided technical assistance to the ICP team of the Economic Commission for Latin America and the Caribbean (UN-ECLAC) on the implementation of the 2017 cycle activities in the region.

GIU staff held a bilateral meeting with Argentina's Instituto Nacional de Estadística y Censos (INDEC) to discuss their ICP participation in January 2018 in Buenos Aires, Argentina, in conjunction with the G-20 Thematic Workshop on Residential and Commercial Property Price Indices. They also provided technical support to UN-ECLAC consultants, who in turn will be providing technical assistance to countries. Moreover, to enhance the Caribbean Community (CARICOM) knowledge of the ICP and to train them on the ICP IT tools, a training session for CARICOM staff was held in April 2018 in Santiago, Chile.

The next regional workshop is scheduled for May 2018 in Panama City, Panama. GIU staff will provide technical support to the UN-ECLAC ICP team prior to the workshop, to help them prepare training and meeting materials.

### Western Asia

Twelve countries in Western Asia are participating in the interim 2016 comparison. The overarching aim is to build PPP time series covering the years from 2011 to 2016 based on data collected during the 2011 round and the interim period, and to ensure the continuation of the annual production of PPPs for 2017 and beyond. The regional results for the years 2014-2016 are expected to be published in the third quarter of 2018.

Thirteen countries, including Libya, are participating in the 2017 cycle in the Western Asia region. As mentioned above, Egypt, Morocco and Sudan are participating in both the Africa and Western Asia regional comparisons. Lebanon, Syria and Yemen are not joining the 2017 cycle because of impeding geopolitical situations. Data collection activities are proceeding as scheduled and the final regional results are expected to be published in the last quarter of 2019.

A total of four regional workshops were held during the reporting period: a workshop to validate retroplated price data from 2014 and 2015 was held in October 2017 in Amman, Jordan; a workshop to validate national accounts expenditure data for 2014-2016 was held in December 2017 in Istanbul, Turkey; a workshop to finalize 2014-2016 price data was held in February 2018 in Istanbul, Turkey; and a workshop to review preliminary results for 2014-16 was held in April 2018 in Istanbul, Turkey. GIU staff provided technical assistance to the United Nations Economic and Social Commission for Western Asia

(UN-ESCWA) ICP team to prepare training and meeting materials for five of these workshops, and provided training to countries at the workshops.

In addition, a meeting on the participation of Tunisia and Libya in the 2017 cycle was held in June 2017 in Tunis, Tunisia. Two national training workshops for UAE were held in December 2017 and January 2018 in Dubai, UAE.

A meeting on the participation of Iran in the 2017 cycle took place in September 2017 in Istanbul, Turkey. The plan is to link Iran to the global comparison through the Western Asia comparison. At the meeting, GIU staff provided technical assistance and training to Iran on ICP methodology and approach.

#### Eurostat-OECD PPP program

Eurostat, the Statistical Office of the European Union, and OECD execute a regular program to produce annual PPP estimates according to a well-established timetable. Fifty-one countries are participating in the Eurostat-OECD PPP program in the 2017 cycle. Thirty-nine are coordinated by Eurostat, including Georgia and Ukraine, which will be linked to the global comparison through the Eurostat comparison. Twelve are coordinated by OECD, including Colombia and Costa Rica, which have recently moved from the Latin America and Caribbean comparison. Russia is participating in both the CIS and OECD comparisons. Preliminary regional results for the Eurostat-OECD program will be available in the last quarter of 2019 and the final results will be published in the last quarter of 2020.

Three regional workshops and meetings were held during the reporting period: two Eurostat country workshops in September 2017 in Helsinki, Finland, and in March 2018 in Lisbon, Portugal, and a meeting of the PPP working group in November 2017 in Luxembourg City, Luxembourg. In addition, meetings with Georgia and Ukraine were held in October 2017 to discuss their participation in the 2017 cycle.

The next meeting of the Eurostat program is planned for May 2018 in Paris, France. OECD also plans to have their next meeting in May 2018 in Paris. GIU staff will join the May meetings to discuss linking the Eurostat-OECD results into the global comparison.

## IV. Risks and mitigation measures

The implementation of the 2017 cycle and the transformation of the ICP into a permanent program are susceptible to a number of risks, set out in the following paragraphs.

### i. Country participation risks

Around 175 countries are participating in the 2017 cycle, compared with 179 countries that had full participation in the 2011 round. A few countries in Africa, Asia and Western Asia are facing unstable geopolitical situations that impede their participation. Furthermore, countries in the Caribbean region are suffering the aftermath of a deadly hurricane that paused risks to their participation. Although these risks are very difficult to mitigate, global and regional implementing agencies are committed to building capacity in fragile and conflict states, and they continuously encourage countries in those regions to participate in capacity-building activities, even if they are unable to conduct ICP surveys.

## ii. Timeliness risks

Four regions are implementing the 2017 cycle activities according to the agreed timetable, while two regions faced delays in initiating activities. The delays observed in these two regions pose risks not only to the overall timeline, but also to the coverage and quality of the results. These risks are serious impediments to a successful cycle and to the effective transformation of the ICP into a permanent program. Moreover, the limited capacity of some national implementing agencies to undertake ICP activities and that of some regional implementing agencies to provide technical assistance and produce regional ICP results pose additional risks to the timely release of the 2017 cycle results.

The IACG, at its latest meeting in March 2018, discussed these risks and agreed on the following mitigation measures: (i) the ICP Governing Board Co-Chairs will issue letters to all national implementing agencies in April 2018 to urge them to complete the 2017 cycle activities per the agreed timetable to ensure a successful and timely implementation of the cycle; (ii) regional implementing agencies will follow up frequently with each country to check the status of their activities and any funding or technical assistance needs; (iii) regional implementing agencies will ensure that regional workshops are carried out in a timely manner; and (iv) the GIU will deploy more technical assistance to support regional agencies and countries, especially in Africa and Latin America and the Caribbean, to help with the implementation of ICP activities; and (vi) regional implementing agencies will submit all available data collected for the interim and 2017 cycle by end of July 2018, which would allow the Global ICP Unit to initiate the global validation process in a timely manner.

## iii. Quality, comparability, and openness risks

The quality of ICP results can be impacted by various factors, including quality issues of input data, as well as data processing or calculation errors. As a mitigation measure, dedicated Task Forces are being established under the TAG to compute results and assess their quality prior to publication.

Poor comparability of ICP results over time may limit their usability and, hence, pose risks to the program. Some comparability risks can be mitigated by the program. For example, the decision to introduce no major methodological changes in the 2017 cycle ensures comparability of ICP results over time. Encouraging the same level of country participation is another. However, some factors that detract from ideal comparability are outside of the program's control. For example, there are clear challenges of comparing results over time as countries migrate from some regions to the OECD.

Moreover, restricting the openness of ICP data would hinder the value of the program in the long run. To mitigate this risk, discussions within the Governing Board and the IACG are underway to extend the publication level of ICP results in order to cover more detailed headings and to examine the possibility of providing users with access to more detailed data, while respecting confidentiality constraints and data quality limitations.

## iv. Financial and sustainability risks

The 2017 cycle continues to have a funding gap and additional fundraising efforts are underway to mitigate this risk. Moreover, channeling funds to countries has proven to be a challenge in some regions because of lengthy administrative processes or the ineligibility of some countries to receive funds.

Overcoming administrative obstacles can only be mitigated through increased regional efforts to cut through red tape and ensure that funds are transferred to countries in a timely manner. In this regard, the Caribbean Islands have agreed, with help from CARICOM, to conduct their survey activities in 2018 and the GIU is preparing a second grant to UN-ECLAC, which would allow them to provide funding to the Caribbean islands.

To ensure the sustainability of ICP as a permanent program, it is imperative to incorporate it as part of regular work programs at national and regional levels. A dedicated Task Force under the TAG will develop an advocacy document on the uses of ICP and PPP data for policymaking to help chief statisticians make a stronger case for integrating the ICP into the work program of their agencies and secure the required permanent national resources for this work. Regional implementing agencies are also urged to incorporate the ICP into their regular economic statistics work programs.

## V. Research activities

### i. Research agenda

At its forty-seventh session, the UNSC recommended that no methodological changes be introduced for the ICP 2017 cycle, in order to maintain comparability over time and allow for producing reliable purchasing power parity (PPP) time series. However, to fine-tune the methodology and guide the future of ICP, it was agreed to set a research agenda focusing on: (i) building consistent PPP time series; (ii) improving PPP reliability and quality; (iii) addressing difficult to measure areas, such as housing; (iv) strengthening alignment between PPPs and national statistical programs; (v) advocating wider uses and applications of PPPs; and (vi) exploring innovations in technology and new sources.

Thus, an [ICP Research Agenda](#) was put forth by the IACG in fall 2016, approved by the TAG in May 2017, and endorsed by the Governing Board in September 2017.

### ii. Task Forces

The TAG is establishing [Task Forces](#) to undertake research into specific technical issues and support the computation of ICP results. The following three Task Forces were established in 2017: (1) PPP Compilation and Computation; (2) Housing; and (3) Country Operational Guidelines and Procedures. The meetings of Task Forces have been organized in conjunction with the IACG meetings to maximize the benefit of the presence of the regional implementing agencies to tackle the operational challenges.

The first meeting of the [Task Force on PPP Compilation and Computation](#) was held in October 2017 in Washington, D.C. The main objective of the meeting was to initiate discussions on: (i) building PPP time series for the interim period; (ii) linking interim regional updates into a global comparison; (iii) fine tuning global linking procedures; and (iv) providing productivity adjustment factors for government and construction labor. The second meeting was held in March 2018 in Washington, D.C. to review the progress to date on the ICP Research Agenda topics assigned to the Task Force.

The first meeting of the [Task Force on Housing](#) was held in October 2017 in Washington, D.C. The meeting initiated discussions on PPPs and real expenditures for dwelling services. The second meeting was held in

March 2018 in Washington, D.C. to present and discuss the agreed-upon tasks from the first meeting and discuss plans for the Task Force’s final deliverables. A housing metadata questionnaire was finalized with inputs from the Task Force and distributed to regions in April 2018.

The first meeting of the [Task Force on Country Operational Guidelines and Procedures](#) was held in October 2017 in Washington, D.C. Participants discussed the topics assigned to the Task Force, including moving towards rolling price surveys, CPI-ICP synergies to improve spatial and temporal price consistency, and subnational PPPs. The second meeting was held in March 2018 in Washington, D.C. to present and discuss the agreed-upon tasks from the first meeting and lay out the initial groundwork for the Task Force’s final deliverables.

The demand for subnational PPPs is increasing; projects are underway in various countries including India, the Philippines, South Africa, the United Arab Emirates and Viet Nam. The compilation of subnational PPPs provides national policymakers with an important tool for comparison within different regions of the country, as well as rich insights that allow for informed and impactful policy decisions. Subnational PPPs are often used for adjusting the national poverty line along with comparing cost of living differences across regions within the country. This data can also be used for setting minimum wages or salaries and the measurement of income inequality across regions.

A side meeting on the World Bank Global Poverty Monitoring and ICP PPPs will be organized by the GIU in May 2018 in Washington, D.C. in conjunction with the second meeting of the TAG. The side meeting will initiate discussions on the ICP Research Agenda item on PPPs and poverty measurement.

Additionally, a Task Force on Uses of PPPs for National and International Policy Making will be established in 2018. The GIU has been undertaking the groundwork for the work of this Task Force by researching and identifying the various uses of PPPs and underlying ICP data, as shown in the next section.

Moreover, a task team on the data quality assurance for the PPP time series, formed with the International Monetary Fund (IMF), United Nations Statistics Division (UNSD) and the World Bank, will be established by mid-2018, with its first meeting scheduled for June 2018.

## VI. Uses of Purchasing Power Parities

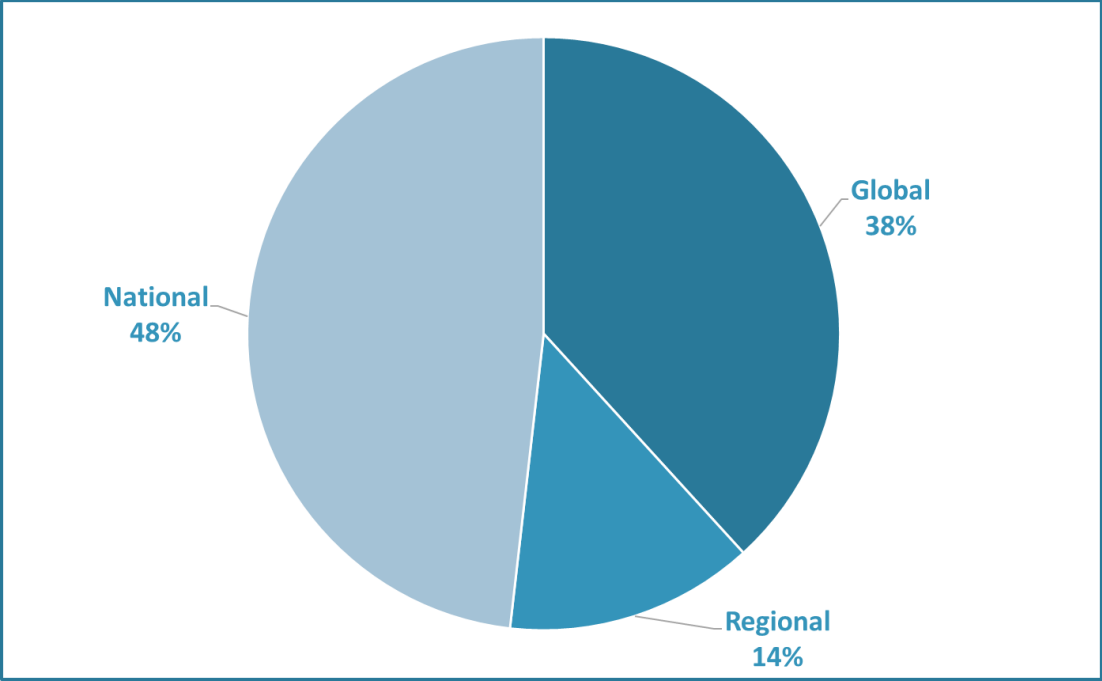
### i. Overview

PPPs and underlying ICP data are utilized by an increasingly large audience at global, regional or national levels. Themes range from comparisons of economies and cost of living differentials to research on poverty, inequality, social welfare and economic growth, as well as indicators such as competitiveness, productivity, trade and investment.

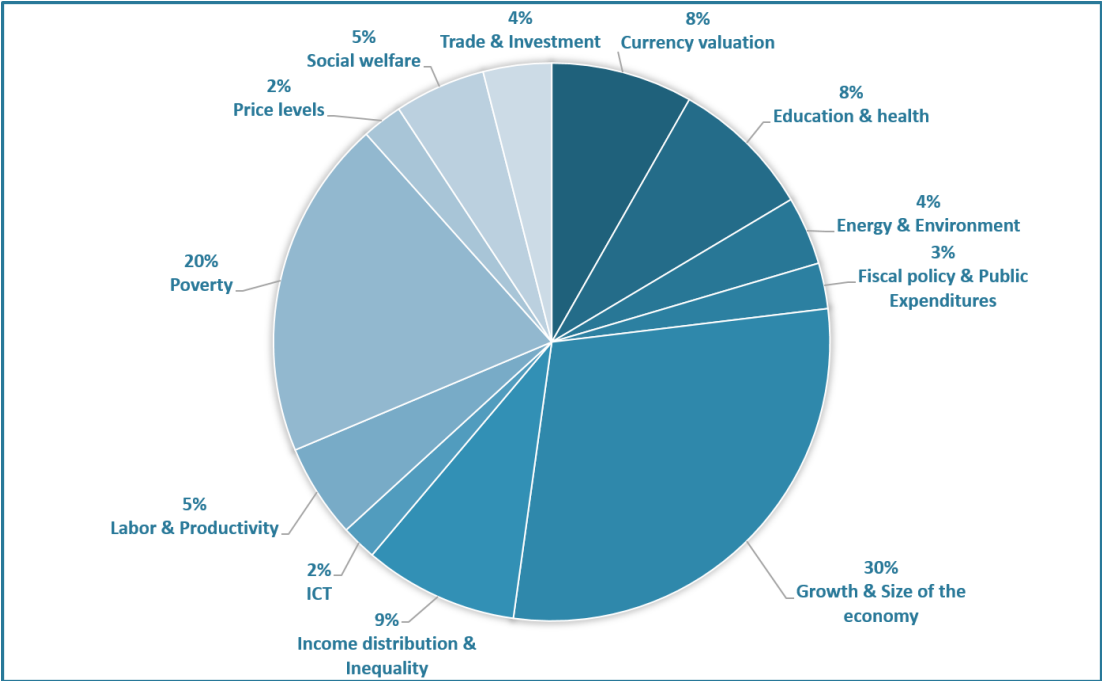
Following the recommendation of the forty-eighth session of the UNSC, the GIU initiated a research on the use and applications of ICP and PPP data in publications written in English for the period from January 2014 to March 2018. The survey identified 456 academic and media articles, 210 reports and research papers and 20 blogs that used PPP data in their analyses.

Based on a thorough analysis of the identified publications, the uses of PPPs were clustered based on the geographical focus of the publication, as shown in Figure 1 below, and the topics of uses, as presented in Figure 2 below.

**Figure 1: Uses of PPPs by Geographical Focus (2014-2018)**



**Figure 2: Uses of PPPs by Topic (2014-2018)**



The GIU continues to monitor the uses of PPPs and to maintain [lists of the uses of ICP results](#) on the ICP website. A sample of publications that have utilized PPPs is given below and other recent examples can be found in the power point posted [here](#).

Due to forthcoming improvements in the search strategies used by the GIU, the number of publications will be updated soon to capture any mention or use of purchasing power parities across time, language and sources.

## ii. Highlights from recent publications

### Growth and Size of the Economy

The International Monetary Fund used PPPs in its publication, [World Economic Outlook, Seeking Sustainable Growth: Short-Term Recovery, Long-Term Challenges](#) (2017), notably to weight estimations of output and growth of composite groups of economies. [A Step Ahead: Competition Policy for Shared Prosperity and Inclusive Growth](#) (2017), released jointly by the World Bank and OECD, emphasized the importance of market competition, effective regulation and competition policies for achieving inclusive growth and shared prosperity and used PPP data is used for analysis. Moreover, the World Bank flagship publication, [Global Economic Prospects: A Fragile Recovery](#) (2017), used data on PPPs to highlight the growth prospects of the global economy.

### Poverty and Inequality

The United Nations Development Program (UNDP) used PPPs in its report [Income Inequality Trends in sub-Saharan Africa: Divergence, Determinants, and Consequences](#) (2017), mainly to assess poverty rates and inequality trends in Sub-Saharan Africa. The World Bank report, [East Asia and Pacific Cities: Expanding Opportunities for the Urban Poor](#) (2017), also used PPP data to evaluate the prospects of future reduction in urban poverty rates and inequality by addressing challenges that promote greater inclusion in the region. Data on PPPs is extensively used on the World Bank's [Poverty & Equity Data Portal](#), a comprehensive open data platform for the most recent data on poverty, inequality and shared prosperity.

### Education, Health, Welfare and Development

[The World Development Report 2018: Learning to Realize Education's Promise](#) (2017), devoted to education, highlights the importance of this topic in welfare and development. PPPs were broadly used in the report, especially to show the relationship between education spending and student learning. In the assessment of the education sector in Sri Lanka by the World Bank, entitled [Sri Lanka Education Sector Assessment: Achievements, Challenges, and Policy Options](#) (2017), the country's public spending on education and enrollment rates was compared to that of its peers using PPP data. Moreover, in the World Bank report, [At a Crossroads: Higher Education in Latin America and the Caribbean](#) (2017), PPPs were used to give an international view of spending on higher education in the region, and to draw on lessons learned to improve the system of higher education, which has a significant impact on growth and equity in the region.

The World Bank report, [Better spending, better care: a look at Haiti's health financing](#) (2017), utilized PPP data to measure Haiti's public health spending. The World Bank also released a report on [Strengthening Post-Ebola Health Systems: from response to resilience in Guinea, Liberia, and Sierra Leone](#) (2017), where PPPs were used to assess the levels and variability of health financing in the three countries using health expenditures in PPP terms.

In addition, PPPs were used in the calculation of the Human Development Index, the inequality-adjusted Human Development Index and the Gender Development Index in the UNDP publication [Human Development Report 2016: Human Development for Everyone \(2017\)](#). In the report issued by the World Bank's Middle East and North Africa Economic Monitor, [The Economics of Post-Conflict Reconstruction in the Middle East and North Africa Region \(2017\)](#), social welfare measures in the region were evaluated using PPP data. The publication of the World Bank's Latin American Development Forum, [Stop the Violence in Latin America: A Look at Prevention from Cradle to Adulthood \(2017\)](#), also employed PPPs in the measurement of the economic cost of violence in Latin America.

#### Labor, Trade and Competitiveness

The World Bank report [Migrating to Opportunity: Overcoming Barriers to Labor Mobility in Southeast Asia \(2017\)](#), in its analyses on barriers to labor mobility in Southeast Asia, reveals that the relationship between GDP per capita in PPP terms and outmigration is stronger for migrants coming from countries within the Association of Southeast Asian Nations (ASEAN) than for those from countries outside ASEAN. Likewise, [TCdata360](#), a new World Bank open and interactive platform that provides trade and competitiveness data, uses PPP data in its trending indicators, including indicators related to economic outcomes, economic and social context, climate competitiveness and e-trade. The inaugural issue of the World Bank publication, [Global Investment Competitiveness Report 2017/2018: Foreign Investor Perspectives and Policy Implications \(2018\)](#), analyzed the drivers of foreign direct investment and its impact on economic transformation using PPPs as a tool to measure host economy attractiveness to investors. PPPs were also used in productivity measures in [The Africa Competitiveness Report 2017: Addressing Africa's Demographic Dividend \(2017\)](#), a joint report of the African Development Bank, the World Bank and the World Economic Forum.

#### Energy and Environment

Sustainable Development Goal 7: *Ensure access to affordable, reliable, sustainable and modern energy for all* uses PPPs for measuring energy intensity, an indicator that computes how much energy is needed to produce one unit of GDP. Energy intensity evaluations in the World Bank report [Ukraine — Systematic country diagnostic: Toward Sustainable Recovery and Shared Prosperity \(2017\)](#) were measured using PPP data. The World Bank report [The Republic of Chile: Transitioning to a prosperous society — Systematic country diagnostic \(2017\)](#) used PPP data to evaluate the environmental impact of CO2 emissions. PPP data were also utilized for country environmental analysis in the World Bank report [Burundi Country Environmental Analysis: Understanding the Environment within the Dynamics of a Complex World—Linkages to Fragility, Conflict, and Climate Change \(2017\)](#).

## VII. Knowledge and advocacy

### i. Advocacy surrounding the fiftieth anniversary of ICP

Since 2018 marks the fiftieth anniversary of the establishment of ICP, and in order to raise awareness of the importance of its work, special events are being organized to celebrate this milestone. In this regard, events were held around the forty-ninth session of the UNSC in March 2018 in New York, including a reception for Commission Delegates and a video and poster exhibition.

Outreach materials such as an [ICP video](#) summarizing the history and importance of the program and a series of posters have been prepared and posted on a [special page](#) on the ICP website. Also, many participating countries provided testimonials on the positive impact of the program.

In conjunction with the second TAG meeting in May 2018, a special event commemorating the fiftieth anniversary of the ICP will be organized in Washington, D.C. Also, at the regional level, various events are being organized to celebrate this milestone year and advocate for the program.

## ii. PPP eLearning course

The [PPP eLearning course “Fundamentals of Purchasing Power Parities”](#) was officially released in March 2018. The course consists of 5 sections and 17 modules covering broad topics related to PPPs, including: concepts, data requirements, methodology, calculations, and uses. This interactive course will serve a large audience, including policymakers, international organizations, researchers, students and members of the general public who wish to enhance their knowledge of PPPs. The course is delivered through the World Bank’s online Open Learning Campus, a web-based destination for development learning.

## iii. International conferences and seminars

A policy research talk session, entitled “Poverty counts: the future of global poverty monitoring at the World Bank”, was organized April 2017 in Washington, D.C. to discuss the international poverty line, the role of PPPs, supplemental poverty measures and other related topics.

The fifteenth meeting of the Ottawa Group was held in May 2017 in Eltville am Rhein, Germany. Price index experts, including GIU staff, discussed the upcoming revision of the Consumer Price Index manual; big data; scanner data; web scrapping; and other issues related to price statistics.

As part of the World Bank poverty measurement training week, a session on PPPs was held in July 2017 in Washington, D.C. GIU staff facilitated this session, introducing the ICP work program, PPP methodology and the uses of PPP to World Bank poverty economists.

At the sixty-first International Statistical Institute World Statistics Congress, which took place in July 2017 in Marrakech, Morocco, GIU staff contributed to three sessions on the ICP, covering the challenges and opportunities facing a permanent ICP program, as well as subnational PPPs and their applications in emerging economies.

A comprehensive list of ICP related conference and seminars is maintained on the ICP [website](#).

## iv. Website and newsletter

As a part of its continuous efforts to promote the use of PPPs, the GIU launched a new [ICP website](#) in April 2017 as previously reported. The new website is a rich repository of over 1,100 files, providing an overview of the Program and its history, governance structure, results and their uses, methodology and research agenda. The site also provides information and documentation of ICP governance meetings, ICP reports, manuals, videos, newsletters and links to media articles, academic and research papers and major publications using ICP data and results.

The GIU has lately rebranded its quarterly newsletter as “[ICP Highlights](#)”. With a new user-friendly platform that offers translation into various languages, the newsletter continues to provide information covering ICP governance, capacity-building and outreach activities, as well as information on the latest uses of ICP and PPP data.

## VIII. Conclusion

The implementation of the ICP 2017 cycle is underway in all regions, and various governance, capacity-building and research activities have been conducted. However, challenges and risks still lie ahead. Data collection delays in some regions are a reality, posing a risk to the timeliness, coverage and quality of the program’s results. Nevertheless, certain challenges also bring opportunities. At its forty-eighth session the UNSC urged participating countries to integrate the program’s activities into their regular work programs and budgets. Inevitably, having policymakers understand how the program’s data can be used for national policymaking will make this goal easier to achieve. In this regard, various knowledge and advocacy activities outlined in the present report, as well as several ICP research agenda topics, focus on the importance of PPPs and related measures for policymaking. The global, regional and national implementing agencies remain dedicated to mitigating all risks to help achieve the immediate goal of a successful 2017 cycle, as well as the long-term goal of a sustained and permanent ICP.