



# Project Information Document/ Identification/Concept Stage (PID)

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Concept Stage | Date Prepared/Updated: 16-Feb-2018 | Report No: PIDC133107



**BASIC INFORMATION**

**A. Basic Project Data**

Project ID	Parent Project ID (if any)	Environmental Assessment Category	Project Name
P165630		C - Not Required	Implementation of the International Comparison Program (ICP) in Western Asia
Region	Country	Date PID Prepared	Estimated Date of Approval
OTHER	World	16-Feb-2018	
Financing Instrument	Borrower(s)	Implementing Agency	Initiation Note Review Decision
Investment Project Financing	The United Nations Economic and Social Commission for Western Asia (UN-ESCWA)	The United Nations Economic and Social Commission for Western Asia (UN-ESCWA)	The review did authorize the preparation to continue

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**Financing (in USD Million)**

**SUMMARY**

<b>Total Project Cost</b>	0.00
<b>Total Financing</b>	0.00
<b>Financing Gap</b>	0.00

**DETAILS**

**B. Introduction and Context**

Country Context

Given the importance of internationally comparable price and volume measures of gross domestic product (GDP) and its expenditure aggregates, the National Statistical Offices (NSOs) and related ministries of



countries in the Middle East and North Africa (MENA) and Africa regions have expressed their interest in participating in the International Comparison Program (ICP).

The ICP is a worldwide statistical initiative, led by the World Bank under the auspices of the United Nations Statistical Commission, with the main objective of providing comparable price and volume measures of gross domestic product (GDP) and its aggregates for countries within and across regions. Through a partnership with international, regional, sub-regional and national agencies, the ICP collects price data and compiles GDP expenditures to estimate purchasing power parities (PPPs) of the world's economies.

PPPs are used to convert economic aggregates in different currencies to a common currency by eliminating the differences in price levels between countries to equalize the purchasing power of their currencies. Hence, when the GDPs and expenditure aggregates of countries are converted to a common currency using PPPs, they are valued at the same price level, reflecting only real differences in the volumes of goods and services purchased in the countries.

PPPs and related measures play a key role in the analyses carried out by policymakers, multilateral institutions, and private sector actors, among others. Major uses by international organizations include the Sustainable Development Goals, the United Nations Human Development Index, the World Bank international poverty line and poverty counts, and International Monetary Fund country group aggregates and growth rates. Major uses by policymakers, academia and private sector include analysis of national competitiveness, welfare measures, consumption patterns, trade and productivity, energy efficiency, health and education costs, and comparison of investment costs across countries.

#### Sectoral and Institutional Context

The ICP is conducted through a partnership with international, regional and national agencies. The ICP governance framework consists of the United Nations Statistical Commission (UNSC), Governing Board, Inter-Agency Coordination Group, Technical Advisory Group and Task Forces, Global Implementing Agency, Regional Implementing Agencies, and National Implementing Agencies, each of which has distinct roles and responsibilities.

The UNSC is the ultimate stakeholder of the ICP, deciding the frequency and operational modality of the Program. The UNSC constitutes the ICP Governing Board, ensuring adequate representation by key countries and regional organizations.

ICP Governing Board is a strategic and policy-making body, which sets the policies that govern the production of regional and global PPPs; approves the methodology and any methodological improvements; conducts outreach to policy-makers to ensure the inclusion of the ICP in the national permanent statistical work; and helps with fund-raising at country level to increase national funding for the ICP.

Global Implementing Agency supports the governance framework and undertakes the overall coordination and implementation of the ICP, including day-to-day management of the global program, convening



governance meetings and other activities, and preparing and disseminating global ICP results. The World Bank, acting as the Global Implementing Agency, established a Global ICP Unit to assume this role.

Regional Implementing Agencies coordinate and implement the regional ICP comparisons, prepare and disseminate regional ICP results, and facilitate data and information flow between the Global Implementing Agency and participating countries.

National Implementing Agencies plan, coordinate and implement the national ICP activities, and facilitate data and information flow to and from the Regional Implementing Agency.

Under this federated coordination structure, the United Nations Economic and Social Commission for Western Asia (UN-ESCWA) acts as the Regional Implementing Agency for ICP Western Asia that consist of countries from MENA and Africa regions.

Until recently, the ICP rounds have been conducted approximately every six years, with 2011 as the reference year for the most recent global ICP round. Recognizing the needs for more frequent and reliable PPP estimates, the United Nations Statistical Commission agreed, at its 47th Session held in 2016, that the ICP should become a permanent element of the global statistical program, conducted more frequently with shorter intervals between successive rounds and further aligned with regular national statistical programs.

Relationship to CPF

N/A

### **C. Project Development Objective(s)**

Proposed Development Objective(s)

The overall project development objective of the proposed project is to ensure the successful implementation and completion of the ICP activities in the Western Asia region, and to further institute the ICP as a permanent element in the regional and national statistical programs, as per the UNSC recommendation. Furthermore, the project aims at enhancing statistical capacity of NSOs of countries in the Western Asia region, especially in economic statistics. These steps will, in turn, advance the statistical foundation for measuring sustainable development and supporting evidence-based policymaking.

Key Results

The expected outcome of the project are i) regional PPP estimates and related measures at various levels of aggregation on a regular (annual) basis and related public report; ii) further institution of the ICP as a permanent element of the national statistical programs in beneficiary countries; iii) enhanced statistical capacity of the NSOs in beneficiary countries in the fields of price statistics and national accounts; and iv)



improved uses of PPPs and sub-national indices in national policymaking and poverty measurement in beneficiary countries.

The expected outputs are:

1. PPPs, price level indices and expenditure data for all countries participating in the regional comparison as per the ICP Classification of Final Expenditure on GDP
2. National average price data at the item level for items on the Global Core Lists for all countries participating in the regional comparison, with supporting metadata and measures of quality
3. National average price data at the item level for regional items not on the Global Core Lists for all countries participating in the regional comparison, with supporting metadata and measures of quality
4. Population and exchange rate data for all countries participating in the regional comparison
5. A broad description of ICP methodology implemented in each region, including the method implemented for housing and a table showing the reference PPPs used to impute regional PPPs
6. Regional Lists, with supporting item descriptions
7. Survey framework documentation for all countries participating in the regional comparison, including a table showing items for which prices were collected and quarters in which prices were collected, and a description on estimation method for national average prices
8. National accounts reporting forms and related country practice questionnaires for all countries participating in the regional comparison

As per the ICP Data Access and Archiving Policy, the Regional Implementing Agency will provide the Global Implementing Agency with the above data and metadata, and regional operational materials for the project.

#### **D. Preliminary Description**

##### *Activities/Components*

To achieve the proposed objectives, the project includes components and activities described below.

##### Regional training workshops

This component involves conducting regional training workshops that cover the following topics: (i) designing and conducting ICP price surveys and estimating PPPs; (ii) compiling GDP expenditures; (iii) establishing synergies between ICP processes and ongoing CPI survey activities; (iv) compiling HCPIs; and (v) promoting the uses of PPPs and sub-national indices.

##### Technical assistance missions for the production of sub-national PPPs

This component will include technical assistance missions for the computation of sub-national PPPs.

##### Workshops for capacity building of lower-capacity countries



Intensive capacity building efforts will be exerted for supporting countries with insufficient resources in data entry, data validation, training on the ICP software, and other areas of difficulty.

Participation of regional/national experts in international meetings

This component aims at ensuring the inputs and contributions of regional and national experts from participating countries in technical activities undertaken globally and building the capacity of these experts through exposure to latest methodologies and techniques.

Preparation of knowledge/training materials

This component involves the preparation of knowledge and training material that will be used for facilitating the regional training workshops and in technical assistance missions.

Preparation of interim progress reports

Interim progress reports will be prepared on a semi-annual basis, highlighting the progress made in the different activities conducted during the course of the project.

A final report (publication) for PPP results

At the end of the activity cycle and after endorsement of the final results, a report illustrating the results of the corresponding ICP cycle in Western Asia will be published.

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**SAFEGUARDS**

**E. Safeguard Policies that Might Apply**

Safeguard Policies Triggered by the Project	Yes	No	TBD
Environmental Assessment OP/BP 4.01		X	
Natural Habitats OP/BP 4.04		X	
Forests OP/BP 4.36		X	
Pest Management OP 4.09		X	
Physical Cultural Resources OP/BP 4.11		X	
Indigenous Peoples OP/BP 4.10		X	
Involuntary Resettlement OP/BP 4.12		X	
Safety of Dams OP/BP 4.37		X	



Projects on International Waterways OP/BP 7.50		X	
Projects in Disputed Areas OP/BP 7.60		X	

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