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Report of the World Bank on International Comparison Programme

Note by the Secretary-General

In accordance with Economic and Social Council decision 2017/228 and past practices, the Secretary-General has the honour to transmit the report of the World Bank on the International Comparison Programme (ICP), which is being submitted to the Statistical Commission for information. The report outlines the activities undertaken in 2017 at the global, regional and national levels to complete interim comparisons, launch the implementation of the ICP 2017 comparison cycle, and transform the ICP into a permanent programme. The report describes the governance, capacity-building, research, and advocacy activities carried out in this regard. The Commission is invited to take note of the progress made to date.

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I. Introduction

1. In 2018, the International Comparison Programme (ICP) celebrates its Golden Jubilee. The programme has come a long way since its inception in 1968 as a joint venture of the Statistics Division of the Department of Economic and Social Affairs of the United Nations Secretariat and the International Comparisons Unit of the University of Pennsylvania. The ICP started 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 programme of purchasing power parity (PPP) based comparisons of gross domestic product (GDP). Since then, the programme has evolved into the largest statistical partnership in the world with increasing number of participating countries. Recently, the 47th Session of the United Nations Statistical Commission (UNSC), held in March 2016, instituted the ICP as a permanent element of the global statistical programme.

2. The implementation of the ICP 2017 cycle has been initiated at the global, regional and national levels. The 48th Session of the UNSC, held in March 2017, expressed its satisfaction with the governance, technical, capacity building, advocacy and funding activities undertaken thus far. Moreover, the Commission endorsed the governance framework, urged participating countries to integrate and harmonize ICP activities with their regular work programme, and stressed the need for promoting the uses of ICP results for policymaking.

3. The present report provides the Commission with a comprehensive update on the activities undertaken in the preparation and implementation of the ICP 2017 cycle and finalization of interim activities. It is organised into four sections: ICP governance and coordination; implementation of interim and 2017 cycle activities; ICP research agenda; and knowledge, advocacy and uses.

II. ICP Governance and Coordination

A. Governing Board

4. The second meeting of the ICP Governing Board took place on 15 September 2017 in Washington, DC. 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 that 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 quality, reliability and comparability of PPP estimates. On data access, the Board took note of the main drivers and objectives for an enhanced data access policy, with emphasis on equal reciprocation in providing data by each participating country. The next Board meeting is scheduled for October 2018.

B. Technical Advisory Group

5. To ensure the methodological soundness and overall quality of PPP estimates, the ICP Governing Board established, at its first meeting on 15 November 2016, the Technical Advisory Group (TAG) to guide the programme's research and methodological developments. The TAG is a technical body, which assures methodological soundness and overall quality of the PPP estimates, ensures transparency of the PPP estimation process, and facilitates the establishment of a permanent and more frequent ICP cycles. The TAG is formed of prominent experts in the fields of index numbers, PPPs, price statistics and national accounts, with knowledge of national statistical systems and capacity-building challenges across various regions.

6. The first meeting of the TAG took place on 24 May 2017 at Princeton University, New Jersey. The meeting took note of the ICP Governance Framework and status of the ICP interim activities and the 2017 comparison cycle, and put forth a comprehensive ICP research agenda. The work of the TAG will be supported by Task Forces that tackle specific topics on the research agenda. The next TAG meeting is scheduled for May 2018.

C. Inter-Agency Coordination Group

7. The third meeting of the Inter-Agency Coordination Group (IACG) was held on 5 March 2017 in New York, in conjunction with the 48th Session of the UNSC. The main objectives of the meeting were to provide updates on regional and global ICP activities and related risk assessment. The meeting discussed the recent governance and operational activities, finalization of operational materials for the ICP 2017 cycle, and knowledge and outreach materials under preparation.

8. The fourth meeting of the IACG was held on 23-25 October 2017 in Washington, DC. The meeting discussed the status of interim activities and 2017 cycle and related risks, assessment of data for interim years, data access and publication of results, PPP eLearning course, as well as ICP data management solutions. The next IACG meeting is scheduled for March 2018.

9. Given its key role in supporting the coordination and implementation of ICP activities in the Caribbean, the Caribbean Community Secretariat (CARICOM) will be invited to join future IACG meetings.

III. Implementation of Interim and 2017 Cycle Activities

A. Overall timetable

10. As reported to the UNSC last year, the time frame for implementing the ICP 2017 cycle covers the period from 2016 to 2019 and has three main stages. The first stage, which includes setting up governance and institutional arrangements and preparing operational materials for the ICP 2017 cycle, has been completed.

11. The second stage entails conducting price surveys and other data collections, and compiling national accounts expenditure data. The timetable of the main surveys, which include data collection and validation of prices for household goods and services, varies across regions. These price surveys are being conducted from the first quarter of 2016 till the third quarter of 2018. Other surveys and data collections, including housing rentals and volume, compensation of government employees, machinery and equipment, and construction and civil engineering, are being carried out from the second quarter of 2017 to the last quarter of 2018. National accounts expenditure data compilation and validation is being conducted from the first quarter of 2017 to the third quarter of 2019.

12. The third stage includes the preparation of preliminary and final regional and global results. It is expected that the final global results for 2017 would be published by the end of 2019. In addition, global PPP time series for 2012-2016 would be produced through linking interim regional results, where available.

B. Status of regional programmes and capacity-building activities

Africa

13. Forty-seven countries are participating in the interim activities for 2015-2016. The African Development Bank (AfDB) established a Regional Expert Group to review methodology and data for the interim exercise, and this group is expected to hold its first meeting in January 2018.

14. Fifty-one countries are joining the 2017 cycle activities. Eritrea, Libya and Somalia are not part of the 2017 cycle comparison, while Egypt, Morocco and Sudan are participating in both Africa and Western Asia regional comparisons. For the ICP 2017 cycle, due to unexpected challenges in channeling funds to the countries, the data collection for household consumption main survey was delayed 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.

15. A regional technical workshop to launch the ICP 2017 cycle activities in Africa was held from late January to early February 2017, in Lusaka, Zambia. 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. A technical workshop on national accounts for French speaking countries was held in October 2017 in Bamako, Mali. Two in-country training workshops were held in August 2017: one in Rwanda to initiate 2017 ICP activities and one in South Africa to discuss sub-national PPPs.

Asia

16. 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 results of the interim exercise are planned to be released towards the end of the first quarter of 2018.

17. Twenty-two countries are joining the ICP 2017 cycle, including the largest countries in the region. In addition, Afghanistan expressed its interest in participating in the ICP and a briefing session on the ICP was delivered to the national statistical office; however, Afghanistan's participation in the ongoing ICP 2017 cycle is uncertain due to the current security situation in the country. In Asia, price collection for household consumption main survey 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 final regional results are expected to be released in the last quarter of 2019.

18. The first meetings of the Regional Advisory Board and Heads of National Implementing Agencies were held in January 2017, in Hanoi, Viet Nam to launch the ICP 2017 activities in the region. Three regional workshops were held in 2017 to review 2016 data and estimate preliminary results, and to initiate 2017 price collection activities. They were held in Bangkok, Thailand in February, in June-July, and in October. Three in-country training workshops were conducted in 2017, covering sub-national PPPs in India in February, training on the ICP in Myanmar in April, and training on the ICP household consumption survey in China in May. The next regional workshop is scheduled for January 2018.

Commonwealth of Independent States

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

20. Eight countries are joining the 2017 cycle while discussions with Turkmenistan and Uzbekistan are still underway to confirm their participation. Russia is participating in both the CIS and the Organisation for Economic Co-operation and Development (OECD) comparisons. Data collection for household consumption main survey is being conducted from the second quarter through the last quarter of 2017, and the survey for gross capital formation from the third through the last quarter of 2017. Other surveys for the 2017 cycle will be carried out in 2018. Results are expected to be released in a brief form in the last quarter of 2019 and detailed results are planned to be published in the second quarter of 2020.

21. A regional experts meeting was conducted to review the household consumption surveys in April 2017 in Moscow, Russia. The next regional experts meeting to review the machinery and equipment surveys will be held in December 2017.

Latin America and the Caribbean

22. In the interim period, technical assistance and informative sessions were provided to a few Latin America and the Caribbean (LAC) countries on consumer prices and national accounts in preparation for the ICP 2017 cycle, but no data collection was conducted to estimate interim regional results.

23. Thirty-seven countries are expected to participate in the 2017 cycle activities. Costa Rica and Colombia are participating in the OECD PPP programme, while Cuba and Venezuela are not joining the 2017 cycle. Due to unforeseen funding issues and other statistical priorities underway in countries, the data collection for household consumption main survey was delayed in the region. The final regional results and findings are expected to be published in the last quarter of 2019.

24. The first regional technical meeting on household consumption surveys for the ICP 2017 cycle was held in June 2017 in Santiago, Chile. The next regional workshop is scheduled for January 2018.

Western Asia

25. Eleven countries are participating in the Western Asia interim 2016 comparison. The overarching aim is to build PPP time series covering 2011-2016 based on the data collected during ICP 2011 and the interim period, and to further continue annual production of PPPs for 2017 and beyond. The regional results for 2014-2016 are expected to be published in the second quarter of 2018.

26. Thirteen countries are participating in the ICP 2017 cycle in Western Asia region. As aforementioned, Egypt, Morocco and Sudan are participating in both Africa and Western Asia regional comparisons. Lebanon, Syria and Yemen are not joining the 2017 cycle comparisons due to 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.

27. A total of four regional workshops were held in 2017. Two workshops to validate price data for the 2016 regional PPP estimates were held in February and in April in Cairo, Egypt. A workshop to validate retropolated price data from 2014-2015 was held in October in Amman, Jordan. A regional workshop to launch national accounts activities was held in April in Cairo, Egypt in conjunction with the price survey workshop. Additionally, a meeting on Tunisia's and Libya's participation in the ICP 2017 cycle was held in June 2017 in Tunis, Tunisia. The next regional workshop to validate 2014-2016 national accounts expenditure data is scheduled for December 2017.

Eurostat-OECD PPP programme

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

29. Three regional workshops and meetings were held during the reporting period: Eurostat country workshops in March 2017 in Lisbon, Portugal and in September 2017 in Helsinki, Finland, and PPP Working Group meeting in November 2017 in Luxembourg City, Luxembourg. Moreover, meetings with Georgia and Ukraine were held in February 2017 and in October 2017 to discuss both countries' participation in the 2017 cycle as well as to clarify methodological and organizational aspects of the current ICP cycle.

Pacific Islands

30. The participation of the Pacific Islands in the ICP 2017 cycle has not been confirmed yet. Discussions with the Australian Bureau for Statistics are currently underway to see whether, as in the ICP 2011 round, the Pacific Islands can participate in the ICP 2017 cycle with funding and technical support from the Australian government.

Iran

31. A meeting on the Islamic Republic of Iran's participation in the ICP 2017 cycle took place in September 2017 in Istanbul, Turkey. The plan is to link Iran to the global comparison via the Western Asia comparison.

C. Financial status

32. The total cost of the ICP 2017 cycle, including both global and regional budgets, but excluding national contributions, is estimated at \$24.5 million US dollars. This figure presents substantial reduction relative to the ICP 2011 round budget, which amounted to around \$45 million US dollars. The budget and resources needed for the ICP global and regional programmes are expected to decrease over time as countries integrate PPP surveys into their national statistical programmes.

33. Fund-raising efforts began in 2016 to mobilize funding for the ICP 2017 cycle. Funding contributions to cover the total cost of the global and regional programmes over the next three years are expected from the World Bank, the International Monetary Fund (IMF), the United Kingdom Department for International Development (DFID), Eurostat, OECD and the regional development banks and implementing agencies. At the global level, around \$1 million US dollars of the required funding remains unsecured, and additional fund-raising efforts are underway to help fill this funding gap.

D. Risks and mitigation measures

34. The implementation of the ICP 2017 cycle and transforming the ICP into a permanent programme are susceptible to the following risks:

Country Participation Risks

35. A few countries in Africa, Asia and Western Asia are facing unstable geopolitical situations that impede their participation. Also, the Caribbean is suffering the aftermath of a deadly hurricane that may cause delays in survey activities in the region. Though these risks are very difficult to mitigate, global and regional implementing agencies are committed to build capacity in fragile and conflict states and continuously encourage these countries to participate in capacity building activities, even if they are unable to conduct ICP surveys.

Timeliness Risks

36. The delayed launch of ICP 2017 cycle activities in two regions poses a risk to the overall timetable of the programme and may result in a delay in the release of global ICP 2017 results. Mitigation measures include diligent monitoring of timetable and progress in all regions and countries, and solving any arising operational bottlenecks through increased technical assistance.

37. The limited capacity of some national agencies to undertake ICP activities and that of a few regional agencies to provide technical assistance and produce regional ICP results pose additional risks to the timeliness of the 2017 results. For example, not all countries produce expenditure-based GDP estimates. To mitigate this risk, regional and global agencies will need to increase technical assistance efforts in this area. Also, the availability of specialized technical expertise in some areas such as gross fixed capital formation or calculation of results is a challenge for some regional teams. As a mitigation measure, enlisting specialized technical experts to support regional teams is underway.

Quality Risks

38. Low quality or comparability of ICP results over time may limit their usability and, hence, pose risks to the programme. The quality of results can be impacted by various factors, including input data quality issues and data processing or calculation errors. The comparability of results between ICP rounds can be hindered by changes in methodology and country participation. For example, there are clear challenges of comparing results over time as countries migrate from some regions into the OECD. As a mitigation measure, dedicated Task Forces are being established under the TAG to compute results and assess their quality prior to publication. In addition, no major methodological changes will be introduced in the 2017 cycle to ensure comparability of results over time.

Openness Risks

39. Restricting the openness of ICP data would hinder the value proposition of the programme in the long run. To mitigate this risk, discussions by the Governing Board and IACG are underway to extend the publication level of ICP results 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.

Financial Risks

40. As mentioned above, the ICP 2017 cycle continues to have a funding gap and additional fund-raising efforts are underway to mitigate this risk. Moreover, channeling funds to countries has proven to be a challenge in some regions, due to lengthy administrative processes or country ineligibility 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.

Sustainability Risks

41. To ensure the sustainability of the ICP as a permanent programme, it is imperative to incorporate the ICP in regular work programmes 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 programme 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 programmes.

IV. ICP Research Agenda

A. Research agenda

42. In its 47th session, the UNSC recommended that no methodological changes be introduced in the ICP 2017 cycle to maintain comparability over time and allow for producing reliable PPP time series. However, the UNSC agreed that a research agenda be developed to guide the future of the ICP. In this context, an ICP research agenda was reviewed by the IACG in fall 2016, approved by the TAG in May 2017, and endorsed by the Governing Board in September 2017.

43. The research agenda consists of the following thirteen items: (i) compilation of PPP time series and the rolling survey approach; (ii) PPPs and real expenditures for dwelling services; (iii) productivity adjustment for government and construction labor; (iv) fine tuning global linking procedures; (v) quality and reliability of PPPs; (vi) uses of PPPs for national and international policymaking; (vii) CPI-ICP synergies and sub-national PPPs; (viii) PPPs for exports and imports; (ix) PPPs for construction; (x) PPPs for health and education; (xi) ICP PPPs and global poverty measurement; (xii) exploring innovations in technology and data sources for PPP measurement; and (xiii) accounting for product quality differences in PPP measurement.

44. Research activities will be sequenced to ensure they do not crowd out resources for the timely delivery of the 2017 results. As such, research work is being spread over the period 2017-2021.

B. Task forces

45. The TAG is establishing Task Forces to undertake research into specific topics identified under the ICP research agenda and to support the computation of ICP results. Three Task Forces have been established in 2017.

46. The first meeting of the Task Force on Country Operational Guidelines and Procedures was held on 25 October 2017 in Washington, DC. The meeting 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 sub-national PPPs.

47. The first meeting of the Task Force on PPP Computation and Time Series was held on 26 October 2017 in Washington, DC. The main objective of the meeting was to initiate discussions on building PPP time series for the interim period; linking interim regional updates into a global comparison; fine tuning global linking procedures; and productivity adjustment for government and construction labor.

48. The first meeting of the Task Force on Housing was held on 27 October 2017 in Washington, DC. The meeting initiated discussions on PPPs and real expenditures for dwelling services.

49. Three Task Forces focusing on PPP Uses, PPPs and Poverty Measurement, and PPP Quality and Reliability will be established in 2018, and their first meetings are planned for May 2018. Furthermore, four Task Forces for New Data Sources, Exports and Imports, Non-Market Services and Construction will be established during 2019-2020.

V. Knowledge, Advocacy and Uses

A. International conferences and seminars

50. The Academy of International Comparison was launched in January 2017 during the Academic Symposium on International Comparison, which took place at Beijing Normal University, China. The Academy was co-founded by China's National Bureau of Statistics and Beijing Normal University in recognition of the significance of China's participation in the ICP.

51. A workshop for the World Bank economists and statisticians on Global Poverty and ICP/PPP, was organized by the World Bank in February 2017 in Washington DC. The workshop discussed the latest ICP results and methodology, as well as current and future uses of PPPs for measuring global poverty. Also, a Policy Research Talk session entitled "Poverty Counts: The Future of Global Poverty Monitoring at the World Bank" was organized April 2017 in Washington DC to discuss the international poverty line, the role of PPPs, supplemental poverty measures and other related topics. Moreover, as part of the World Bank's Poverty Measurement Training Week, a session on PPPs was held in July 2017 in Washington, DC. The Global ICP Unit facilitated this session and introduced the ICP programme, PPP methodology and PPP uses to World Bank poverty economists.

52. The 15th meeting of the Ottawa Group was held in May 2017 in Eltville am Rhein, Germany. Price index experts including Global ICP Unit staff discussed upcoming revision of the CPI manual, big data, scanner data, web scrapping, and other issues related to price statistics.

53. The 61st International Statistical Institute World Statistics Congress took place in July 2017 in Marrakech, Morocco. Three sessions on the ICP were held and covered the challenges and opportunities facing a permanent ICP programme, as well as sub-national PPPs and their applications in emerging economies.

54. As 2018 marks the Golden Jubilee of the ICP, and to raise awareness of the importance of the programme, special events will be organized to celebrate this milestone. Currently, preparations are underway for ICP Golden Jubilee events around the 49th Session of the UNSC in March 2018, and around the 2nd TAG meeting in May 2018. A comprehensive list of ICP related conference and seminars is maintained on the ICP website: <http://icp.worldbank.org>.

B. PPP uses

55. PPPs and underlying data from the ICP are utilized by an increasingly large audience. 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.

56. Following the UNSC recommendation at its 48th session, the Global ICP Unit conducted a survey of the usage of ICP and PPP data in publications written in English during the period from January 2015 to November 2017. The survey identified 378 academic and media articles, 176 reports and research papers, and 19 blogs that used PPP data in their analyses. The topics of use varied: growth and size of the economy (28%), poverty (21%), currency valuation (9%), education and health (8%), income distribution and inequality (8%), social welfare (5%), trade and investment (5%), energy and environment (4%), labor and productivity (4%), fiscal policy and public expenditures (3%), information and communication technology (2%) and price levels (2%). The Global ICP Unit continues to monitor the uses of PPPs and maintain a comprehensive list of the uses of ICP results on the ICP website. Following is a sample of publications that utilized PPPs.

57. The IMF used PPPs in its "2016 World Economic Outlook Subdued Demand: Symptoms and Remedies" notably to weight estimations of output and growth of composite groups of economies. "A Step Ahead: Competition Policy for

Shared Prosperity and Inclusive Growth” report, released jointly by the World Bank and OECD, uses PPP data for its analysis. It emphasizes the importance of market competition, effective regulation, and competition policies for achieving inclusive growth and shared prosperity. Moreover, The World Bank report “*Global Economic Prospects: A Fragile Recovery*” used PPPs to highlight the growth prospects of the global economy.

58. The United Nations Development Programme used PPPs in its report “*Income Inequality Trends in sub-Saharan Africa: Divergence, Determinants, and Consequences*”, mainly to assess poverty rates and inequality trends in sub-Saharan Africa. The report “*East Asia and Pacific Cities: Expanding Opportunities for the Urban Poor*” further 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. Additionally, PPP data is extensively used in the *World Bank Poverty & Equity Data Portal*, a comprehensive open data platform for the most recent data on poverty, inequality and shared prosperity.

59. The latest “*World Development Report 2018: Learning to Realize Education’s Promise*” is fully devoted to education highlighting the importance of this topic in welfare and development. PPPs were extensively used in the report, especially to show the relationship between education spending and student learning. Sri Lanka’s Education sector assessment by the World Bank, entitled “*Sri Lanka Education Sector Assessment: Achievements, Challenges, and Policy Options*”, compared the country’s public spending on education and enrollment rates to its peers using PPP data. Moreover, the report “*At a Crossroads: Higher Education in Latin America and the Caribbean*” utilized PPPs to give an international prospect on spending on higher education in the region, and to draw on lessons learned to improve the system of higher education which has significant impact on growth and equity in the region.

60. The report “*Better spending, better care: a look at Haiti’s health financing*” utilized PPP data to measure Haiti’s public health spending. The World Bank Systematic Country Diagnostic “*Republic of Cameroon: Priorities for Ending Poverty and Boosting Shared Prosperity*” also used PPPs to evaluate health spending as it compares to peer countries. Additionally, the United States Department of Agriculture released a report entitled “*The Influence of Income and Prices on Global Dietary Patterns by Country, Age, and Gender*”, GDP and price level indexes for related food categories from ICP 2011 were used for the analysis.

61. PPPs were also used in the calculation of the Human Development Index, Inequality-adjusted Human Development Index and the Gender Development Index in the “*2016 Human Development Report*”, published by the United Nations Development Programme. In the World Bank report entitled “*Middle East and North Africa Economic Monitor, April 2017: The Economics of Post-Conflict Reconstruction in MENA*”, social welfare measures in the region were evaluated using PPP data. The Latin American Development Forum report “*Stop the Violence in Latin America: A Look at Prevention from Cradle to Adulthood*” also employed PPPs in the measurement of the economic cost of violence in Latin America.

62. The report “*Migrating to Opportunity: Overcoming Barriers to Labor Mobility in Southeast Asia*”, 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 ASEAN origin countries than for non-ASEAN ones. 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 “*Global Investment Competitiveness Report 2017/2018: Foreign Investor Perspectives and Policy Implications*” analyzed the drivers of foreign direct investment and its impact on economic transformation using PPPs as a tool to measure the host economy attractiveness to investors. PPPs were also used in productivity measures in “*The Africa Competitiveness Report 2017 - Addressing Africa’s Demographic Dividend*”, a joint report from the African Development Bank, the World Bank Group, and the World Economic Forum.

63. Several of the Sustainable Development Goals use PPPs, for example 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 evaluation in the reports of “*Uzbekistan: Systematic Country Diagnostic*” and “*Ukraine Systematic Country Diagnostic: Toward Sustainable Recovery and Shared Prosperity*” was measured using PPP data. Likewise, the reports for “*Guinea-Bissau: Turning Challenges into Opportunities for Poverty Reduction and Inclusive Growth*” and “*Colombia: Systematic Country Diagnostic*” used PPP

data to evaluate the environmental impact of CO2 emissions. PPP data were also utilized in country environmental analysis in the report “*Georgia – Country environmental analysis: institutional, economic, and poverty aspects of Georgia's road to environmental sustainability*”.

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

C. ICP eLearning course and tutorials

65. The ICP eLearning course “*Fundamentals of Purchasing Power Parities*” was finalized. The course consists of five sections and seventeen 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 the general public who wish to enhance their knowledge of PPPs. The course will be delivered through the World Bank’s Open Learning Campus, which is an online destination for development learning. The course will be officially released around the 49th session of the UNSC in 2018.

66. A new ICP video tutorial was released by the World Bank Global ICP Unit. The video provides a tutorial to help understand a multidimensional comparison between GDP, GDP per capita, and price levels of the world economies based on the ICP 2011 results. It is a sequel to the first ICP video tutorial that explained the structure of the world economy and the distribution of its population based on the ICP results. The tutorials are available on the ICP website.

D. ICP website and newsletter

67. As a part of its continuous efforts to promote the use of PPPs, the Global ICP Unit launched a new ICP website in April 2017. The new website is a rich repository of over 1,100 files and covers an overview of the programme and its history, governance structure, results and their uses, methodology, and research agenda. The site also includes ICP reports, manuals, videos, newsletters, and links to media articles, academic and research papers, and major publications using ICP data and results.

68. The Global ICP Unit has lately rebranded its quarterly newsletter as “ICP Highlights”. With a new user-friendly platform that offers translation into various languages, ICP Highlights 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. The current newsletter and back issues are available on the ICP website.

E. ICP leaflets and posters

69. An introductory leaflet on the “*Fundamentals of Purchasing Power Parities*” was released in April 2017. The leaflet provides a general audience with basic information about PPPs. Another leaflet focusing on the ICP and its activities is under preparation and planned to be released in early 2018. Additionally, two posters are underway, the first on the historical evolution the ICP and the second on PPP uses.

VI. Conclusion

70. The implementation of the ICP 2017 cycle is underway in all regions, and various governance, capacity-building, research and advocacy activities have been conducted. However, challenges and risks still lay ahead. Data collection delays in some regions are a reality, posing a risk to the agreed timetable of ICP activities and results. Nevertheless, certain challenges also bring opportunities. The 48th Session of the UNSC urged participating countries to integrate ICP activities within their regular work programmes and budgets. Inevitably, having policymakers understand how ICP data can be used for national policymaking will make this easier to achieve. In this respect, various knowledge and advocacy

activities outlined in this 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 ICP 2017 cycle, as well as the long-term goal of a sustained and permanent ICP.