



Project Information Document/ Identification/Concept Stage (PID)

Concept Stage | Date Prepared/Updated: 04-Oct-2018 | Report No: PIDC168932



BASIC INFORMATION

A. Basic Project Data

Project ID	Parent Project ID (if any)	Environmental Assessment Category C - Not Required (C)	Project Name
P168762			Implementation of the International Comparison Program (ICP) in Latin America & the Caribbean
Region	Country	Date PID Prepared	Estimated Date of Approval
OTHER	World	04-Oct-2018	
Financing Instrument	Borrower(s)	Implementing Agency	Initiation Note Review Decision
Investment Project Financing	The United Nations Economic Commission for Latin America and the Caribbean (UN ECLAC)	The United Nations Economic Commission for Latin America and the Caribbean (UN ECLAC)	The review did authorize the preparation to continue

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PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	0.40
Total Financing	0.40
Financing Gap	0.00

DETAILS

Non-World Bank Group Financing

Trust Funds	0.40
Miscellaneous 1	0.40

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



and territories in the Latin America and the Caribbean (LAC) region have expressed their interest in participating in the International Comparison Program (ICP).

The International Comparison Program (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 and territories 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/territories to equalize the purchasing power of their currencies. Hence, when the GDPs and expenditure aggregates of countries/territories 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/territories.

PPPs and related measures play a key role in analyses carried out by policymakers, multilateral institutions, and private sector actors, among other users. Major uses by international organizations include the Sustainable Development Goals, the United Nations Human Development Index, the World Bank's international poverty line and poverty counts, and the International Monetary Fund's World Economic Outlook 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 comparisons of investment costs across countries/territories.

Sectoral and Institutional Context

The ICP is conducted through a partnership with international, regional and national agencies. The ICP governance framework^[1] 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/territories and regional organizations.

The ICP Governing Board is a strategic and policymaking 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.

The 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/territories.

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 Commission for Latin America and the Caribbean (UN-ECLAC) acts as the Regional Implementing Agency for the ICP program in the Latin America and Caribbean region.

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. Furthermore, the Commission requested the World Bank to assume the role of global implementing agency and lead the regular implementation of the program starting from the ICP 2017 cycle.

[1] The current ICP governance framework description is available here: <http://pubdocs.worldbank.org/en/255521487200449880/ICP-GB01-Doc-Governance-Framework-Final.pdf>

Relationship to CPF
[Not Applicable]

C. Project Development Objective(s)

Proposed Development Objective(s)

The overall development objective is to enhance the capacity of statistical agencies of Latin American and Caribbean countries/territories for the production of Purchasing Power Parities estimates.

Implementation of International Comparison Program (ICP) activities in the Latin America and the Caribbean region will work towards this objective and will also respond to the United Nations Statistical Commission's call for countries to integrate ICP activities within their regular statistical work programs to ensure a permanent and sustainable ICP.



Key Results

The expected outcomes of the project are:

- a. regional PPP estimates and related measures at various level of aggregation for reference year 2017
- b. publication of a regional report showcasing the final results of the 2017 ICP cycle in Latin America and the Caribbean
- c. further institutionalization of the ICP as a permanent element of the national statistical programs of beneficiary countries/territories
- d. enhanced statistical capacity for national statistical agencies in beneficiary countries/territories, particularly in the areas of price statistics and national accounts

The expected outputs are:

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

As per the ICP Data Access and Archiving Policy [3], the Regional Implementing Agency will provide the Global Implementing Agency with the above data, metadata and regional operational materials for the project.

[1] The current ICP Classification of Final Expenditure on GDP is available here: <http://pubdocs.worldbank.org/en/573271503084124486/pdf/12-16-2016-ICP-Classification-description-Rev2.pdf>

[2] As feasible based on each country's/ territory's survey framework and coverage.



[3] The current ICP Data Access and Archiving Policy is available here:
<http://pubdocs.worldbank.org/en/790491487172245068/121120-ICPDataAccessPrinciples-Procedures>

D. Preliminary Description

Activities/Components

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

Regional prices and national accounts 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.

Technical assistance missions to countries/territories: This component will include technical assistance missions to help build the capacity of beneficiary countries/territories in price statistics and national accounts.

Contributing to global ICP methodology, standards and guidelines, and ensuring their application in Latin America and the Caribbean: This component aims at ensuring that UN-ECLAC contributes to the formulation of global ICP methodology, standards and guidelines, which would be applied uniformly across all regions including Latin America and the Caribbean. This will be ensured through the participation of UN-ECLAC in ICP governance, coordination and technical meetings, where global ICP methodology, standards and guidelines are presented and regional practices are shared and discussed.

Preparation for workshops and technical missions: This component involves the preparation of knowledge and training material that will be used to facilitate and deploy regional training workshops and technical assistance missions.

Provision of grants to lower-capacity countries/territories for survey and data processing activities: Small grants will be provided to lower-capacity countries/territories to partially fund the cost of ICP surveys, ICP data processing and other related activities.

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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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Implementing Agencies

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