



Economic and Social Council

Distr.: General
14 December 2020

Original: English

Statistical Commission

Fifty-second session

1–3 and 5 March 2021

Item 4 (e) of the provisional agenda*

Items for information: 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 2020/211 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 provides an outline of the activities undertaken in 2020 at the global, regional and national levels to complete the ICP 2017 comparison cycle and to launch the 2021 comparison cycle. The report describes the governance, capacity-building, research, knowledge and advocacy activities carried out. The Commission is invited to take note of the release of the ICP 2017 results in May 2020 and the postponement of the 2020 comparison cycle to 2021 owing to the impact the coronavirus disease (COVID-19) pandemic has had on data collection and statistical processes, and to encourage ICP stakeholders to continue their support and efforts to incorporate the Programme into their regular statistical work programmes.

* E/CN.3/2021/1.



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. Results covering 176 participating economies from the ICP 2017 cycle were published in May 2020, accompanied by advocacy and outreach material and the release of the global report entitled *Purchasing Power Parities and the Size of World Economies: Results from the 2017 International Comparison Program*. The ICP Governing Board, in consultation with the regional implementing agencies and the ICP Technical Advisory Group, decided to postpone the next ICP cycle from 2020 to 2021, owing to disruptions to data collection and statistical processes in participating economies related to the coronavirus disease (COVID-19). Outreach material is being prepared to demonstrate the increasing value of ICP and its results to the socioeconomic agenda of national policymakers and the development community. The Programme has helped to build statistical capacity in many countries in the areas of price statistics and national accounts, while all implementing agencies have begun preparations for the 2021 cycle. The ICP research agenda continues to ensure the soundness of the Programme's processes and methods.

3. The present report provides a comprehensive update on the activities undertaken from October 2019 to November 2020. It is organized in seven sections as follows: release of the ICP 2017 cycle results; postponement of the 2020 cycle to 2021; governance and coordination; programme implementation for the 2021 cycle; research and innovations; knowledge, advocacy and uses; and risks and mitigation measures.

II. Release of the 2017 cycle results

A. Release of the 2017 global results

4. On 19 May 2020, the Programme released economic indicators and results for the reference year 2017 through the ICP website,¹ and the World Bank databank.² Purchasing power parities (PPPs), price level indexes, estimates of PPP-based GDP and 44 expenditure components in aggregate and per capita terms were published for the 176 economies that participated in the Programme. A limited set of results for 12 non-participating economies was also published. In addition, revised results for the preceding reference year 2011 and estimates of annual PPPs for 2012–2016 were released. Unpublished 2017 data was made available to researchers upon application to the ICP Global Office in line with the updated ICP data access and archiving policy endorsed by the ICP Governing Board.³

¹ See <http://icp.worldbank.org>.

² See <https://databank.worldbank.org/source/icp-2017#>.

³ See <http://pubdocs.worldbank.org/en/550841576791478325/pdf/ICP-Data-Access-and-Archive-Policy-December-2019.pdf>.

5. A World Bank Group press release available in eight languages summarized the main findings and provided background information on the Programme alongside quotes of ICP stakeholders highlighting the Programme's relevance. Social media were also used for messaging about the release. Also published on the day of release was the above-mentioned report *Purchasing Power Parities and the Size of World Economies*, a blog by the Director of the Development Economics Data Group of the World Bank and the ICP Programme Manager on the main results,⁴ factsheets on the Programme and its methodology, global and regional highlight summaries, and a comprehensive list of frequently asked questions. Anticipated in-person launch events, as set out in the communication and dissemination strategy agreed by the ICP Governing Board, were not held owing to COVID-19-related restrictions in place at the time of release.

B. Release of the 2017 regional results

6. In Africa, in July 2020, the African Development Bank (AfDB) published a summary report on the results of the regional ICP 2017 cycle results.⁵ A supplemental thematic report is expected to be published by the end of 2020.

7. In Asia and the Pacific, in February 2020, the ICP 2017 cycle results for the region were endorsed by the Regional Advisory Board and by the heads of the national implementing agencies of the 22 participating economies. In May 2020, the Asian Development Bank (ADB) published a summary report;⁶ in October 2020, ADB published a full report covering the results in detail, as well as the conceptual framework and the methodology used.⁷ The regional results were widely disseminated through ADB publication channels and social media platforms in May, July, and October 2020, and through a newly published website, with information on the regional programme including governance, data, methods, uses and applications of PPPs, ICP-related publications and other resources.⁸

8. In the Commonwealth of Independent States (CIS), in March 2020, the Interstate Statistical Committee of the Commonwealth of Independent States (CIS-STAT) issued the regional ICP results at the International Economic Forum of CIS countries on 13 March 2020 and in a press release published on the CIS-STAT website.⁹ On 16 July 2020, the Committee published a statistical compendium on global ICP results in Russian and English covering the Global ICP 2017 results, detailed 2017 results for CIS, and 2011 and 2014 revised results for CIS.¹⁰ A database of detailed results is available on the CIS-STAT website. Selected national statistical offices in the region have also released the ICP results on their websites. Presentations on the results have been made to users at official institutions, universities, and media. An online conference covering the results was hosted by CIS-STAT jointly with the Higher School of Economics in September 2020. An online conference on PPP methodology and uses was provided by CIS-STAT jointly with the School in April 2020. In July 2020, CIS-STAT offered another online conference on PPP methodology and the ICP 2017 results for students and researchers of the Plekhanov Russian University of Economics; a similar conference for the Moscow State Institute of

⁴ See <https://blogs.worldbank.org/opendata/new-results-international-comparison-program-shed-light-size-global-economy>.

⁵ See www.afdb.org/en/documents/icp-africa-2017-highlights-comparing-real-size-and-purchasing-power-african-economies.

⁶ See www.adb.org/publications/international-comparison-program-2017-summary-report.

⁷ See www.adb.org/publications/international-comparison-program-2017-results-methodology.

⁸ See <https://icp.adb.org>. See also www.adb.org/what-we-do/data/economic-data/icp.

⁹ See www.cisstat.org/icp/.

¹⁰ See www.cisstat.org/icp/International_Comparison_2017_results_and_2011_2014_revised.pdf.

International Relations University is planned for December 2020. The Economic Commission of the CIS Economic Council, taking into consideration the CIS ICP 2017 results, approved the work of the national statistical offices of the CIS countries and CIS-STAT. Information on the ICP 2017 results for CIS has been submitted to the CIS Economic Council at its forthcoming session, scheduled for December 2020.

9. In Latin America and the Caribbean, in May 2020, the Economic Commission for Latin America and the Caribbean published a press release on the ICP 2017 cycle results¹¹ at the same time as the release by the World Bank of the global ICP 2017 cycle results. A final regional report is to be released at the end of December 2020. A dedicated page on the website of the Commission is being used to disseminate results and information about the Programme.¹²

10. In West Asia, in December 2020, the Economic and Social Commission for Western Asia is to release the regional results for the 2017 ICP cycle as a part of a time series of annual ICP results extending from 2011 to 2019. The ICP results for the period 2011–2013 were revised as per the 2017 ICP classification and national accounts expenditure data were updated in accordance with revised national data to improve the accuracy and reliability of regional ICP results. A comprehensive regional report in English and Arabic is to be released in December 2020. The report will include the following: main findings; detailed analysis; uses of PPPs, including monitoring of progress towards the Sustainable Development Goals; and two series of regional ICP results, one linked to the United States dollar for the period 2011–2017 and the second linked to the Omani rial for the period 2011–2019. At the same time, a dedicated web portal will be opened with an interactive online PPP converter for comparing the real purchasing power of various currencies, and with links to detailed ICP results.

11. Eurostat and the Organization for Economic Cooperation and Development (OECD) released ICP 2017 results from their PPP programme on 19 May 2020, on the same day as the World Bank released its global press release. The Eurostat release package consisted of a press release about the results for the European Union,¹³ an article in the series “Statistics explained” on PPPs in Europe and the world that included a comparison with the revised ICP 2011 results,¹⁴ and an updated page on international PPPs on the Eurostat website.¹⁵ OECD published a news release¹⁶ on the results for the OECD economies, as well as updated PPPs for selected non-OECD economies from its online database.¹⁷

III. Postponement of the 2020 cycle to 2021

12. In March 2020, the ICP Global Office, in consultation with the regional implementing agencies and, by extension, the national implementing agencies assessed the impact that the pandemic was having on the 2020 cycle. The assessment was focused on the status of activities and the technical challenges faced by countries, including delays and disruptions to the collection of prices and the compilation of

¹¹ See www.cepal.org/es/comunicados/america-latina-caribe-representa-8-pib-global-la-poblacion-mundial-segun-nuevo-informe (in Spanish).

¹² See www.cepal.org/en/projects/international-comparison-program-latin-america-and-caribbean.

¹³ See <https://ec.europa.eu/eurostat/documents/2995521/10868691/2-19052020-BP-EN.pdf/bb14f7f9-fc26-8aa1-60d4-7c2b509dda8e>.

¹⁴ See https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Purchasing_power_parities_in_Europe_and_the_world.

¹⁵ See <https://ec.europa.eu/eurostat/web/purchasing-power-parities/international-ppps>.

¹⁶ See www.oecd.org/sdd/prices-ppp/oecd-share-in-world-gdp-stable-at-around-50-per-cent-in-ppp-terms-in-2017.htm.

¹⁷ See https://stats.oecd.org/Index.aspx?DataSetCode=SNA_TABLE4.

national accounts, and on whether to the timing of surveys needed to be adjusted over the coming months. On the basis of the assessment, the ICP Technical Advisory Group came to the view that 2020 was not an appropriate benchmark year and, in April 2020, recommended that the ICP Governing Board move the benchmark year for the next ICP comparison by one year to 2021. The Board acted accordingly.¹⁸

IV. Governance and coordination

A. Statistical Commission

13. The Statistical Commission is the ultimate ICP stakeholder and decides the frequency and operational modalities of the Programme. It held its fifty-first session in New York from 3 to 6 March 2020.¹⁹ On that occasion, it commended ICP for the work it had carried out, as detailed in the report of the World Bank on the Programme,²⁰ and took note of the imminent release of the 2017 cycle results. In addition, the Commission impressed upon stakeholders of the Programme the need to conduct the 2020 cycle activities – as scheduled at the time – in a timely manner; reiterated the need for national, regional and global agencies to incorporate the Programme into their regular statistical work programmes and to ensure its sustainability as a permanent programme; and urged national statistical systems and international development partners to make resources available for the 2020 cycle and future cycles of the Programme.

B. Governing Board

14. 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.

15. The Governing Board held its fifth meeting in Washington, D.C., on 13 December 2019.²¹ At the meeting, the Board reviewed the progress of the ICP 2017 cycle activities and outstanding risks and noted that the timetable to produce and publish the results remained extremely tight. It encouraged the regional implementing agencies to do their utmost to meet all the submission deadlines agreed with the ICP Global Office. The Board reviewed progress of the ICP research agenda and methodology and noted the need to ensure that the ICP methodology remained stable in the near future. The Board stressed the need to inform it of any future plan to integrate a new methodology into the production of ICP results. The Board approved the ICP data access and archiving policy with some recommended modifications and clarifications, noting that it promoted the use of ICP data and reassured countries about the confidentiality of ICP data and respondents, while ensuring reciprocity of access among participating countries. Furthermore, the Board approved the updated ICP revision policy²² with some recommended modifications, noting that there should be a balance between undertaking necessary revisions to ensure that ICP results remain relevant, and limiting the frequency of revisions to maintain user confidence

¹⁸ See <http://pubdocs.worldbank.org/en/188081604499516010/pdf/Minutes-GB-Virtual-April-2020.pdf>.

¹⁹ See E/2020/24-E/CN.3/2020/37.

²⁰ E/CN.3/2020/11.

²¹ See <http://pubdocs.worldbank.org/en/343081579109381717/pdf/ICP-GB05-Minutes.pdf>.

²² See <http://pubdocs.worldbank.org/en/157051576791475455/pdf/ICP-Revision-Policy-December-2019.pdf>.

in the results. The Board discussed events planned for the release of the ICP results at the global and regional levels. It recommended that released materials emphasize the correct uses and limitations of PPPs, and highlight the wide array of uses of PPPs and ICP data.

16. At its sixth meeting, held in New York on 1 March 2020, the Board reviewed progress with ICP 2017 activities and the launch of ICP 2020 activities, and heard from the Alternate Chair of the Technical Advisory Group following its positive review of the final 2017 results at its fifth meeting two weeks previously.²³ The Board thanked the national, regional and global agencies for their efforts to complete the cycle, and the donors for funding the cycle. It endorsed the release of the ICP 2017 cycle results in accordance with the ICP communication strategy, which provided for pre-release, release and post-release activities, and reiterated the need for national, regional and global agencies to incorporate the Programme into their regular statistical work programmes to ensure its sustainability as a permanent programme. The Board took note of the need to revisit the membership of the ICP Governing Board after the conclusion of the ICP 2017 cycle in liaison with the Statistical Commission and agreed to have the Alternate Chair of the Technical Advisory Group join the Board as an observer.

C. Technical Advisory Group

17. The 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 and more frequent ICP.

18. The Technical Advisory Group held its fifth meeting in Washington, D.C., on 20 and 21 February 2020.²⁴ At that meeting, the Group took note of the progress made with concluding the ICP 2017 cycle activities and congratulated the national, regional and global agencies for their efforts. With regard to the overall process, replicability and transparency of ICP results, the Group took note of work done by the ICP Computation Task Team, including its calculation of the ICP 2017 cycle results, the revised ICP 2011 results, the annual PPP series and PPP estimates for non-participating countries. The Technical Advisory Group concluded that the quality of the results presented had improved and stabilized since the previous meeting of the Group, which had enabled the Global Office to proceed with the publication of the results. The Group advised that the 2017 and the revised 2011 results should be published in an extended form with coverage of the main aggregates, additional aggregates and categories similar to how the ICP 2011 results were published, and should also cover selected groups and classes under food and non-alcoholic beverages, alcoholic beverages and tobacco, and transport.

D. Inter-Agency Coordination Group

19. The ICP Inter-Agency Coordination Group is the coordinating body that collaborates on establishing timetables and workplans, develops common standards, methods and protocols, and agrees upon operational aspects of the Programme.

20. The Inter-Agency Coordination Group met by videoconference on 8 and 9 June 2020.²⁵ The Group discussed the release and post-release activities for the ICP 2017

²³ See <http://pubdocs.worldbank.org/en/717661586783966188/pdf/ICP-GB06-Minutes.pdf>.

²⁴ See <http://pubdocs.worldbank.org/en/975861586783917198/pdf/ICP-TAG05-Minutes.pdf>.

²⁵ See <http://pubdocs.worldbank.org/en/844931600064706275/pdf/ICP-IACG-2020-06-Minutes.pdf>.

results, including an anticipated visual compendium of PPP and ICP data uses. The Group noted that results were available through the World Bank databank²⁶ and the World Development Indicators.²⁷ Furthermore, the Group discussed progress with planning for the ICP 2021 cycle including country participation, operational materials, survey schedules and funding.

21. The Inter-Agency Coordination Group met again by videoconference on 20 and 22 October 2020 and discussed the release of regional reports on the ICP 2017 cycle and preparations for the upcoming ICP 2021 cycle.²⁸ The Group recommended that the Technical Advisory Group be invited to discuss the methodology used to produce estimates beyond the latest ICP reference year. The Inter-Agency Coordination Group will be invited to review the upcoming visual compendium of PPP and ICP data uses, and the draft guidelines on harnessing consumer price index (CPI)-ICP synergies and on the production of subnational PPPs. It was decided that the Inter-Agency Coordination Group should meet on a quarterly basis in order to better monitor progress with the ICP 2021 cycle implementation, especially given the current COVID-19-related circumstances.

V. Programme implementation for the 2021 cycle

A. Overall timetable

22. The Inter-Agency Coordination Group launched the ICP 2021 cycle in June 2020 and discussed implementation arrangements and the overall timetable in October 2020. The bulk of the required global operational materials were finalized by November 2020, while the remaining materials will be finalized in early 2021. Price surveys and data collection are expected to be conducted throughout 2021, 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, the 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

23. The Statistical Capacity-building Division of the Statistics Department of AfDB has continued its advocacy efforts in support of the Programme and, to date, 54 African economies have expressed their commitment to participate in the ICP 2021 cycle. Furthermore, the number of economies expected to participate in both Africa and Western Asia ICP comparisons is likely to increase from the three dual participation economies in the 2017 cycle.

24. AfDB has been conducting a regional ICP pilot exercise from August to December 2020 to prepare for the ICP 2021 activities in the region and to provide early indications on the impact of the pandemic on living standards. During the ICP 2021 cycle quality assurance activities, collected data will also be used as an additional validation metric.

25. The pilot exercise and the ICP 2021 cycle itself will further enhance synergies between the work on ICP and the national accounts and price statistics of countries.

²⁶ See <https://databank.worldbank.org/source/icp-2017>.

²⁷ See <https://databank.worldbank.org/source/world-development-indicators>.

²⁸ See <http://pubdocs.worldbank.org/en/639451606925954346/pdf/Minutes-IACG-Oct-2020.pdf>.

To that end, AfDB held two webinars on the status of the System of National Accounts (SNA) 2008 implementation in Africa in October and November 2020.

Asia and the Pacific

26. The same 22 economies that participated in the ICP 2017 cycle are expected to participate in the ICP 2021 cycle. The technical assistance to financially support the anticipated ICP 2020 cycle in Asia and the Pacific was approved by ADB in December 2019. A regional technical workshop to review the region's household product list and survey sampling in preparation of 2020 ICP was held in December 2019 and a briefing meeting for heads of national implementing agencies was held in February 2020 at which the following was covered: methods for estimating dwelling services; CPI-ICP integration; the rolling price survey approach; and subnational PPPs. In November 2019, a mission was sent to Myanmar to assist the country with its household price survey framework. Price collection in the region began in the first quarter of 2020 in half of the participating economies but was discontinued in May 2020 owing to the pandemic and the decision of the ICP Governing Board to postpone the 2020 ICP cycle to the reference year 2021.

27. ADB initiated preparatory activities for price collection surveys in 2021 by organizing online workshops. A training workshop for the National Bureau of Statistics of Maldives and two training workshops with subgroups of participating economies was held in November 2020. A regional technical workshop with all 22 participating economies is planned for December 2020, at which will be discussed ICP 2021 preparatory activities, updates to the operational materials, the schedule of survey activities and implementation plans, data collection guidelines, and overcoming the impact of COVID-19 on price collection.

28. Price collection surveys are expected to resume in the first quarter of 2021. ADB has prepared and has provided national implementing agencies with a document entitled "2021 International Comparison Program for Asia and the Pacific – catalogue of household products" to facilitate identification of items to be priced, a document entitled "Price collection at the country level: a practical guide" to facilitate price collection operations, and an updated version of the ICP Asia-Pacific software suite to assist in data management.

29. The pandemic has had an impact on the availability of items to price, the number of price observations to collect and the ability to conduct in-person price collection, based on the experience of the economies for CPI data collection. Alternative methods of collection by telephone and email, from websites and administrative sources and in neighbourhood shops have been used for CPI surveys. Guidelines issued by the Intersecretariat Working Group on Price Statistics) and other international organizations on modes of price collection and ways to estimate missing prices have provided much-needed guidance to the region's price statisticians. ADB also anticipates COVID-19-related challenges to the compilation of GDP expenditure weights owing to the lack of timely availability of high-quality input data. To address these data shortfalls, it is expected that economies will access alternative data sources such as online surveys, administrative data and, if feasible, transaction-based consumption data based on the use of credit cards and mobile wallets, as well as online transactions. These mitigation efforts will be fully documented to provide transparency when the results are released.

30. Some economies in the region are expecting budget cuts for statistical activities to address pandemic-related issues. In other cases, 2020 statistical surveys and censuses have been postponed to 2021, which may further cause pressure on the limited resources of some economies. While continuing to encourage national implementing agencies to raise funds through budgetary resources by incorporating

ICP into their regular work programmes, ADB will provide limited funding to eligible economies to support the costs of 2021 price collection survey activities and for the purchase of selected information technology equipment to facilitate the processing of ICP data on prices. ADB will also provide technical support through consultants and resource persons.

Commonwealth of Independent States

31. Nine countries are expected to participate in the ICP 2021 cycle. Notably, efforts by the State Committee of the Republic of Uzbekistan on Statistics and CIS-STAT on Uzbekistan's experimental participation in the ICP 2017 cycle have ensured full participation in the upcoming cycle. The participation of Turkmenistan in the ICP 2021 cycle has not been confirmed, however, and CIS-STAT continues to provide national experts in Turkmenistan with all the operational materials required and ensures that they have the opportunity to participate in regional meetings. CIS-STAT is also providing specific support to those national statistical offices that have recently faced staff turnover.

32. The pandemic interrupted ICP 2020 activities in the region; however, ICP activities are expected to start again in 2021, while work is under way to finalize ICP 2021 operational materials for the household consumption survey by the end of December 2020 and for the machinery and equipment survey by May 2021. A regional workshop was held in December 2019 and another is planned for December 2020. On funding, it is expected that 60 per cent of funding will be contributed by the national implementing agencies and CIS-STAT, while donor support will be required for the remainder.

Latin America and the Caribbean

33. The Statistics Division of the Economic Commission for Latin America and the Caribbean has continued advocacy efforts to support the Programme and to date 34 economies in Latin America and the Caribbean have expressed their commitment to participate in the ICP 2021 cycle. A regional meeting was conducted in August 2020 to agree on a workplan for the ICP 2021 cycle, while the Economic Commission has updated regional ICP 2021 cycle operational materials and guidelines. A webinar on the compilation of national accounts was held in October 2020. In addition, several technical meetings have been conducted. A rolling survey approach is being gradually introduced in the region in order to maintain a continuous and effectual work programme.

34. Financial and human resources constraints in the region have been exacerbated by the pandemic, and a number of initiatives have taken place to address the related disruptions to statistical processes in the region, such as conducting assessments on the impacts of the pandemic on price and household surveys and national accounts, delivering technical assistance through virtual meetings and publishing recommendations under a special series of the Economic Commission on COVID-19.²⁹

West Asia

35. Regional ICP meetings on launching the anticipated ICP 2020 cycle and conducting validation activities for earlier surveys and national accounts expenditures were held in October and December 2019 and January 2020. A joint African and West Asian workshop was held in December 2019 to build statistical capacity in ICP and CPI price data collection in dual participating countries. Capacity-building activities

²⁹ See <https://rtc-cea.cepal.org/en/conectados-rtc/covid-19-contingency-plans-of-the-national-statistical-offices>.

were conducted for Bahrain, in January 2020, for Kuwait in February 2020, and, online, for Qatar and Lebanon, in April 2020. To assist Lebanon in its rejoining ICP, a training workshop on the use of the ICP software for data collection and data validation was held in November 2020. Sixteen economies are expected to participate in the ICP 2021 cycle. Furthermore, the number of economies expected to participate in both Africa and West Asia ICP comparisons is likely to increase from the three dual-participation economies that participated in the 2017 cycle.

36. A comprehensive training course developed for building countries' capacities in the area of price statistics, with a focus on ICP and its integration with CPI processes, was conducted in February 2020. Training material included definitions used in ICP and related indicators, uses of PPPs and calculation methodology, and the ICP tool kit for data entry and data validation.

37. The longevity of the pandemic may affect participation in the ICP 2021 cycle, the collection of price data and the estimation of accurate expenditure weights. Mitigation efforts include the adoption of alternative data collection methods such as web scraping for both CPIs and ICP. To that end, training material has been developed that showcases non-traditional data collection methods for CPI and ICP purposes to address the impact of COVID-19-related lockdowns.

Eurostat-Organization for Economic Cooperation and Development

38. Eurostat and 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. The preliminary results for 2018 and 2019 for the Eurostat-OECD programme were due to be published in December 2020.

39. A virtual regional workshop was held in September 2020 and was attended by the 37 economies in the European Comparison Programme, as well as by CIS-STAT, Eurostat, the Federal Service for State Statistics of the Russian Federation (RosStat), OECD, Kosovo, Georgia and Ukraine. Participants discussed the progress on five consumer goods surveys including the finalization of the item list of the European Union for the forthcoming furniture and health survey, the interim results of the current services survey, the annual national final results of the previous survey (transport, restaurants and hotels), and preparations for the next two surveys (food, drinks and tobacco, and personal appearance). Furthermore, the PPP working group met in Luxembourg in November 2020 to review the 2017–2019 annual PPP results, to launch the ICP 2021 cycle, to support the further use of scanner data in price collection and to discuss the impact of COVID-19 on the PPP surveys.

40. COVID-19 restrictions introduced in March 2020 caused additional challenges for the rolling programme of PPP surveys carried out in 2020. Extensive COVID-19 guidance was provided to countries throughout the 2020 survey cycles, and countries managed to collect prices in 2020 by using new modes of data collection and extending the data collection period. PPP surveys in 2021, including the ICP 2021 price data collection, will also be affected, not only in the price data collection, but also in the aggregation and estimation of the results. The experiences gained in 2020 will help to mitigate the risks and further support and guide 2021 activities. Overall, the challenges encountered during the data collection and the impact of COVID-19 on the PPP results are constantly being monitored.

C. New operational materials

41. In preparation for the ICP 2021 cycle, the ICP Global Office has developed the ICP 2021 item lists, in collaboration with regional and national implementing agencies, based on the item lists developed for the anticipated ICP 2020 cycle. An online item list management tool was utilized for the first time to build the item lists in an efficient, collaborative and transparent manner. The ICP 2021 item lists introduce necessary revisions to the item specifications, in particular fast-evolving technology items, as well as new COVID-19-relevant items.

VI. Research and innovations

A. Research agenda

42. The ICP research agenda³⁰ 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.

43. 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.

44. Progress on the ICP research agenda over the past year has helped to guide and strengthen the Programme's methodology and advanced its use of innovation and technologies. Furthermore, task forces and task teams on specific topics of the research agenda, established at the behest of the Technical Advisory Group, met as needed, in person or online, to discuss their findings and recommendations.

B. Task forces

45. 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 2020, four task forces comprising global experts and staff from regional implementing agencies and the ICP Global Office, have convened to address 10 of the 13 topics listed above.³¹ Two task teams were formed under the task force for PPP compilation and computation.

46. The task forces and task teams established to date are: (a) the task force on PPP compilation and computation, together with the task team on computation and the task team on data quality assurance for the PPP time series that it oversees; (b) the

³⁰ See www.worldbank.org/en/programs/icp#7.

³¹ See www.worldbank.org/en/programs/icp/brief/taskforces.

task force on housing; (c) the task force on country operational guidelines and procedures; and (d) the task force on PPPs and poverty measurement.

47. Work developed within these task forces and task teams played an important role in assessing and ensuring the quality and soundness of the methods underlying the 2017 and revised 2011 ICP results. In particular, the task force on PPP compilation and computation and its task teams carried out independent parallel computations to produce and arrive at the published set of ICP 2017 and revised ICP 2011 results, and formalized mechanisms to validate procedures and ensure the quality of the underlying input data used in PPP calculations. The task force on housing explored approaches to linking regional housing data at the global level so as to improve the robustness of results and agreed to further investigate approaches to obtaining reliable global and regional housing estimates based on the research conducted. Furthermore, the task force for country operational guidelines and procedures is finalizing two forward-looking guides to help to inform and guide country practices for integrating CPI and PPP production processes and generating subnational PPPs. Finally, the most recent task force, the task force on PPPs and poverty measurement, comprising ICP Global Office staff and World Bank poverty economists, met in 2020 on several occasions to share knowledge and to carry out preliminary assessments of the impact of the revised 2011 and 2017 PPPs for household consumption on the World Bank's international poverty line and global poverty counts. In September 2020, the World Bank published updated global poverty estimates, incorporating revised ICP 2011 PPPs, among other updates.³² It is also considering the possible use of the 2017 PPPs in global poverty measures.

48. In terms of future task forces, groundwork has also been initiated on the topics of PPPs for exports and imports, and exploring innovations in technology and data sources for PPPs. In addition, the topic of extending the use and application of PPPs is being examined through an investigation of PPPs in wealth accounting within the context of the "Changing wealth of nations" initiative of the World Bank, a collaboration on food prices for nutrition and a forthcoming publication with the prospective title "Purchasing power parities for policymaking: a visual guide to using data from the International Comparison Programme".

VII. Knowledge, advocacy and uses

49. Section II of the present report provides an outline of the knowledge and advocacy material released in May 2020 pertaining to the ICP 2017 cycle results. Since that date, in a number of ICP-related blogs on the World Bank website, the use made of the 2017 data and the methodology and concepts underlying the Programme have been expanded on.³³ First, in a blog post entitled "The size of the world economy in 2019: a baseline from which to measure the impact of COVID-19 and track economic recovery", the authors project ICP data to 2019 to assess the global economy prior to the emergence of the pandemic.³⁴ In another blog post, "How does ICP measure price levels across the world?", the authors explore how Programme ensures the comparability and representativity of the prices it collects, how it accounts for different purchasing patterns across the world and how it weights the goods and services appropriately in each economy.³⁵ In yet another post, "Updated PPP-based productivity measures show steep increase in regions transitioning out of agricultural-

³² See <http://documents1.worldbank.org/curated/en/144451599591697923/pdf/September-2020-PovcalNet-Update-What-s-New.pdf>.

³³ See www.worldbank.org/en/programs/icp/brief/data-blog.

³⁴ See <https://blogs.worldbank.org/opendata/size-world-economy-2019-baseline-which-measure-impact-covid-19-and-track-economic-recovery>.

³⁵ See <https://blogs.worldbank.org/opendata/how-does-icp-measure-price-levels-across-world>.

heavy economies”, the author investigates the latest data on PPP-based GDP-per-person employed.³⁶ Finally, in the post “Global trading blocs through the lens of ICP 2017 results”, the author uses ICP data to look at the size and economic characteristics of the current and anticipated trading blocs throughout the world.³⁷

50. In an article published in the Financial Times in October 2020, Angus Deaton, Nobel Prize laureate and Chair of the Technical Advisory Group, discussed the picture of the global economy provided by the ICP 2017 results.³⁸

51. In October 2020, a dashboard of ICP data visualizations was made available through the ICP website, enabling users to examine quickly and easily the latest main results by region and country, and by expenditure classification.³⁹

52. Enrolment in the e-learning course on the fundamentals of PPPs has continued to expand since the course was officially released in March 2018. More than 860 participants have accessed it to date to learn about PPP concepts, data requirements, methodology, calculation and uses. The interactive course serves policymakers, representatives of international organizations, researchers, students and members of the general public. The course is delivered through the online Open Learning Campus of the World Bank Group, a web-based learning platform dedicated to development-related topics. The course has also been used widely in regional and national workshops to train government officials.

53. For advocacy purposes, a visual compendium with the prospective title “Purchasing power parities for policy making: a visual guide to using data from the International Comparison Programme” will be published in early 2021. It will cover indicators and data sets for which PPPs and other ICP data are used for a wide spectrum of socioeconomic topics, including the Sustainable Development Goals, and will illustrate how those data tools are of assistance in national policymaking.

54. ICP data have recently been used on a number of notable occasions. In July 2020, the Food and Agriculture Organization of the United Nations, the International Fund for Agricultural Development, the United Nations Children’s Fund, the World Food Programme and the World Health Organization published the report *The State of Food Security and Nutrition in the World 2020*. The report contains the most recent estimates of the extent of hunger, food insecurity and malnutrition around the world. The second part of the report is dedicated to the quality and costs of diets and their association with food security, nutrition and health, with ICP data enabling much of the analysis. The report includes estimates of the costs and affordability of a set of reference diets; the cost of each diet is estimated for each country using the least expensive combination of ICP items whose food composition achieves the criteria specific to each diet. The costs of the diets were then made comparable across countries using ICP PPPs, which enabled their comparison against benchmarks such as the international poverty line, which set at \$1.90 per day (at 2011 PPP dollars). Finally, expenditure data from ICP were used to analyse the cost of each diet compared with average daily food expenditures in each country. The full report and a summary are available online.⁴⁰ Further work will be done in this area under the collaborative project entitled “Food prices for nutrition” of Tufts University, the

³⁶ See https://blogs.worldbank.org/opendata/updated-ppp-based-productivity-measures-show-steep-increase-regions-transitioning-out?CID=WBW_AL_BlogNotification_EN_EXT.

³⁷ See <https://blogs.worldbank.org/opendata/global-trading-blocs-through-lens-icp-2017-results>.

³⁸ See www.ft.com/content/d2288510-c908-4256-989f-0ebd8c0440e8.

³⁹ See www.worldbank.org/en/programs/icp/brief/data-visualizations.

⁴⁰ See www.fao.org/3/ca9692en/online/ca9692en.html.

International Food Policy Research Institute and the World Bank,⁴¹ for which data from the Programme will continue to be drawn upon.

55. The impact of updated PPPs on key macroeconomic indicators, such as estimates and forecasts of regional and world output and growth, is discussed in the flagship publication of the International Monetary Fund, the *World Economic Outlook* of October 2020.⁴² Revised PPPs for the period 2011–2017 based on data from the ICP 2017 cycle are extrapolated forward and backward by using the growth rates in relative GDP deflators. These generate PPP-based GDP estimates, which are used as weights to compute regional and global real GDP growth and other real sector aggregates, including inflation.

56. In its report *Poverty and Shared Prosperity 2020: Reversals of Fortune*,⁴³ the World Bank uses the recently revised 2011 PPPs to estimate global poverty data. In a post in the World Bank data blog series entitled “Why have the 2011 PPPs been revised and what does it mean for estimates of poverty?”,⁴⁴ the authors assess the impact of the use of revised 2011 PPPs on the poverty headcount at the three international poverty lines (\$1.90, \$3.20, and \$5.50 a day) and explore the main drivers behind the revisions to the original 2011 PPPs.

57. Other major PPP-based indicators have been, or will shortly be, updated to reflect the 2017 cycle results. These include the education expenditure data of the United Nations Educational, Scientific and Cultural Organization, the health expenditure data of the World Health Organization and PPP-based indicators in the World Development Indicators of the World Bank.⁴⁵

58. Uses of ICP data, outreach events and other advocacy material are listed on the ICP website and in the periodic “ICP highlights” newsletter.⁴⁶

VIII. Risks and mitigation measures

59. The Programme faced many challenges and risks in the context of the 2017 cycle from its outset, including country participation, timeliness, quality and funding risks. However, those risks were mitigated through various measures undertaken by the ICP Governing Board, the Technical Advisory Group and the Inter-Agency Coordination Group. Those included: (a) continuous advocacy with countries to ensure their timely participation; (b) improved processes to assess and improve the quality of ICP data and metadata; (c) measures to ensure the robustness and quality of ICP results; and (d) fundraising efforts to secure the necessary funding. These efforts culminated in the successful release of ICP 2017 results on 19 May 2020.

60. The pandemic continues to present a range of specific challenges in the context of the ICP 2021 cycle, as reported by national and regional implementing agencies. Those include challenges to price data collection, price and expenditure data representativity and the coordination and management aspects of the Programme. As regards price data collection, many traditional retail outlets are closed or are restricted in what they are able to sell, while field data collectors for both CPI and the ICP household consumption surveys are limited in their movements. This is having an

⁴¹ See <https://sites.tufts.edu/foodpricesfornutrition/>.

⁴² See www.imf.org/en/Publications/WEO/Issues/2020/09/30/world-economic-outlook-october-2020.

⁴³ See <https://openknowledge.worldbank.org/bitstream/handle/10986/34496/9781464816024.pdf>.

⁴⁴ See <https://blogs.worldbank.org/opendata/why-have-2011-ppps-been-revised-and-what-does-it-mean-estimates-poverty>.

⁴⁵ See <https://datatopics.worldbank.org/world-development-indicators/>.

⁴⁶ See www.worldbank.org/en/programs/icp/brief/newsletter.

impact on the ability to locate a representative sample of items across outlets and locations and record representative prices during this period. While many high-income countries are able to collect prices using non-field methods, such as through scanner data or web scraping, most countries are facing difficulties in data collection activities. Many countries consider the CPI a statistical priority and, where ICP activities are closely integrated with CPI activities, countries are optimistic for an on-going ICP data collection.

61. With regard to price and expenditure data representativity, large fluctuations in the supply and demand of goods and services during the pandemic have led to price fluctuations for a wide range of goods and services, such as personal care goods, food and beverages, travel services, and restaurants and hotels. Hence, price variations within 2021, as well as between 2021 and reference year 2017, are expected to be greater than within and between previous ICP reference years. National accounts expenditure structures are also expected to change in 2021. Delays in statistical surveys during the pandemic will affect how quickly and consistently national accounts can reflect changes in expenditure structures in 2021.

62. Finally, the ICP coordination and management processes will also be affected by the pandemic, as they rely on frequent interactions between stakeholders, the dissemination of a complex methodology to practitioners and the collective validation of data collected by participating countries. To mitigate the risk, those processes are being adapted to new modalities and online communication methods in 2021.

63. Looking forward, the sustainability of ICP as a permanent programme is still subject to a number of risks. Some countries face unstable geopolitical situations that impede their participation. Although those risks are difficult to mitigate, global and regional implementing agencies are committed to building capacity in fragile countries and countries that are experiencing conflict, and they continuously encourage those countries to participate in capacity-building activities. Some countries also face administrative and funding hurdles, limited statistical capacity and competing demands. Securing sustainable funding for the permanent programme remains a challenge; thus, it is imperative to connect with national policymakers and to incorporate ICP into regular work programmes at the national, regional and global levels.

IX. Action to be taken by the Statistical Commission

64. **The Commission is invited:**

(a) **To take note of the conclusion of the 2017 cycle and the release of results in May 2020. The results offer an analysis of the global economy prior to the emergence of COVID-19 and future ICP cycles will be crucial in assessing the size and structure of the world economy after the pandemic and in tracking progress to recovery;**

(b) **To take note of the postponement of the 2020 comparison to 2021 owing to the impact of the pandemic on data collection and statistical processes;**

(c) **To encourage ICP stakeholders in their continued support and efforts to incorporate ICP into their regular statistical work programmes.**