



Economic and Social Council

Distr.: General
2 December 2021

Original: English

Statistical Commission

Fifty-third session

1–4 March 2022

Item 3 (r) of the provisional agenda*

Items for discussion and decision: International Comparison Programme

Report of the World Bank on the International Comparison Programme

Note by the Secretary-General

In accordance with Economic and Social Council decision 2021/224 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 discussion. The report provides an outline of the activities undertaken at the global, regional and national levels with regard to the 2021 comparison cycle of the Programme. In the report, the World Bank describes the governance, capacity-building, research, knowledge and advocacy activities carried out and highlights the risks and challenges presented by the coronavirus disease (COVID-19) pandemic and the mitigation measures taken. The Commission is invited to take note of the release of the advocacy publication entitled *Purchasing Power Parities for Policy Making: A Visual Guide to Using Data from the International Comparison Programme*, and two methodological guides for countries on consumer price index and ICP integration and on the production of subnational purchasing power parities. The Commission is also invited to encourage ICP stakeholders to (a) ensure their timely participation in the ICP 2021 cycle to enable the production of ICP 2021 cycle results, which will help policymakers analyse the effects of the COVID-19 pandemic on the global economy; and (b) continue to incorporate ICP into their regular statistical work programmes.

* E/CN.3/2022/1.



Report of the World Bank on the International Comparison Programme

I. Introduction

1. The International Comparison Programme (ICP) was initiated in 1968 as a modest research project between the United Nations and the University of Pennsylvania, with financial contributions from the Ford Foundation and the World Bank; its aim was to set up a regular programme 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. At its forty-seventh session, in March 2016, the Statistical Commission instituted ICP as a permanent element of the global statistical programme, to be conducted on a three-year cycle.

2. Following the release of the ICP 2017 cycle results in May 2020 and the postponement of the ICP 2020 cycle to reference year 2021 owing to the coronavirus disease (COVID-19) pandemic, implementing agencies are making progress with data collection for the 2021 cycle. A series of guidance notes has been released to assist countries with price collection¹ and expenditure weights compilation² during the ongoing pandemic. Two methodological guides advising countries on (a) how to achieve synergies between consumer price index (CPI) and ICP production processes;³ and (b) how to compile PPPs at the subnational level⁴ were published in July 2021. In addition, a guide to the use of PPPs and other ICP data in policymaking across the socioeconomic spectrum⁵ was published in June 2021. Risks to Programme participation and implementation stem from the ongoing impact of the pandemic on statistical activities and budgetary and staffing constraints. In order to mitigate this impact and ensure sufficient coverage and robust data validation, price survey activities are continuing into 2022. Global ICP 2021 results will be crucial to analysing the effect of the pandemic on the global economy. All participating countries are encouraged to conduct ICP 2021 activities in a timely manner.

3. The present report provides a comprehensive update on the activities undertaken from October 2020 to November 2021. It is organized in seven sections, as follows: governance and coordination; Programme implementation for the 2021 cycle; research and innovations; knowledge, advocacy and uses; risks and mitigation measures; conclusion; and action to be taken by the Commission.

II. Governance and coordination

A. Statistical Commission

4. The Commission is the ultimate stakeholder of ICP, deciding the latter's frequency and operational modality. The fifty-second session of the Commission⁶

¹ See <https://thedocs.worldbank.org/en/doc/af6ad75071120c9ccfca6dd50675a270-0050022021/original/ICP-COVID19-Guidance-Note-Prices-2021-02-03.pdf>.

² See <https://thedocs.worldbank.org/en/doc/e9181d17a7f647ed38aecd81ae7adad8-0050022021/original/ICP-COVID19-Guidance-Note-National-Accounts.pdf>.

³ See <https://thedocs.worldbank.org/en/doc/2b29c1445d7fa006e5f4ca00087dbe36-0050022021/original/Guide-CPI-and-ICP.pdf>.

⁴ See <https://thedocs.worldbank.org/en/doc/5064f2288436664bc8f9811c8a5b8c55-0050022021/original/Guide-Subnational-PPPs.pdf>.

⁵ See <https://www.worldbank.org/en/programs/icp/brief/PPPs-for-Policy>.

⁶ See <https://www.worldbank.org/en/programs/icp/brief/unsc-sessions>.

took place from 1 to 3 and on 5 March 2021, and the report of ICP was presented to the Commission for its information (see [E/CN.3/2021/22](https://www.unhcr.org/refugees/2021/03/2021-03-05-icp-report)).

B. Governing Board

5. The ICP Governing Board sets the policies that govern the production of PPPs, approves the Programme's methodology and any methodological improvements, advocates to policymakers to ensure the ongoing inclusion of ICP in national statistical work programmes, and supports ICP fundraising efforts.

6. A virtual meeting⁷ of the Governing Board held on 26 April 2021 was the first meeting charged with overseeing the ICP 2021 cycle. The Board elected Risenga Maluleke, Statistician-General of South Africa and head of Statistics South Africa, and Markus Sovala, Director-General of Statistics Finland, as its new Co-Chairs. The Board took note of the ICP governance framework and the roles and responsibilities of its governance bodies and implementing agencies. The Board also approved nominations for Technical Advisory Group membership. In addition, the Board took note of the implementation, timetable and funding of the ICP 2021 cycle and appealed to all stakeholders to continue implementing the cycle and actively monitor the risks and put forth mitigation measures, as needed. Donors were encouraged to actively support the Programme.

C. Technical Advisory Group

7. The ICP Technical Advisory Group ensures the methodological soundness and overall quality of the PPP estimates and the transparency of the PPP estimation process, and supports the establishment of a permanent ICP with greater frequency.

8. A virtual meeting⁸ of the Group was held from 17 to 19 May 2021. The Group welcomed two new members: Mary O'Mahony, Professor of Applied Economics at the Business School at King's College, London, a prominent expert on the measurement of international differences in productivity, growth, and performance in public services; and Michel Mouyelo-Katoula, former ICP Global Manager, who is a leading expert on international comparisons, statistical capacity development and economic statistics.

9. The Group acknowledged the widespread adoption of the ICP 2017 cycle results and the progress made in preparation for the ICP 2021 cycle. The Group noted concerns regarding timely participation, particularly on the part of some large economies, amid the ongoing COVID-19 pandemic. The Group also recognized the prudence of collecting sufficient data and metadata during the ICP process to analyse the impact of the pandemic and noted that additional data and metadata collection, validation and management would require adequate resources.

10. The Group reviewed progress on a number of ICP research agenda⁹ items: compilation of PPP time series; quality and reliability of PPPs; CPI-ICP synergies and subnational PPPs; and ICP PPPs and global poverty. With respect to next steps, the Group surmised that research would largely be dictated by the impact of COVID-19 on ICP methodology and results.

⁷ See <https://thedocs.worldbank.org/en/doc/4dfd27dca2d8be0176cf990f0223ab51-0050022021/original/ICP-2021-GB01-Minutes-Cleared-rev1.pdf>.

⁸ See <https://thedocs.worldbank.org/en/doc/e1ae501b9f76215f3707e478b551aac9-0050022021/original/ICP-TAG-01-Meeting-Minutes-Final-2021-07-09.pdf>.

⁹ See <https://www.worldbank.org/en/programs/icp#7>.

11. The Group met online again from 9 to 11 November 2021.¹⁰ Members discussed the impact of COVID-19 on national statistical programmes, price indices and national accounts and on ICP and PPP production, including the collection of additional data and metadata during the 2021 cycle. In the light of the challenges some countries were continuing to face with respect to data collection and validation, the Group reaffirmed that survey schedules could be extended into 2022, as needed, to accommodate a full and reliable set of input data. The Group also reviewed ICP research agenda items in the light of COVID-19, including the use of new data sources for PPP measurement and PPPs for imports and exports.

D. Inter-Agency Coordination Group

12. The ICP Inter-Agency Coordination Group is the coordinating body that collaborates to establish timetables and workplans, develops common standards, methods and protocols, and coordinates the operational aspects of the Programme.

13. The Coordination Group met via videoconference on 12 and 13 April 2021.¹¹ It discussed global and regional ICP updates, operational activities and preparations for the upcoming ICP Governing Board and Technical Advisory Group meetings.

14. The Coordination Group met again via videoconference from 12 to 14 October 2021¹² and discussed progress with the 2021 cycle in the regions, global updates, operational activities and preparations for the upcoming Technical Advisory Group meeting.

III. Programme implementation for the 2021 cycle

A. Overall timetable

15. The Inter-Agency Coordination Group launched the ICP 2021 cycle activities in June 2020. The bulk of the required global operational materials were finalized by November 2020, while the remaining materials were finalized in early 2021. Price surveys and data collection are being conducted throughout both 2021 and 2022 to accommodate those countries whose data collection has been adversely affected by the pandemic, while selected administrative data compilations will take place in 2022. The ICP 2021 cycle results are scheduled to be released by the end of 2023. They will cover results for the reference year 2021, revised results for the reference year 2017 and annual PPPs for the years 2018 to 2020.

B. Status of regional programmes and capacity-building activities

Africa

16. The African Development Bank (AfDB) is the regional implementing agency for Africa. Fifty economies are committed to the ICP 2021 cycle, the same number as for ICP 2017. Furthermore, capacity-building activities are being carried out in additional economies in preparation for future ICP participation.

¹⁰ See <https://www.worldbank.org/en/programs/icp/brief/tag-meetings>.

¹¹ See <https://thedocs.worldbank.org/en/doc/6abd55e4332cdf2b83f9bc7b8bfb1e0c-0050022021/original/IACG-Minutes-2021-04.pdf>.

¹² See <https://www.worldbank.org/en/programs/icp/brief/iacg-meetings>.

17. ICP household consumption price surveys are scheduled to be initiated in the fourth quarter of 2021 and to continue to the third quarter of 2022. Non-household consumption surveys are scheduled throughout 2021 and 2022.

18. A series of meetings covering training on ICP data requirements and data collection and validation during the COVID-19 pandemic was held between July 2020 and March 2021. In preparation for the ICP 2021 cycle, AfDB launched an ICP pilot exercise from August to December 2020 to assess operational impacts on all national implementing agencies during the pandemic lockdown period, to assess ICP price and expenditure data requirements, and to update economies on new methods of collecting price data. AfDB, jointly with the Africa Centre for Statistics of the Economic Commission for Africa and the Economic and Statistical Observatory for Sub-Saharan Africa, organized two webinars in 2020 on price data collection challenges amid the pandemic. From August 2020 to September 2021, AfDB hosted 53 bilateral meetings, on price statistics, national accounts and ICP. Additional meetings are planned with the staff of economies where there were changes in ICP staff. Work has also been carried out to develop a more integrated ICP-CPI Classification of Individual Consumption According to Purpose framework. In 2020, AfDB organized two virtual meetings on the 2008 System of National Accounts (SNA) and its application to ICP Africa, and follow-up sessions were held in November 2021.

19. In terms of challenges owing to the ongoing COVID-19 pandemic, ICP preparations initially planned for 2020 and routine activities were disrupted and delayed in most economies, and several economies were still affected as at October 2021. Many national ICP teams also experienced the passing of staff members or the addition of new members. Virtual communication was hampered by connectivity issues and virtual data collection has been difficult to implement. Furthermore, the pandemic caused higher price fluctuations than expected as well as limited product availability.

20. In terms of funding, AfDB is supporting ICP through the African Development Fund non-concessional window under its Statistical Capacity-Building Programme, Phase V. That Programme is being implemented by the Common Market for Eastern and Southern Africa in the 37 non-concessional (lower-income) countries that are eligible for the African Development Fund resources. However, middle-income countries (concessional and non-eligible for Fund resources) face insufficient funding and mitigation measures are therefore being sought.

Asia and the Pacific

21. The Asian Development Bank (ADB) is the regional implementing agency for the Asia and Pacific region. The same 22 economies that participated in the ICP 2017 cycle signed the letter of no objection for participation in the ICP 2021 cycle. However, as at October 2021, a few economies have yet to initiate ICP 2021 cycle surveys. ADB provides limited funding to eligible economies to implement ICP.

22. Household consumption surveys started in most economies in the first quarter of 2021. Machinery and equipment and construction surveys are ongoing as at October 2021 in most economies. Surveys for housing rentals started in the second quarter of 2021 and will continue until the first quarter of 2022.

23. Capacity-building took place through several workshops in 2021, with greater focus on the conceptual underpinnings of PPPs, interpretation of PPPs and real indices, price data collection and validation and calculation of PPPs. Six virtual regional workshops have been held since April 2021. The virtual forum has had the benefit of allowing more staff from national implementing agencies to attend. A workshop on the construction survey was held in April 2021. A workshop on household consumption price data validation methods and technical and operational

aspects of housing rental surveys was held in April and May 2021 for selected economies. Validation of prices was discussed at workshops in July and October 2021. Technical and operational discussions on the machinery and equipment surveys were covered during a workshop held in June 2021. Additional country training workshops were held in January, April and May 2021. Three additional regional technical workshops on housing, construction, and machinery and equipment were planned for November and December 2021. Furthermore, ADB has conducted a knowledge and experience sharing session with the Economic Commission for Latin America and the Caribbean (ECLAC) to discuss common issues.

24. Since April 2021, updated operational materials, including product lists for surveys and guidelines, have been distributed to national implementing agencies. The ICP Asia-Pacific software suite for data management at the economy level was enhanced, utilizing the feedback from the national implementing agencies to make it more user-friendly. It will be further enhanced to develop an integrated data management tool for all ICP surveys. A Microsoft Excel-based tool for price extrapolation has been developed and a computer-assisted personal interview tool for ICP price collection is under development.

25. The COVID-19 pandemic has had an impact on ICP in various economies in the region in several areas. In terms of price surveys, the start of price collection has been delayed, with a subsequent impact on the surveys' end dates. Resource cuts coupled with COVID-19 restrictions, such as lockdowns and closure of outlets, have led, in some cases, to reduced geographical coverage, delays in collection of prices and collection of fewer price quotations. In particular, the pandemic has greatly affected price collection for services such as accommodation, air transport, package holidays and imported goods facing supply disruptions. In terms of the ability of national implementing agencies to conduct ICP, competing priorities, such as censuses and other major surveys taking place, have affected ICP survey schedules. Staff have been placed on work-from-home arrangements and, consequently, have been unable to conduct face-to-face field training, to increase sample sizes, and to undertake timely processing and validation of the data collected. The virtual training of ICP price collectors may not be as effective as actual face-to-face field training. Furthermore, for some national implementing agencies, human resource constraints have arisen from turnover of trained ICP staff.

26. To address the impact of the COVID-19 pandemic on ICP activities in the region, a number of measures have been introduced. A flexible approach to survey scheduling has been extended until 2022 in order to cover a four-quarter period has been implemented to help economies that are unable to start surveys in a timely manner. An emphasis has been placed on rigorous data validation at the national level through national workshops in addition to the periodic regional data validation workshops. Where the need arises, ADB has conducted bilateral technical meetings with national implementing agencies to provide support and guidance. Assessments of CPI series and mapping of ICP items with the lowest level indices from CPI are being undertaken to facilitate extrapolation and backcasting of prices to the reference year 2021. Overall, in the face of the ongoing pandemic, the national implementing agencies in the region have exhibited tremendous resilience and are implementing ICP surveys through the judicious application of available resources, including the use of alternative methods, such as phone calls, online price collection and emails.

Commonwealth of Independent States

27. The Interstate Statistical Committee of the Commonwealth of Independent States (CIS-STAT) is the regional implementing agency for the Commonwealth of Independent States region. Nine economies are expected to participate in the ICP

2021 cycle, including Uzbekistan, which is participating officially for the first time after an experimental participation during the ICP 2017 cycle.

28. The household consumption surveys started in the first quarter of 2021 in all economies, while validation activities have been carried out throughout 2021. Operational materials for the machinery and equipment and construction surveys were sent to national implementing agencies in July 2021 and preliminary data were scheduled to be submitted to CIS-STAT by the end of November 2021. Updated questionnaires and guidelines on non-market services and housing rents were being prepared. Updated GDP disaggregation by basic headings, guidelines and the questionnaire for submission of the GDP data were also being prepared.

29. A virtual regional workshop was held in December 2020 to discuss the reconciliation issues of the household consumption survey materials. A bilateral meeting with Uzbekistan on validation of prices for household consumption items was held in September 2021. A similar bilateral meeting with Tajikistan was scheduled to take place in November 2021. In addition, a regional meeting in December 2021 discussed investment items and took a first look at the preliminary price data.

30. CIS-STAT supports the continuation of economic statistics and ICP activities during the COVID-19 pandemic. The international recommendations on this topic from the ICP Global Office, the International Monetary Fund, the Economic Commission for Europe and the Committee for the Coordination of Statistical Activities were translated into Russian, adapted with region-specific information and disseminated among the Commonwealth of Independent States national implementing agencies. Issues regarding price collection during pandemic conditions are discussed within the ICP regional workshops and bilateral meetings of the Commonwealth of Independent States. Special attention will be paid to pandemic-related issues concerning national accounts for ICP purposes.

31. CIS-STAT published revised 2017 ICP results for the Commonwealth of Independent States in June 2021, which are accessible on the CIS-STAT website.¹³ CIS-STAT has made available Russian language versions of the two ICP country guides on the integration of CPI and ICP activities and on the compilation of subnational PPPs (see section V of the present report). In addition, an article on ICP activities and the publication of the country guides has appeared in a professional statistics journal. ICP learning exercises for students at the Higher School of Economics are also currently taking place.

Latin America and the Caribbean

32. ECLAC is the regional implementing agency for the region. Thirty-three economies are participating in the 2021 cycle. Guatemala has joined since the 2017 cycle. The participation of some Caribbean economies is currently at risk.

33. Price collection for household consumption items started in 2019 for the original ICP 2020 cycle and, once reviewed, these data will be extrapolated for use in the 2021 cycle. Price collection has continued in 2021 and will be used alongside the previous years' data. Price collection for the non-household surveys is carried out according to the agreed schedule for 2021 and 2022.

34. A number of virtual meetings for the region have been held and are listed on the ECLAC ICP website.¹⁴ They include meetings on: price collection for Latin American

¹³ See <http://www.cisstat.org/icp/>.

¹⁴ See <https://www.cepal.org/en/projects/international-comparison-program-latin-america-and-caribbean>.

economies¹⁵ and for Caribbean economies¹⁶ held in November 2020; special surveys for Latin American economies¹⁷ and Caribbean economies¹⁸ in March 2021; national accounts data requirements for Caribbean economies¹⁹ in May 2021; the construction survey²⁰ in July 2021; and validation of prices of household consumption expenditure items²¹ in September 2021. In addition, ICP papers were presented at a seminar on national accounts²² in November 2021. The meetings listed above included discussion of the impact of COVID-19 on ICP activities, and ECLAC has conducted assessments of the issues faced by national implementing agencies and their response. A videoconference with national statistical offices and central banks on the statistical production of prices and national accounts during the pandemic²³ was held in September 2021. ECLAC and ADB also participated in a knowledge-sharing session to discuss common issues.

35. A report²⁴ on ICP 2017 results for Latin America and the Caribbean was released in March 2021. The main results of the 2011 and 2017 cycles are presented in the ECLAC CEPALSTAT database.²⁵

West Asia

36. The Economic and Social Commission for Western Asia (ESCWA) is the regional implementing agency for the Arab region. Since the ICP 2017 cycle, coverage has increased to 15 economies with the addition of Lebanon and the Syrian Arab Republic, and Tunisia is now a dual participant in both the West Asia and Africa comparisons, alongside Egypt, Morocco and the Sudan. Yemen is unlikely to join the ICP 2021 cycle.

37. Surveys are under way in most economies in line with the regional schedule. However, a few economies are facing delays with respect to initiating their surveys and the approval of budgets. ESCWA has made efforts to secure funding from potential sources, including the United Nations Development Account, in order to support capacity-building and the integration of ICP activities with CPI and price statistics. Turnover of national ICP staff and the participation of new economies has necessitated funding for additional training.

38. A number of meetings hosted by ESCWA have been held to implement the ICP 2021 cycle and to mitigate certain challenges. A national training event was held for Lebanon in November 2020, followed by another meeting in January 2021 to discuss the special surveys and the revision of 2020 household consumption data. A meeting with Jordan on web scraping for price data collection took place in January 2021. A regional meeting launching the ICP 2021 cycle was held in February 2021. A meeting

¹⁵ See <https://www.cepal.org/en/node/52678>.

¹⁶ See <https://www.cepal.org/en/events/first-technical-meeting-price-focal-points-international-comparison-program-icp-round-2021>.

¹⁷ See <https://www.cepal.org/en/node/53499>.

¹⁸ See <https://www.cepal.org/en/events/technical-meeting-special-surveys-international-comparison-program-icp-cycle-2021-caribbean>.

¹⁹ See <https://www.cepal.org/en/events/technical-meeting-national-accounts-data-requirements-international-comparison-program-icp>.

²⁰ See <https://www.cepal.org/en/events/technical-meeting-construction-survey-international-comparison-program-icp-2021-cycle>.

²¹ See <https://www.cepal.org/en/events/technical-meeting-validation-prices-household-consumption-expenditure>.

²² See <https://www.cepal.org/en/events/national-accounts-annual-seminar-latin-america-and-caribbean-2021-towards-scen-2025>.

²³ See <https://rtc-cea.cepal.org/en/conectados-rtc/fourth-videoconference-statistical-production-prices-and-national-accounts-face>.

²⁴ See https://www.cepal.org/sites/default/files/publication/files/46742/S2000830_en.pdf.

²⁵ See https://estadisticas.cepal.org/cepalstat/web_cepalstat/estadisticasindicadores.asp?idioma=i.

with AfDB and the ICP Global Office on dual participating economies was also held that month. A technical training event on ICP and the production of PPPs was provided to ICP staff from new participating economies in June 2021. Finally, a regional workshop on the compilation of price expenditure weights and the disaggregation of expenditure data with guidance on the estimation process during the COVID-19 pandemic took place in June 2021.

39. A report²⁶ on the ICP 2017 results for the Arab region was published in December 2020 and covered PPP results up to 2019. A new set of regional ICP results will be published at the end of 2021. They will include PPP estimates for Lebanon (which did not participate in the 2017 cycle) for the years 2017 to 2020, as well as updated regional PPPs for 2018 and 2019, preliminary PPPs for 2020 and PPP forecasts for 2021. The results are presented with the omani rial as the base currency.

Eurostat-Organization for Economic Cooperation and Development

40. Eurostat and the Organization for Economic Cooperation and Development (OECD) execute a regular programme to produce annual PPP estimates according to a well-established timetable. Forty-nine economies are participating in the Eurostat-OECD PPP programme for the ICP 2021 cycle. Of those, 37 are coordinated by Eurostat, while 12 economies are coordinated by OECD. Georgia and Ukraine are participating in the ICP 2021 cycle and are linked to the global comparison through the Eurostat comparison, similar to their participation in the ICP 2017 cycle.

41. Price collection for the household consumption surveys in Eurostat economies is covered through six surveys over three years: services, and furniture and health in 2020; food, drinks and tobacco, and personal appearance in 2021; and house and garden, and transport, restaurants and hotels in 2022. A similar spread of surveys is used by OECD participants, but through a different validation schedule: transport, restaurants and hotels, and services in 2020; furniture and health, and food, drinks and tobacco in 2021; and personal appearance, and house and garden in 2022. ICP items are included in all Eurostat-OECD household consumption surveys.

42. Price collection for non-household surveys was conducted in 2021 in Eurostat economies and in 2020 in OECD economies. In addition, selected Eurostat and OECD economies are conducting the ICP construction survey for global linking purposes.

43. Meetings for Eurostat economies on household consumption surveys were held in March and September 2021 and the Eurostat PPP Working Group meeting was held in November 2021. OECD programme participants met in May 2021 to review surveys, new data sources and operational documents. At a joint Eurostat-OECD PPP workshop held in May 2021, attendees exchanged good practices and discussed recent developments concerning ICP.

44. The COVID-19 pandemic continued to pose challenges for the rolling programme of PPP surveys carried out in 2021. Countries managed to collect prices in 2020 and 2021 by using new modes of data collection, in particular transaction data and Internet prices. The challenges encountered during data collection and the impact of COVID-19 on the PPP results are constantly being monitored.

C. New operational materials

45. In preparation for the ICP 2021 cycle, the ICP Global Office developed the ICP 2021 item lists and other survey materials based on those developed for the anticipated ICP 2020 cycle, in collaboration with regional and national implementing

²⁶ See <https://www.unescwa.org/publications/purchasing-power-parities-and-real-size-arab-economies>.

agencies. The ICP item list management tool is being used by the agencies to build the item lists in an efficient, collaborative and transparent manner and allows for various export options of survey catalogues and structured product descriptions. The ICP 2021 item lists introduced necessary revisions to the item specifications, specifically, fast-evolving technology items and machinery and equipment items, as well as new COVID-19-relevant items. Updated survey materials have been circulated to all national implementing agencies.

46. The ICP metadata questionnaires have been updated, as needed, and a new section covering metadata concerning COVID-19 impacts on ICP implementation has been introduced. The ICP data submission form has also been updated to reflect ICP 2021 cycle data sets.

IV. Research and innovations

47. The ICP research agenda²⁷ was put forth by the Inter-Agency Coordination Group in September 2016, approved by the Technical Advisory Group in May 2017 and adopted by the ICP Governing Board in September 2017. Its aim is to fine-tune the methodology and approaches underlying the Programme and guide its research framework. The ICP research agenda comprises the following 13 topics: (a) compilation of PPP time series and the rolling survey approach; (b) PPPs and real expenditures for dwelling services; (c) productivity adjustment for government and construction labour; (d) fine-tuning global linking procedures; (e) quality and reliability of PPPs; (f) uses of PPPs for national and international policymaking; (g) CPI-ICP synergies and subnational PPPs; (h) PPPs for exports and imports; (i) PPPs for construction; (j) PPPs for health and education; (k) ICP PPPs and global poverty measurement; (l) exploring innovations in technology and data sources for PPPs; and (m) accounting for product quality differences in PPP measurement.

48. Together, these topics meet the following six objectives: (a) building consistent PPP time series; (b) improving PPP reliability and quality; (c) addressing areas that are difficult to measure, such as housing; (d) strengthening the alignment between PPPs and national statistical programmes; (e) advocating wider uses and applications of PPPs; and (f) exploring innovations in technology and new sources.

49. The Technical Advisory Group established task forces and task teams to undertake the research laid out in the ICP research agenda topics listed above. As at November 2021, these task forces²⁸ have addressed 10 of the 13 above areas.

50. Two forward-looking guides were released to help inform and guide country practices for integrating CPI and PPP production processes and generating subnational PPPs. Additional details on both guides are provided in section V, below. With respect to the uses of PPPs for national and international policymaking, a publication entitled *Purchasing Power Parities for Policy Making: A Visual Guide to Using Data from the International Comparison Programme* was released, the details of which are provided in section V, below. Assessments were undertaken of the impact of the revised 2011 and 2017 PPPs on the World Bank international poverty line and global poverty counts, and a decision will be taken by the World Bank in early 2022 on the use of 2017 PPPs in global poverty measurement.

²⁷ See <https://www.worldbank.org/en/programs/icp#7>.

²⁸ See <https://www.worldbank.org/en/programs/icp/brief/taskforces>.

V. Knowledge, advocacy and uses

51. In June 2021, a new interactive publication entitled *Purchasing Power Parities for Policy Making: A Visual Guide to Using Data from the International Comparison Programme*²⁹ was released. Available as both a PDF download and as web-based content, the guide provides an overview of how PPPs, price levels and other ICP results provide many indicators that allow national Governments, policymakers and other users to measure the effectiveness of current domestic policies, make comparisons with other economies and track development and progress over time. In doing so, the guide helps to advocate for ICP and demonstrate its use as a crucial statistical investment and an essential economic tool. The guide contains examples of data applications through 70 interactive charts and maps together with text explaining the source and policy use of each ICP-enabled indicator. The use of PPPs in indicators monitoring progress towards the Sustainable Development Goals is also included, as is comprehensive information on how ICP methodology and the concepts underpinning PPPs determine the use and limitations of ICP data and determine to which analyses that data may be applied. A presentation based on the guide was showcased at the United Nations World Data Forum in October 2021 and is available on the United Nations³⁰ and World Bank video channels.³¹

52. In addition, the World Bank publication entitled *The Changing Wealth of Nations*,³² published on 27 October 2021, examines the distribution of wealth across countries using PPPs for the first time and discusses how the use of PPPs differs from cross-country comparisons made using market exchange rates.

53. Since the launch of the 2017 ICP results in May 2020, a number of weblog posts discussing analytical and methodological issues have been produced by staff from the World Bank and regional implementing agencies. ICP weblog posts published since the previous report to the Commission include: “Why have the 2011 PPPs been revised and what does it mean for estimates of poverty?”;³³ “The ICP in Western Asia: turning the spotlight on Arab economies”;³⁴ “Demystifying ICP purchasing power parity calculations using Python”;³⁵ “The size of the Asia and the Pacific economy based on purchasing power parities: results from the International Comparison Programme”;³⁶ and “Purchasing power parities for policy making: a visual guide to using data from the International Comparison Programme”.³⁷

54. The eLearning course³⁸ on the fundamentals of PPPs has continued to expand its enrolment since its official release in March 2018 and, to date, approximately 1,070 participants have accessed it to learn about PPP concepts, data requirements, methodology, calculation and uses. The interactive course serves policymakers, international organizations, researchers, students and the general public who wish to enhance their knowledge of PPPs. The course is delivered through the World Bank

²⁹ See <https://www.worldbank.org/en/programs/icp/brief/PPPs-for-Policy>.

³⁰ See https://www.youtube.com/watch?v=uHr-kkGFzI8&list=PLBc4lThqX-WMnXI1gt95r_hJ4IgZP8tWY&index=9&t=2s.

³¹ See <https://www.youtube.com/watch?v=Itbnlv2MRbk>.

³² See <https://www.worldbank.org/en/publication/changing-wealth-of-nations>.

³³ See <https://blogs.worldbank.org/opendata/why-have-2011-ppps-been-revised-and-what-does-it-mean-estimates-poverty>.

³⁴ See <https://blogs.worldbank.org/opendata/icp-western-asia-turning-spotlight-arab-economies>.

³⁵ See <https://blogs.worldbank.org/opendata/demystifying-icp-purchasing-power-parity-calculations-using-python?token=ed0afb11de312ae82f593ac5ca792cf3>.

³⁶ See <https://blogs.worldbank.org/opendata/size-asia-and-pacific-economy-based-purchasing-power-parities-results-international>.

³⁷ See <https://blogs.worldbank.org/opendata/purchasing-power-parities-policy-making-visual-guide-using-data-international-comparison>.

³⁸ See <https://www.worldbank.org/en/programs/icp/brief/e-learning>.

online Open Learning Campus, a web-based destination for development learning. The course has also been used widely in regional and national workshops for training of government officials.

55. As mentioned in the research and innovations section above, two guides intended for the price statistics units of national implementing agencies were released in July 2021. The first, *A Guide to the Integration of Consumer Price Index (CPI) and International Comparison Programme (ICP) Production Activities*,³⁹ is aimed primarily at those charged with compiling national CPIs and undertaking ICP price surveys. The guide also provides all users of official statistics with a good understanding of CPIs and PPPs and their differences and similarities. The guide highlights the similarities in the conceptual and operational aspects that underpin CPI and PPP compilation, demonstrating that significant synergies may be achieved through the adoption of an integrated compilation approach to benefit the compilation of both CPI and PPP. The guide also draws on the update of the *Consumer Price Index Manual: Concepts and Methods*,⁴⁰ published by the member agencies of the Intersecretariat Working Group on Price Statistics and adopted by the Statistical Commission in March 2020. The guide includes a review of the similarities and differences between national CPIs and ICP; an examination of the benefits arising from efforts to integrate the two programmes; an assessment of the current level of integration in ICP-participating economies; an analysis of where integration can take place in the statistical value chain; deliberation on the use of scanner data and web-scraped prices for CPIs and ICP; and a discussion of the treatment of housing and dwelling services data. It also includes a set of national case studies from India, Israel, South Africa and the United Kingdom of Great Britain and Northern Ireland that illustrate the ambitions, successes and challenges that countries have encountered in pursuing the integration of CPI and ICP activities.

56. The second guide, *A Guide to the Compilation of Subnational Purchasing Power Parities (PPPs)*,⁴¹ is aimed at those national implementing agencies that are considering embarking on a programme to compile spatial price indices at the subnational level. The compilation of those price indices informs the data needs of policymakers and researchers who are interested in assessing intra-country inequality and the incidence of local poverty and analysing productivity in different areas within a country. The guide provides the means to assess the differences in price levels and expenditure patterns across a country through the calculation of PPPs at the subnational level. It uses the well-established methods and framework of ICP to propose practical steps and make recommendations on how to set up such an exercise and seeks synergies with national CPI compilation where possible. Chapters in this guide cover the concept and scope of subnational PPPs; the uses of subnational PPPs; the frequency of subnational PPPs compilation; the governance and administrative structure of a subnational PPP programme; subnational PPP data requirements and validation; subnational PPP compilation and aggregation methodology; and a survey of existing subnational PPP studies and programmes. It also presents case studies from Italy, the United Kingdom, the United States of America and Viet Nam.

57. Uses of ICP data, outreach events and other advocacy materials are listed on the ICP website and in the periodic ICP Highlights newsletter.⁴² Special editions of the newsletters were also circulated to announce the PPPs for policymaking guide, the

³⁹ See <https://thedocs.worldbank.org/en/doc/2b29c1445d7fa006e5f4ca00087dbe36-0050022021/original/Guide-CPI-and-ICP.pdf>.

⁴⁰ See <https://www.imf.org/en/Data/Statistics/cpi-manual>.

⁴¹ See <https://thedocs.worldbank.org/en/doc/5064f2288436664bc8f9811c8a5b8c55-0050022021/original/Guide-Subnational-PPPs.pdf>.

⁴² See <https://www.worldbank.org/en/programs/icp/brief/newsletter>.

follow-up United Nations World Data Forum presentation and the new country guides.⁴³

VI. Risks and mitigation measures

58. The impact of the COVID-19 pandemic continues to present a range of specific challenges to the ICP 2021 cycle. The ICP 2020 cycle was postponed to 2021, and while lockdowns and other measures have abated somewhat over the previous year, allowing the commencement or continuation of surveys in most economies, the long periods of closure of outlets and restrictions on staff movements have caused delays to the start of surveys across regions. Some countries, including a few large economies, had yet to start surveys as at October 2021. These delays have had an impact on the schedule of surveys, which in some instances will need to be extended until the end of 2022.

59. Furthermore, some household consumption items have been limited or not available for pricing, such as hotel accommodation, air transport and imported goods, and high price fluctuations have occurred. At the same time, national accounts expenditure structures may have changed significantly during the pandemic owing to changes in consumer spending habits. In addition, geographical coverage may have been reduced owing to the inability of field collectors to travel to some areas.

60. The pandemic has affected all regular statistical activities and many national implementing agencies may have prioritized other surveys and exercises, such as censuses and CPIs, over ICP, leading to shortfalls in funding and staffing. Work-from-home arrangements have had an impact on staff training and the ability of staff to carry out assignments such as data processing and validation. In some countries, virtual communication was hampered by connectivity issues and virtual data collection has been difficult to implement. Moreover, turnover of trained staff has had an impact on ICP processes.

61. All of these difficulties can translate into data quality challenges. In order to mitigate their impacts and ensure a full and reliable set of input data, survey schedules are being extended into 2022 where necessary. Furthermore, regional implementing agencies are conducting many virtual workshops and bilateral training with national implementing agencies, focusing on increasing validation and quality assurance efforts, which will be mirrored at the global level. The virtual nature of the regional workshops is allowing many more national implementing agency staff to attend, which has helped to increase the number of those benefiting from training. The ICP Global Office and regional implementing agencies will closely monitor the production schedule and processes under the guidance of the Technical Advisory Group. Meetings of the governance bodies have taken place virtually, ensuring the continuation of global coordination and governance. To overcome funding challenges, fundraising efforts will continue.

VII. Conclusion

62. The successful implementation of the ICP 2021 cycle will be crucial to assessing the global economic impact of the COVID-19 pandemic. The results will be an essential tool for policymakers, analysts and researchers, allowing them to examine in detail the pandemic's effect on prices, expenditures, output and material well-being. They will act as a benchmark from which to monitor progress and recovery

⁴³ See <https://mailchi.mp/worldbank.org/icp-country-guides-7728145>.

once the worst of the pandemic, and its effects on populations and economies, has waned.

63. While significant progress has been made across all regions in implementing the cycle since the previous report to the Commission, the cycle faces risks related to participation, quality, timeliness and resources. However, extensive guidance and training has been provided to national implementing agencies to overcome some of the challenges posed by the COVID-19 pandemic in terms of staff operations and competing priorities and the impact of the pandemic on the data collected in terms of disruptions to item availability and fluctuations in prices and spending patterns. The World Bank seeks the support of the Commission to encourage stakeholders to conduct surveys and compilation activities in line with the agreed timetable to ensure a successful ICP 2021 cycle. Furthermore, the Commission is invited to take note of the extent of ICP outreach and advocacy over the previous year, primarily that aimed at national policymakers and ICP stakeholders, which was designed to bolster the use made of ICP results and the incorporation of the Programme into regular statistical activities.

VIII. Action to be taken by the Statistical Commission

64. **The Commission is invited:**

(a) **To take note of the significant progress made in the implementation of the ICP 2021 cycle, despite COVID-19-related challenges;**

(b) **To instruct ICP stakeholders to ensure that ICP 2021 cycle activities are carried out in a timely manner in all countries, as the 2021 results will provide a unique and vital analysis of the global economy mid-pandemic;**

(c) **To encourage the promotion of the publication entitled *Purchasing Power Parities for Policy Making: A Visual Guide to Using Data from the International Comparison Programme* to ICP stakeholders, policymakers and other users;**

(d) **To impress upon national, regional and global agencies the need to incorporate ICP into their regular statistical work programmes to ensure its sustainability as a permanent programme.**
