2011 ICP Interim Progress Report

As of June 30, 2011
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I. INTRODUCTION

1. The purpose of this progress report is to provide the Executive Board with the overview of further preparatory activities conducted after the Board’s February 2011 meeting for the implementation of the 2011 round of the ICP and the mid-year status of the regional programs.

2. During the period between February 1, 2011 and June 30, 2011, the Global Office continued to give assistance to the regions, develop technical guidelines, survey material and instruments, and draft the new data access policy, as well as organize the meetings of the Regional Coordinators (RCs) and the Technical Advisory Group (TAG) that focused on methodological development, among others.

3. At the regional level, most of countries have started price collection for the main surveys. Following this, the Regional Coordinators have organized their first validation workshops in the second quarter of 2011.

4. The body of the report comprises four parts: Governance and financial status (paragraphs 5-34); Progress in other coordination activities (para. 35-52); Activities of the regional programmes (para. 53-75); and Data Access (para. 76-78).

II. GOVERNANCE AND FINANCIAL STATUS

A. ICP TECHNICAL ADVISORY GROUP (TAG) ACTIVITIES

ICP TAG Meeting

5. The Fifth Meeting of the ICP Technical Advisory Group (TAG) was held on April 18-19, 2011, at the World Bank in Washington DC. In attendance were TAG members, and ICP Regional Coordinators as observers.

6. The meeting discussed various technical aspects of ICP 2011, including National Accounts, linking issues, validation, comparison-resistant areas, and reference PPPs. The TAG approved a modified version of the method presented by the Global Office for construction PPPs, made recommendations on the methods for computing basic heading PPPs within a region (Weighted CPD), linking basic heading PPPs across regions (two-stage process) and linking above basic headings across countries (Country-Approach with Redistribution).

7. The TAG recommends that the final stage of data validation be undertaken by a task force consisting of some staff from the Global Office, Regional Coordinators, and some members of the TAG, and that no region should publish their final results before prices used in the process of linking the regions into global results are validated. Regarding national accounts, the TAG confirmed that the official estimates of GDP should be used for ICP purposes.
8. The Sixth TAG meeting will take place on October 3-4, 2011, at the World Bank in Washington DC. Regional Coordinators will be invited to attend as observers since their next meeting will be held at the World Bank on October 5-6, 2011.

TAG Reporting to the Board on Four Issues

9. The TAG submitted four technical notes to the Executive Board in April and May 2011 on linking methods for the 2011 ICP, use of official GDP estimates, pricing extra core list items, and new methodological innovation.

10. **Linking Methods** – The TAG concluded that a weighted CPD should be used rather than CPRD, with products weighted to reflect their classification as “important” or “less important”. The TAG considered several alternative methods of linking basic heading PPPs across regions before deciding to recommend to the Executive Board to retain the same method as that used to link basic heading PPPs in the 2005 ICP (although the linking process will involve all countries in 2011 rather than just the “ring countries” as in 2005). The TAG concluded that the CAR approach (the country-approach with redistribution) should be recommended to the Executive Board for linking regions above the basic heading level.

11. **Use of Official GDP Estimates** – Three regions (Africa, Asia and Latin America and the Caribbean) have instituted formal programs to improve their member countries’ national accounts as a result of the problems revealed by the 2005 ICP. However, the TAG concluded that it is not possible to determine the effect that the drive to improve national accounts has had on countries’ official GDP measures because there is no benchmark available. The TAG also concluded that it is impossible to isolate the effects of the different influences on changes in countries’ national accounts without a detailed survey of the countries to determine why their national accounts have been revised. The TAG reaffirmed the decision made at its first meeting in October 2009 that the GDP estimates submitted by countries for the 2011 ICP should be checked against the official estimates in international organizations’ databases.

12. **Pricing Extra Core List Items** – A country’s decision to price more global core items than is actually agreed within its region may possibly result in better quality for that economy’s price data sets and sounder validation of price data for products in the global core list for all the participating economies in the global program, while it could potentially lead to some bias in the link between the region and other regions (bias in the price levels and in the real expenditures). However, the relationships between the economies within the region would not be affected by the economy pricing the extra products. While the ultimate use of the additional prices may be dependent on how the products were priced in economies in other regions, maximum use will be made of them in the data validation and future research. The TAG agreed that the extra products priced by a particular economy/country must be classified correctly as “important/less important”. Any outliers identified by a statistical analysis should be discarded from the inter-region linking.

13. **New Methodological Innovation** – Two items were discussed at the April TAG meeting for new methodological innovations. On Construction, the TAG recommends that basing
construction PPPs on a simple combination of each group of inputs (38 material inputs, 7 labor categories, and 5 types of equipment) under each basic heading for construction. An unweighted CPD should be used to estimate PPPs within each of the three product groups (i.e. materials, labor and equipment). The PPPs for materials, labor and equipment within each basic heading will be weighted together using weights for five clusters of countries (based on real GDP per capita) to derive the basic heading PPPs. On data validation, the TAG recommends that no region should publish final results before the world-wide comparisons are validated, although this does not preclude preliminary results being released provided it is made clear that they are subject to revision following the global data validation process. The TAG seeks Executive Board endorsement of this recommendation. The TAG also recommends that a task force be established to meet once, around September/October 2013, to scrutinize the results of the global data validation and outlier analysis undertaken by the Global Office.

B. REGIONAL COORDINATORS’ MEETING

14. The Fourth Meeting of the Regional Coordinators took place on April 20-21, 2011 at the World Bank in Washington DC. The Regional Coordinators provided their respective status reports of the implementation of the program and agreed upon the timeline for survey data submission and validation process.

15. On Machinery and Equipment, it was suggested that items with more geographically-diversified origins should be added to the list, which was thus yet to be finalized. On Construction, the agreement was for countries to provide data on inputs to comply with the newly proposed approach. The Global Office and the Regional Coordinators again confirmed that countries would provide to the Global Office price data for validation purposes.

16. The Fifth Meeting of the Regional Coordinators will take place on October 5-6, 2011, in Washington DC.

C. COUNTRY PARTICIPATION AND RELATED ISSUES

Number of participating countries

17. To date, the total number of countries and economies willing to participate is 194: 52 from Africa; 23 economies in Asia and Pacific; 12 Pacific Islands countries and territories; 10 countries in the Commonwealth of Independent States (including Russia that also participates in the OECD/Eurostat programme); 38 in Latin America and Caribbean (including 21 Caribbean countries, but excluding Argentina and excluding Chile and Mexico that will participate in this regional programme as observers); 47 in the OECD/Eurostat programme; 13 in Western Asia (including Sudan and Egypt that also participate in the Africa programme); as well as Georgia, and Iran.

18. However, there is no certainty as yet about the actual tally, a better estimate of which will be known only after the Global Office has received price data submission from the first quarter data collection. The final tally will be known when price data for
countries/economies of the Pacific and Caribbean regions that would collect data in 2012 is received. Based on the submissions of 1st Quarter price data to regional coordinators, the provisional tally is 141 countries actually on the fields, of which 127 have submitted data so far. Excluding OECD-Eurostat countries, the respective numbers are 94 and 80: (34/33) in Africa; (21/19) in Asia-Pacific; (10/10) in CIS; (17/14) in Latin America; (11/3) in Western Asia; as well as Georgia as a singleton country.

19. The Australian Bureau of Statistics has sent letters to 15 Pacific countries inviting their participation in the Pacific ICP, and received official responses from 12 countries (Fiji, Samoa, Vanuatu, Tonga, PNG, Federated States of Micronesia, Kiribati, Tuvalu, Nauru, Niue, Cook Islands and Tokelau). Solomon Islands has provided verbal acceptance which they are expected to confirm soon. Also the French and American Pacific territories are under consideration as they will enhance the Pacific ICP. The Pacific ICP received endorsement from the Pacific Statistics Steering Committee (PSSC) at their April meeting in Fiji.

Special Participation Issues

20. Special participation issues are worth underlining for some of these countries that belong to three categories: (1) those not belonging to any of the regional coordinating agencies or whose regional coordination is not yet confirmed, herein referred to as singleton countries; (2) those expected to collect prices mainly in 2012; and (3) those with dual participation.

Category 1 - Singleton countries: Georgia and Iran

Georgia

21. Two World Bank consultants undertook a second mission to the National Statistics Office of Georgia (Geostat) on March 7-11, 2011. Its aim was to review the progress achieved since the first mission, to finalize the work program and timetable for the bilateral comparison and to address any technical or other issues outstanding. The Head of Price Statistics from the Armenian Statistical Office (Armstat) also participated in the meeting.

22. For consumer goods and services, the product list has been finalised and the price collection is conducted quarterly in March, June, September and December 2011.

23. A meeting on data validation within the 2011 ICP was held in Tbilisi, Georgia, on June 6-8, 2011. In attendance were the Georgia and Armenia Statistical Offices and a global office consultant. The purpose of the meeting was to prepare and install the validation software for the Georgia-Armenia bilateral comparison for 2011 ICP. Inter-country validation tables were created for the consumer surveys collected by Georgia and Armenia during the first quarter of 2011. All eight consumer surveys were covered, and preliminary PPPs were also calculated.

Iran

24. Iran has formally joined the 2011 ICP. The Turkish Statistical Institute has agreed to a proposal to form a bilateral arrangement with the Central Bank of the Islamic Republic of
Iran to include Iran in the 2011 ICP. A series of joint meetings were held in Ankara, Turkey, on June 20 – 25, 2011, with the representatives of the Turkish Statistical Institute, the Central Bank of the Islamic Republic of Iran and the Global Office delegation. The purpose of the meetings was to discuss various aspects related to linking Iran to the 2011 ICP through Turkey as a bridge country. The product list, the possibility of Turkey pricing additional items, and overall timeline of price data collection for household consumption were discussed. Also, prior to the meetings, on June 19, a pre-meeting session was held with Iranian delegates to discuss technical issues related to the National Accounts framework in ICP.

Category 2 - Countries that will collect prices in 2012: Caribbean and Pacific Islands

Caribbean Islands

25. UN-ECLAC is coordinating the ICP exercise in the Caribbean Islands, with support from CARICOM Secretariat. Substantial progress has been made during the small workgroup meetings in May and June 2011 on price statistics in terms of mapping the Global Core List to the national CPI baskets, also with the view of completing an availability and importance matrix for the Caribbean. It is expected that the final sub-regional list will be adopted during in upcoming August and will be collected in the fourth quarter of 2011.

26. Small workgroup meetings are scheduled in July 2011 on the estimation of GDP by expenditure at the basic heading level.

Pacific Islands

27. The Australian Bureau of Statistics (ABS) is serving as Regional Coordinator for the Pacific ICP, and will provide technical and financial support through the Pacific Statistical Program funded by AUSAID. The ABS has sent letters to 15 Pacific countries/territories inviting their participation in the Pacific ICP. So far formal acceptance was provided by 12 countries (Fiji, Samoa, Vanuatu, Tonga, PNG, Federated States of Micronesia, Kiribati, Tuvalu, Nauru, Niue, Cook Islands and Tokelau). Solomon Islands has provided verbal acceptance which they are expected to confirm soon. Also the French and American Pacific territories are under consideration as they will enhance the Pacific ICP. The Pacific ICP received endorsement from the Pacific Statistics Steering Committee (PSSC) at their April meeting in Fiji.

28. Fiji, Samoa, Vanuatu, and Tonga have indicated that they will participate in the Pacific ICP as Tier 1 countries (that is, pricing around 100 items), with possible addition of PNG and Solomon Islands. The remaining countries are likely to participate on a Tier 2 basis (that is, pricing around 10 items). Based on the countries/economies’ updated CPI lists, an initial Pacific Product List (PPL) of around 120 items is compiled for the Pacific ICP. From the PPL the ABS will select a Pacific Core List (PCL) of 10-15 items that are representative of each Tier 2 country. The intention is that Tier 1 countries will price most of the items in the PPL and that all Tier 2 countries will price all items in the PCL. The ABS drafted the products list and its product specifications.
**Category 3 - Dual participation: Egypt and Sudan**

29. The Global Office prepared the household consumption survey list for Egypt and Sudan, combining Africa’s and Western Asia’s product lists.

30. During the 3rd ICP-Africa Regional Workshop in Pretoria, the Global Office delegation discussed with the delegates from Egypt and Sudan the technicalities of conducting the household consumption survey.

**D. Financial Status and Fund-Raising Activities**

31. The overall budget for the 2011 ICP at the global level remains around 14.5 million USD, as reported in February 2011. The total budget for the 2011 ICP including the regional programmes’ budget is estimated at around 37.0 million USD.

32. The 2011 ICP Multi-Donor Trust Fund was established in 2010 and has received so far contributions from IMF, the UK Department for International Development (DFID), Norway’s Ministry of Foreign Affairs, and the Government of Australia through AUSAID. The Multi-Donor Trust Fund is funding global activities and providing grants to support regional programs where budget gaps exist, namely Latin America and the Caribbean, the CIS, and Western Asia.

33. The World Bank has made significant contributions in filling the budget gap, but still it is not enough to cover all the activities of the 2011 ICP and the budget gap remains high especially for regional programs. Therefore, fund-raising efforts are underway, especially at the regional level.

34. At the global level, efforts will be made to ensure that the existing funding would be enough to fund the program till the end of 2013, and contingencies have been made to manage unforeseen costs within the existing funding envelope.

**III. Progress in Other Coordination Activities**

**A. Working Group Meetings**

**PPP Computation Task Force**

35. A PPP computation task force (CoTaF) was established in October 2010. Its main objectives are to provide technical advice to the Global Office to ensure that PPPs are computed in a transparent manner, all computation procedures are fully documented and ICP global results are thoroughly reviewed before PPP data are published by any region.

36. The Second Meeting of the PPP Computation Task Force (CoTaF) was held on April 18, 2011. The Task Force approved its Terms of Reference and resolved to abide by the principles of confidentiality, transparency, and timeliness in their activities related to the
development of computation programs, the PPP computation proper, and the preparation of relevant documentation.

B. CAPACITY BUILDING AND INNOVATIONS

ICP-Kit and Data Validation Workshops

37. On 22, 25-26 of April, the ICP Global Office organized ICP-Kit and Data Validation workshops. Delegates from the African Development Bank, UN-ECLAC, and UN-ESCWA participated. The ICP-Kit workshop, led by the DECDG software development team focused mainly on the Regional Module. The data validation workshop addressed specific aspects related to data requirements and validation procedures for the following areas: Household Consumption; Compensation of Government Employees; Housing; Construction; Machinery and Equipment; National Accounts; and PPPs. It also included presentations and discussions on the main validation tables.

38. The participants agreed that the agenda of the upcoming October Regional Coordinators meeting would include a data validation session. Regional Coordinators would be requested to bring their regional price data for cross-review with a view to flagging common problems and sharing best practices.

PREM Learning Course

39. The Poverty Reduction and Economic Management (PREM) Network within the World Bank annually organizes learning events covering issues including Economic Policy and Debt, Gender, Poverty Reduction and Equity, Public Sector Governance and Trade. In this year’s PREM Learning Events, the ICP team offered a course on April 28, 2011 to Bank staff and consultants on ICP concepts, National Accounts activities in the ICP, Survey Framework and Price Surveys, Comparison-resistant areas, Data Validation, Estimating PPPs and ICP uses.

ICP Book

40. The ICP Book is being prepared as reported in the previous report. An executive summary will be incorporated in the Book as requested by Executive Board. The table of contents of the Book is presented in the Annex to this report.

Japanese-Funded IMF Project

41. IMF launched a multi-year project in the Asia and Pacific region with an aim to bring national accounts and price statistics of 10 Asia and Pacific countries up to international standards. Funding for this project is provided by the Government of Japan through the Japan Account administered by the IMF.

42. IMF has been one of the main users of the ICP as PPPs have important analytical uses in the calculation of IMF quotas, which determines the voting power of IMF-member
countries on its Executive Board. Thus the project’s focus on improved national accounts and prices data will be an important contribution to the ICP.

43. The workshop was held on April 5-7, 2011 in Bangkok to outline detailed work plans for upcoming years. Economists and statisticians from 10 participating countries (Bhutan, Cambodia, Fiji, Indonesia, Lao People’s Democratic Republic, Maldives, Mongolia, Nepal, Sri Lanka, and Vietnam) were brought together to discuss with IMF staffs project objectives and related activities.

eScoop

44. The Global Office launched online discussion groups through the Bank’s external social network services, known as eScoop, which can now be accessed through http://escoop.worldbank.org. This initiative will facilitate active discussion between members in each of three governance bodies, Executive Board, TAG, Regional Coordinators as well as those in two working groups, ICP National Accounts Working Group (INAG) and PPP Computation Task Force (CoTaF).

Pilot project for crowdsourced data collection through mobile phones

45. In addition to the eScoop innovation, the World Bank is conducting an experimental pilot project for crowd-sourced data collection through mobile phones. The objective of this pilot is to study the feasibility of crowd-sourced data collection for the uses of the food price monitoring, as well as future rounds of the ICP. The method involves usage of non-professional price collectors and mobile phones as mean to collect price data for a small basket of thirty basic food commodities within seven pilot countries.

C. OPERATIONAL MATERIALS

46. The Global Office prepared and provided Regional Coordinators with guidelines, survey questionnaires, and operational materials for the following surveys: fast evolving technology products, construction and civil engineering, private education, compensation of government employees and water tariff.

Fast Evolving Technology Products

47. Technology products such as audio-visual, office and information processing equipment pose unique challenges for ICP price collection and PPP computation. Challenges are primarily related to short life cycles and the overall fast changing nature of these products. To further complicate the task, new models may not be introduced concomitantly across different markets in the world and/or manufacturers of consumer electronics may tend to create market fragmentation by introducing models with minor variations for certain groups of countries or even for individual countries. The issue was discussed at the 4th Regional Coordinators meeting in April 2011 and as a follow-up, the Global Office has developed a 16-item list of fast evolving technology products to be added to the current Global Core List. The new approach: (1) focuses on products with wide availability, low number of alternative models for the same product type, and relatively long lifespan or
with replacement models which Fast Evolving Technology Products can be clearly identified; (2) improves the item specifications so as to include the key price determining factors and indicate a product series instead of a single model; (3) uses the whole scope of the basic headings; and (4) is meant to collect brand and model information for validation purposes. The operational guideline and the new 16-item list have been circulated to Regional Coordinators in late May and price collection is expected to start from the third quarter of 2011.

**Construction and Civil Engineering**

48. Following the decision made in the TAG and the RC meeting, the detailed survey questionnaire and the pricing guide were prepared by the Global Office consultant. The surveys are expected to be conducted from July to October 2011.

**Private Education**

49. On private education, the TAG/RC agreed that, irrespective of whether a new method would be decided for 2011, the 2005 method would also be implemented in parallel. The Global Office has updated the 2005 questionnaire on private education and developed the relevant pricing guidelines to be used in the ICP regions at the beginning of 2012 when the information on tuition fees for the calendar year 2011 is confirmed. Eurostat and OECD countries are not expected/required to implement the ICP 2005 methods for private education.

**Compensation of Government Employees**

50. Although the operational material for the compensation of government employees survey had already been provided to Regional Coordinators, the questionnaire on Government expenditures was lately revised and sent to Regional Coordinators.

**Water Tariff**

51. In the 2011 ICP, a questionnaire on water tariff was designed to supplement the items in the Global Core List and to help better validate the collected data. The survey form in English was provided in the beginning of the round and it was now translated to French, Spanish, and Arabic to better assist countries.

**D. 2011 ICP TIMETABLE**

52. The 2011 ICP timetable remains as reported to the Executive Board in February 2011.
IV. STATUS AND ACTIVITIES OF THE REGIONAL PROGRAMS

A. STATUS OF 2011 DATA COLLECTION

53. As of June 30, 149 economies started data collection in Africa, Asia-Pacific, CIS, Latin America, Western Asia and OECD-Eurostat as shown in Table 1.

Table 1: Start of data collection

<table>
<thead>
<tr>
<th>Regions/Groups of countries</th>
<th>Have started</th>
<th>Surveys will run mostly in 2012</th>
<th>Total Number of Countries</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Will start surveys in 4th quarter 2011</td>
<td>Will start surveys in 1st quarter 2012</td>
</tr>
<tr>
<td>Africa</td>
<td>40</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asia and the Pacific</td>
<td>23</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CIS</td>
<td>10</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Latin America</td>
<td>17</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Western Asia</td>
<td>11</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Singleton Economies</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>OECD-Eurostat</td>
<td>47</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Caribbean</td>
<td></td>
<td></td>
<td>21</td>
</tr>
<tr>
<td>Pacific islands</td>
<td></td>
<td></td>
<td>14</td>
</tr>
<tr>
<td><strong>Total Number of Countries</strong></td>
<td><strong>149</strong></td>
<td><strong>21</strong></td>
<td><strong>14</strong></td>
</tr>
</tbody>
</table>

*a = including Egypt and Sudan; b = including Russia; c = total number without repetitions is 194.

54. Table 2 shows the detailed status of survey implementation and data submission for the first quarter of 2011. Although data submission to Regional Coordinators is still limited, it is expected that the process of data submission will be expedited now that regional workshops are being organized.
Table 2. Survey Implementation and data submission for January – March 2011

<table>
<thead>
<tr>
<th>Region</th>
<th>January Survey</th>
<th>January Data</th>
<th>February Survey</th>
<th>February Data</th>
<th>March Survey</th>
<th>March Data</th>
<th>Total Count Survey</th>
<th>Total Count Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa</td>
<td>28</td>
<td>25</td>
<td>30</td>
<td>28</td>
<td>34</td>
<td>33</td>
<td>34</td>
<td>33</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>21</td>
<td>19</td>
<td>21</td>
<td>19</td>
<td>21</td>
<td>19</td>
<td>21</td>
<td>19</td>
</tr>
<tr>
<td>CIS</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>LAC</td>
<td>17</td>
<td>14</td>
<td>17</td>
<td>14</td>
<td>17</td>
<td>14</td>
<td>17</td>
<td>14</td>
</tr>
<tr>
<td>Western Asia</td>
<td>6</td>
<td>1</td>
<td>8</td>
<td>1</td>
<td>11</td>
<td>3</td>
<td>11</td>
<td>3</td>
</tr>
<tr>
<td>Georgia</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Total ICP</td>
<td>76</td>
<td>63</td>
<td>80</td>
<td>66</td>
<td>94</td>
<td>80</td>
<td>94</td>
<td>80</td>
</tr>
<tr>
<td>OECD-EUROSTAT</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>47</td>
<td>47</td>
</tr>
<tr>
<td>Grand Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>141</td>
<td>127</td>
</tr>
</tbody>
</table>

This table refers to countries that are conducting price surveys [column “Survey”] or submitted relevant data [column “Data”]. “Data” columns refer to countries.

B. RISK ASSESSMENT

55. The socio-political situation remains volatile in several countries in Africa and Western Asia. They are: Bahrain, Egypt, Lebanon, Libya, Sudan, Syria, Tunisia, and Yemen. To date, we have assurance that the political unrest did not affect the 2011 first quarter data collection in Egypt and Sudan. Bahrain’s team started collecting data for the second quarter in April. However, due to political and legal issues, they stopped data collection for the second quarter in May. In Libya ICP activities were stopped due to the political situation in the country. No data collection has been undertaken this year. Data collection has been launched in February 2011 in Tunisia, but due to the social and political situation in the country the data collection was disrupted. Syria and Yemen did not collect data for the first quarter, nor for the second, due to internal security and funding problems. Although Lebanon has officially withdrawn from the 2011 ICP, now that the Government is in place, there is a slim possibility that they would participate again and start data collection in the third quarter of 2011. With the secession of South Sudan, decisions are yet to be made whether they will participate in this round or in the next.

56. The situation is being closely monitored by the Global Office and the regional coordinators concerned and mitigating measures are being contemplated and will be applied on a case by case basis.

57. For the 2011 Round, the ICP has developed a mechanism to identify and mitigate the effect of risks. This mechanism includes:
– Careful monitoring: Regional Coordinators submit progress reports twice a year, which include a section on assessing the effect of political risks in countries. The Global Office has assigned contact persons to discuss with Regional Coordinators the status of ICP implementation and any delays faced.

– Contingency plans: In case there are delays or limitations in price collection due to political unrest, the Global Office together with Regional Coordinators would analyze the situation and resulting data and suggest recommendations for data treatment, with support from TAG if necessary.

– Reporting: Countries’ conditions and any delays in the implementation of the ICP are relayed to the ICP Executive Board for deliberation, assessment, and decision-making. Also, the effect of socio-political risks in fragile states is reported to the United Nations Statistical Commission and to program donors once a year.

C. REGIONAL ACTIVITIES

58. Between February 20 and June 30, 2011, the regional coordinating agencies implemented activities as reported below. Detailed reports prepared by Regional Coordinators on regional issues including overall status of operations in countries, assessment on political risk, and other related activities were submitted to the Global Office in April 2011.

Africa

59. The African Development Bank organized a three-day meeting on the monitoring of the 2011 round of the International Comparison Program (ICP-Africa) in Regional Member Countries. The meeting was held in Gammarth, Tunis, on May 10-12, 2011. The main objective of the meeting was to review the role of the Sub-Regional Organizations (SRO) with regard to the implementation of the 2011 ICP-Africa round. Issues discussed included: (i) ICP coordination and supervision at SRO level and in member countries; (ii) Review of Statistical Capacity Building Program Technical, Administrative and Financial Arrangements; (iii) ICP data transmission, Country and SRO Reporting Mechanism and Format.

60. ECA convened a workshop for the training of trainers on National Accounts for ICP at its headquarters in Addis-Ababa, Ethiopia from May 16-20, 2011. The workshop sessions covered technical issues related to: activities to be conducted by the countries; reporting forms; adherence to SNA-1993 requirements; and splitting GDP expenditures into basic headings using the 5 approaches recommended by the Global Office.

61. The 3rd ICP-Africa Regional Workshop was held in Pretoria, South Africa, from June 27 to July 1. The purpose of the workshop was to review and validate data collected during the first quarter of 2011 and to strengthen the organizational and methodological aspects of ICP 2011 Round in Africa. The workshop consisted of two parallel sessions: one on price data validation and the other on national accounts and ICP specific surveys with presentations and discussions on the validation methodology, ICP-Kit, and hands-on training sessions on data validation.
Asia and the Pacific

62. A National ICP Workshop for China organized by the National Bureau of Statistics and the Yunnan Survey Bureau in Kunming was held on February 28 to March 4 in Kunming, Yunnan Province of China. The workshop focused on data collection for the Global Core List items for ICP Household Consumption component. A training session on ICP Kit Software was held as part of the workshop.

63. The conference on the developments in the ICP for Asia and the Pacific region was held in Manila, Philippines on March 8-12, 2011. The conference brought together officials of national implementing agencies, statisticians, and economists from national and international organizations to present and discuss the methodology and results of the research initiatives on updating the 2005 PPPs to 2009, developments in ICP in the region, and field assessment of the 2011 ICP Household Product List.

64. An ICP Conference, organized by China’s National Bureau of Statistics (NBS), was held in Hangzhou, Zhejiang Province, China on May 9-11, 2011. It was attended by about 100 people, mainly staff from various statistical offices (national, state and municipal offices) but also about a dozen from statistical offices in Asian countries. It was a fruitful conference with sound questions and comments made by NBS senior staff. The program included various technical sessions related to: (i) Price survey implementation - with special focus on comparison-resistant services; (ii) the breakdown of GDP Expenditure; and (iii) the PPP computation process. The sessions were facilitated by the ICP Global Manager, the TAG Chair and Deputy Chair, the Asia-Pacific Regional Coordinator and another expert from the Asian Development Bank. The conference was followed by market visits in Hangzhou and Shanghai.

65. The Second Workshop on the Technical Evaluation of Household Price Survey Results was organized by the Asian Development Bank in Kathmandu, Nepal, on June 12-18 2011. The main purpose of the workshop was to compare the prices collected under the household consumption survey during the first quarter of 2011 by the 23 countries participating in the Asia-Pacific region. The workshop also provided the national coordinators with details of the latest methodologies and operational aspects for the non-household components of the GDP.

Commonwealth of Independent States

66. The meeting on harmonization of investment representative goods was held on March 23-25, 2011 in Moscow, Russia. The CIS regional list for machinery and equipment was discussed at the meeting. Methodological issues and specifications of construction materials were also discussed and the participants confirmed the use of the resource-technological models method (RTM), a method harmonized with the standard ICP methodology. The metadata tables recommended by the Global Office will be translated and sent to the countries in order to obtain their filled tables by June 2011.
Latin America and the Caribbean

67. An ICP workgroup meeting on price statistics was jointly organized by CARICOM and UN-ECLAC and took place in Port of Spain, Trinidad and Tobago on March 21-23, 2011.

68. A regional validation workshop was held in Santiago, Chile, on May 16-19, 2011. The workshop focused on the data validation methodology and process for the ICP Household Consumption survey, data submission, and training on the 2011 ICP-Kit.

69. A pilot survey on Machinery and Equipment was conducted in Brazil, Colombia, and Costa Rica. The relevant findings were submitted to the Global Office in May 2011.

70. As regards the price survey for household consumption, 17 countries finalized data collection for some segments of the regional list that are also part of their national CPI baskets, as well some additional (non-CPI) items. The countries started price collection activities for the remaining segments in May 2011, in addition to continuing the price surveys that started in the first quarter.

71. To better manage the process of building the regional list of household consumption items, UN-ECLAC has launched a Web tool in which every country in the Latin American and Caribbean region can review the product specifications and add or update information on the availability and importance of each item. The system also allows countries and international organizations participating in the 2011 Round to post comments, questions or suggestions regarding the specification of each product. The development of this system is a continuous process, and additional features such as product images and summary reports will be introduced in the near future.

Western Asia

72. Lebanon officially withdrew from the program due to lack in resources, with a slim possibility of joining again.

73. There will be a slippage in some regional activities due to many factors, including two highly hindering ones:

   − The ongoing political movements in several countries of the region, specifically in Bahrain, Syria, and Yemen, hindering the capabilities of the member countries to effectively conduct surveys, and the regional office in coordinating and managing the regional activities; and

   − Administrative factors including long processing of financial matters which result in the belated receipt of the necessary funds for financing regional activities.

OECD - Eurostat

74. A statistics brief, 2008 Benchmark PPPs: Measurement and Uses, which provides some background on Purchasing Power Parities (PPPs), including their construction and
application, and presents the new benchmark PPPs for 2008, produced as part of the Eurostat-OECD PPP programme, was released in March 2011.

75. Prices from 2010 surveys were finalized in May 2011 for Eurostat countries and end of the year for OECD countries. The database for ICP purposes is in preparation. The preparations for "Health and Furniture" have started; and the 2011 Construction Survey started in May 2011 for Eurostat countries and in the second half of the year for OECD countries.

V. **DATA ACCESS AND ARCHIVING POLICY**

76. To improve access to more detailed data while respecting confidentiality constraints and data quality limitations, the 2011 ICP round is developing a policy on data access and archiving to guide practice in these areas.

77. Based on the Executive Board recommendations in its February 2011 meeting, the Global Office reviewed the proposed principles for data access and drafted the procedures for data access and archiving.

78. The “2011 ICP Data Access and Archiving Policy - Guiding Principles and Procedures for Data Access” elaborates the revised data access objectives and guiding principles, and outlines procedures for data archiving and access. The paper is circulated to the Executive Board as a separate document.
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