

The International Comparison Program

Status Report to the UN Statistical Commission: March 4, 2003

Prepared by the Global Office of the International Comparison Program
for the thirty-fourth session of the UN Statistical Commission

Agenda item 4 (e)

Introduction

The ICP Global Office welcomes the opportunity to provide a progress report and outline future plans for the current round of the International Comparison Program to the Statistical Commission and heads of National Statistical Offices – all of whom will have an important role in this comprehensive exercise.

Overview

Several key events have taken place since the report on the ICP was submitted to the UN Statistical Commission in November 2002. The Global Manager is in place and the office has visited several regions to discuss progress. The first meeting of the Executive Board was held in February 2003 and the first joint meeting of the Regional Coordinators will take place in March. Fund raising efforts continue, a detailed work plan and timetable has been established, the ICP Tool Pack for data collection is currently being tested, and the new Handbook for ICP practitioners is being drafted.

Governance

- (i) ICP Executive Board: The Board convened for its first meeting at World Bank Headquarters on February 27 and 28, 2003. Mr. Dennis Trewin of the Australian Bureau of Statistics was elected Chairman. The Board membership is shown in Annex 1.
- (ii) ICP Council: The Executive Board agreed to a change in scope of the ICP Council from ultimate custodian of the program to an information sharing vehicle allowing the ICP practitioners to provide progress reports to, and receive feedback from, a wide audience. Membership of the Council will encompass donors (including business organizations, bi-lateral donors, international and aid agencies). Academia, researchers, the media and other users may also attend Council meetings by invitation. It is envisaged that communication with the Council will take place through a website interchange and occasional forums.

Management

- (iii) Budget: The scope and cost of the global program remain critical issues. An Expert Review Panel, convened in 2002, made a major recommendation to link regional results by using twenty countries to price a common list of goods comparable across regions, thereby establishing a ring comparison exercise. It was also recommended that the program cover the full GDP and be based on annual, national prices.

Taking these recommendations into consideration, the total cost of the ICP (in non-OECD countries) has been estimated at around US\$37.5 million. Since

the last UN SC meeting, there has been aggressive fund raising activity with over US\$30 million being pledged in cash or in-kind support, over half of which is for Africa. The net result of these activities is that a deficit of around US\$7 million over three years now exists.

Additional fund raising activities will need to take place and the UN SC is asked to assist and advise in this effort. The program has benefited from the bilateral agencies and international organizations that have already made pledges. However, those who have not yet come forward are encouraged to do so to ensure the success of this round.

If funds still fall short, the Executive Board will review the scope and coverage of the program. Two main alternatives to reduce costs have been identified:

1. Reduce the number of countries included in the ICP (except Africa where sufficient funds are available);
2. Reduce the scope of the ICP to consumption items only i.e. exclude capital items.

The Executive Board share a strong preference for (2) if there is a need to cut the costs of the program. Another possibility is to reduce the number of countries in the ring comparison exercise. This was not favored as the savings would be relatively small and the quality of the ICP results would be affected.

- (iv) Project plan: A first draft of the project plan and timeline has been prepared and is shown in Annex 2. It presents the key activities leading up to data collection beginning in April 2004. While it is ambitious, the Executive Board broadly approved its activities and deadlines, but emphasized that countries need to be made aware at an early stage of the commitment needed from them and the key milestones they are expected to meet. Key performance indicators will be developed to monitor progress, alongside a risk assessment and possible contingency plans.
- (v) Regional Coordinators' Workshop: The Regional Coordinators will be coached in the preparation of ICP product lists and the management of the project across the countries in their regions. Eurostat and the OECD are providing considerable support for this effort. The meeting will take place March 24-28, 2003 in Luxembourg and will be the first opportunity for the Global Office and the Regional Coordinators to discuss collectively organizational issues, establish work plans, and agree upon timetables.
- (vi) Memorandum of Understanding (MOU): A MOU between the Global Office and each Regional Coordinator will be finalized by the end of March. A similar template will be prepared for an MOU between the Regional Coordinators and the National Statistical Offices. These will be drafted to

allow flexibility for differences in national mechanisms and priorities and will be finalized by the end of June.

Communication and advocacy

- (vii) ICP website: The ICP website is being redesigned to be more informative and user-friendly. As well as providing the public interface for a wide range of users, it will provide the main communication and discussion channel, through password protected areas, between the Global, Regional and National Coordinators, and allow the Executive Board to liaise with its secretariat.
- (viii) ICP newsletter: A newsletter summarizing current issues and reporting on progress in each region and globally will be available in hardcopy form on a quarterly basis.
- (ix) ICP explanatory brochures: There is a pressing need to inform and engage the NSOs and their colleagues about the importance of the ICP and its uses at the country level. To this end discussions are underway to determine the content of brochures to present various aspects of the ICP that would provide some of the advocacy material needed by National Statisticians and the Regional Coordinators to promote the ICP at the country-level.
- (x) ICP branding: The Executive Board recommended that the ICP be identified in its own right, both globally and regionally, and not as a sub-project of the host organizations.

Technical issues

- (xi) Technical Advisory Group: The Executive Board has asked that the Global Manager appoint a number of experts to serve on the Technical Advisory Group.
- (xii) ICP Handbook: The scope and content of a new Handbook has been determined and the chapters defined. The first chapters are due to be completed in time for the Regional Coordinators' Workshop in March 2003.
- (xiii) The ICP ToolPack: The World Bank has prepared a software package designed to handle all data handling requirements for the ICP which can also be used to assist the CPI in each country. The ToolPack software is currently being tested in fourteen countries in Asia (India, China, Philippines), CIS (Russia) Europe (Italy and Austria), Africa (Uganda, Egypt, Tunisia, Niger, and South Africa), Latin America (Peru, Chile and Argentina).
- (xiv) Statistical Capacity Assessment: A comprehensive statistical assessment program will be conducted in 50 African countries using indicators developed

by PARIS21. We are proposing similar initiatives in Asia, Latin America, and the Middle East to link the ICP implementation with capacity building. The Executive Board emphasized the importance of effective coordination between the ICP with other capacity building activities such as PARIS21.

Regional Activities

- (xv) The Global Office has undertaken missions to Africa, West Asia, Latin America, and Asia to review activities. It also works closely with Eurostat and OECD to ensure comparability with the countries covered by those organizations. An update of the status in Africa and Asia follows.
- (xvi) In **Africa**, a comprehensive statistical assessment program has been launched. The first round covers 30 countries. The findings of the assessments will help to determine resource allocation for national data collection efforts, and to estimate technical assistance needs both for ICP and national statistical work. Most importantly the findings would shed light on how best to integrate the ICP and national statistical programs.
- (xvii) A regional ICP meeting is scheduled for May 2003 in Addis Ababa, with a view to presenting the regional strategy paper and implementation plan to heads of NSOs. Two people are invited from each participating country. Forty five to fifty countries are expected to take part.
- (xviii) The **Asia** program was reviewed in more detail at a February 5-7, 2003 meeting that included the ADB, ABS, ESCAP, and the ICP Global office. A plan emerged from this meeting that would entail the ABS sub-contracting with the ABD to lead the pre-survey activities. The major activity would be to develop the regional product list that countries would use to develop their lists for the price collection. The ABS would also lead the training program to prepare the countries for the price collection.

Annex 1:

ICP Executive Board Members

Members

Dr. Ifzal Ali	Asian Development Bank
Ms. Shaida Badiie	World Bank
Mr. Len Cook	Office for National Statistics, Great Britain
Mr. Yves Franchet	Eurostat
Mr. Enrico Giovannini	OECD
Mr. Carlos M. Jarque	Inter-American Development Bank
Mr. K.K. Jaswal	Ministry of Statistics and Programme Implementation, India
Dr. Henock Kifle	African Development Bank
Professor Ben Kiregyera	Uganda Bureau of Statistics
Mr. Li Xiaochao	National Bureau of Statistics, China
Mr. Koffi Nguesssan	ENSEA
Mr. José Antonio Ocampo	ECLAC
Mr. Jacob Ryten	Statistics Canada
Mr. Vladimir L. Sokolin	Goskomstat of Russia
Ms. Mervat Tallawy	ESCWA
Mr. Dennis Trewin (Chair)	Australian Bureau of Statistics

Annex 2.

ICP Timeline for Total Consumption

Global Coordinator (GC), Regional Coordinator (RC) and National Coordinator (NC)

March 24-28, 2003	Workshop to prepare Regional Coordinators to develop the product lists for the ICP. Review of work plan, time lines and plans to price government, investment on construction and equipment.
March-April 2003	GC,RC: Determine Ring Countries and seek their cooperation with the proposal that 20 countries survey two price lists, one for their region, the other to provide a link across regions.
April 1- May 15, 2003	RC: Obtain specifications of items from each country that they price in their CPI. Determine availability of National Accounts data by participating country.
April 1-30 2003	RC,GC: Establish the basic headings to be used in each region.

April 1-May 30, 2003	GC: Provide draft product lists for the RCs. RC: Meet with heads of NSOs to discuss the ICP process.
May 1-Oct 30, 2003	GC: Prepare specifications and pricing lists for government, investment on construction and equipment.
May 1-30, 2003	RC: Prepare first draft of Pre-survey list.
June 1-30, 2003	RC: Hold workshops that include national price statisticians and national accountants to prepare them to develop product lists and estimates of basic heading expenditures. Also cover importance of consistency between national accounts and prices collected. Agree on methods to be used to estimate national average prices and annual average prices. RC, GC, and NC: Agree on level of collection (full GDP vs sub aggregates) and methods to use to estimate national, annual average prices.
June 1- 30, 2003	Ring Coordinator: Distribute pre-survey lists (pre-survey questionnaire) to ring countries.
July 1-September 1, 2003	RC: Visit countries with most diversified lists to assist them in pre-survey list work.
July 1-November 30, 2003	GC: Procure computer equipment and software for countries and regional offices. Also procure digital cameras for RC.
September 1-30, 2003	RC: obtain results of country's pre-survey work on item list.
Sept 1-Oct 30, 2003	RC: prepare draft item lists for each country that ensure each country prices items that are important and available in other countries for comparison purposes. Regional draft item lists made available to the Ring coordinator.
November 3-7, 2003	GC, RC: Workshop in Luxembourg. Review draft product lists with Ring coordinator to ensure overlap between regions.

Train the trainer exercises to prepare the RC to train respective countries in price collection, outlets to survey, use of the Tool Pack software, etc.

Review of time lines through data collection, final sign-off of the regional/national MOUs.

Dec 1-12, 2003

Workshop and meeting with National Coordinators.

Review overlap of lists between countries and jointly agree on items to be priced to ensure overlap.

Agree on outlets to be priced and the geographic and time coverage.

Dec15, -Jan 15,2004

RC: Send final product lists to countries via the tool pack. Also, Ring Coordinator send Ring final product list to Ring countries.

Jan 1-March 30, 2004

RC and Ring Coordinator: Prepare pictures of items to be priced and loaded into the ToolPack software for each country.

Jan 1-March 30, 2004

Product lists are translated into desired languages, countries prepare for data collection.

April 2004-Mar 2005

Price collection on major components of household consumption. Government, construction investment, and equipment investment data collections dependent on pricing lists and time tables prepared by regional and global coordinators and availability of data from existing price index sources.