Meeting Agenda

- UNSC decision on the ICP and preparations for the ICP 2017 comparison
- PPP research agenda to inform the future
- Poverty PPPs
- PPP time series
- Construction PPPs
- Use of private sector data in PPP estimates
UNSC decision on the ICP and preparations for the ICP 2017 comparison
ICP should become a **permanent** element of the global statistical programs

It should be organized on a more **frequent** basis with 2017 as the next benchmark year

A **rolling survey approach** should be gradually adopted, with the objective of producing results every three years

No major **methodological changes** should be introduced for 2017, but a research agenda should be in place for future cycles

The “statistical production” and “methodological development” functions should be separated

Closer **alignment** between ICP and CPI is needed
# ICP Governance

## MAIN GOVERNANCE BODIES

- **Governing Board**: strategic body; sets the policies that govern the production of PPPs; approves methodological improvements; conducts outreach and fund-raising
- **World Bank / Global ICP Unit**: coordinates the ICP globally; calculates global results
- **Inter-Agency Coordination Group**: determines jointly data collection, validation, calculation and dissemination work plans
- **Technical Advisory Task Force(s)**: independent leading experts; oversee the ICP research agenda to ensure methodological soundness
- **Regional Implementing Agencies**: coordinate regional comparisons; calculate regional results
Rolling Survey Approach

- Aims at producing frequent (annual, biennial, or triennial) PPPs using a mix of survey data and extrapolated data, collected through annual rolling survey cycles
- A general scheme involves conducting 1/3 of HHC surveys annually and special surveys once every three years.

<table>
<thead>
<tr>
<th>Rolling survey cycle for benchmark year t</th>
<th>Year t-1</th>
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<td>Household consumption survey 2</td>
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<td>Household consumption survey 3</td>
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<td>Housing volume and rentals</td>
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<td>CPIs, PPIs and national account deflators</td>
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<td>National account expenditures</td>
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“X” direct use; “X =>” with CPI extrapolation; “<= X” with CPI retropolation
ICP 2017 Comparison

KEY CONSIDERATIONS

- Next benchmark is 2017; otherwise the gap between the ICP benchmarks would be >6 years
- The 2017 results to be produced through a “quasi” rolling survey approach
- Continue with rolling survey approach for subsequent comparisons (2020, 2023, etc.)
- Data collected as part of the various interim exercises in 2016 to be utilized, if possible, to augment and complement 2017 data collection
- Publication of 2017 results by end of 2019
- Investigate incorporation of various regional interim ICP exercises into an interim global set of 2012-2016 PPP estimates
Scenario for 2017

- CIS conducting all surveys in 2017. EU/OECD conducting their annual surveys.

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<tr>
<th>ICP 2017 Comparison</th>
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<td><strong>2016</strong></td>
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<td>Housing volume and rentals</td>
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“X” direct use; “X =>” with CPI extrapolation; “<= X” with CPI retropolation
Specific Data Requirements

**REQUIREMENTS FOR ICP 2017 AND INTERIM GLOBAL UPDATES**

- Household consumption: prices (extrapolated or actual) for available years;
- Housing, government and gross fixed capital formation: prices and other data for available years;
- Detailed CPIs, PPIs and national account deflators: time series for 2011-2017;
- Regional PPPs: for available years;
- Exchange rates: time series for 2011-2017; and

**CHALLENGES**

- ICP Global Core List has been established for all surveys for 2015-2016 interim updates. The outstanding challenge is sustaining the overlap in item lists for various surveys, as lists are updated for 2017-2018.
- Special data requirements from Eurostat-OECD countries for linking non-market services and construction and civil engineering need to be determined.
The Bank’s Chief Economist convened in June 2015 a high-level commission on global poverty (Atkinson Commission), with the objective of advising the Bank on how to measure and monitor global poverty for the SDGs. The Commission’s final report is expected by the end of May 2016.

The Commission may recommend fixing the use of the 2011 PPPs in the Bank’s poverty line and global poverty measures until 2030, referring to the poverty line as the 2015 SDG Global Poverty Line, and anchoring it to 2015.

Our position: Urge a flexible approach for incorporating future PPPs, if they produce results that are relevant for poverty measurements, and if they resolve the challenges the Bank currently faces in calculating some regional poverty aggregates and country-level figures using the 2011 PPPs.
Next Steps

IMMEDIATE NEXT STEPS

- Governing Board to be formed by the UNSC (by end of June)
- Technical Advisory Task Force to be formed by the Governing Board (by summer)
- World Bank to organize governance meetings in fall 2016
THANK YOU