



**The World Bank**

Implementation of the International Comparison Program (ICP) in the Commonwealth of Independent States (CIS)

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

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Concept Stage | Date Prepared/Updated: 15-Feb-2018 | Report No: PIDC148696

## BASIC INFORMATION

### A. Basic Project Data

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|------------------------------|---|---|--|
| Project ID                   | Parent Project ID (if any)  | Environmental Assessment Category   | Project Name   |
| P166845                      |   | C - Not Required  | Implementation of the International Comparison Program (ICP) in the Commonwealth of Independent States (CIS) |
| Region                       | Country   | Date PID Prepared   | Estimated Date of Approval   |
| OTHER                        | World   | 15-Feb-2018   |  |
| Financing Instrument         | Borrower(s)   | Implementing Agency   | Initiation Note Review Decision  |
| Investment Project Financing | Interstate Statistical Committee of the Commonwealth of Independent States (CIS-STAT) | Interstate Statistical Committee of the Commonwealth of Independent States (CIS-STAT) | The review did authorize the preparation to continue   |

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## Financing (in USD Million)

### SUMMARY

|                           |      |
|---------------------------|------|
| <b>Total Project Cost</b> | 0.26 |
| <b>Total Financing</b>    | 0.26 |
| <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 the Commonwealth of Independent States (CIS) have expressed their interest in participating in the International Comparison Program (ICP).

The ICP is a worldwide statistical initiative to collect comparative price data and estimate purchasing power parities (PPPs) of the world's countries. PPPs are used to convert different currencies to a common currency and, in the process of conversion, to equalize their purchasing power by eliminating the differences in price levels between countries. 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 Sustainable Development Goals (SDGs) and Millennium Development Goals (MDGs); United Nations Human Development Index; World Bank poverty rates; and International Monetary Fund country group aggregates and growth rates, and country quota formula. Major uses by policymakers, academia and private sector include analysis of national competitiveness; welfare measures; consumption patterns; trade, productivity and competitiveness; energy efficiency; health and education costs; and evaluation 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), a Governing Board, an Inter-Agency Coordination Group, Technical Advisory Group and Task Forces, a 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 Interstate Statistical Committee of the Commonwealth of Independent States (CIS-STAT) acts as the Regional Implementing Agency for the CIS region.

Until recently, the ICP rounds have been conducted approximately every six years, 2011 being the reference year for the most recent global ICP round. Recognizing the needs for more frequent and reliable PPP estimates, the UNSC 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, further aligned with regular national statistical programs, and implemented under a light and stable governance framework.

Relationship to CPF

Not applicable.

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

Proposed Development Objective(s)

The project development objective is to ensure successful conduct of the ICP activities in the CIS region, and to further institute the ICP as a permanent element of the regional and national statistical program, as per the UNSC recommendation. Furthermore, through the conduct of various activities, the project aims to enhance statistical capacity of the CIS NSOs, especially in relation to economic statistics.

Key Results

The expected key results of the project are i) a set of PPPs and related measures at various level of aggregation for the CIS countries and related public reports; ii) further institution of the ICP as a permanent element of the regional and national statistical programs in the CIS region; and iii) enhanced statistical capacity of the CIS NSOs in the fields of national accounts and price statistics.



As per the ICP Board agreed ICP Data Access and Archiving Policy, CIS-STAT will provide the Global Implementing Agency (i.e. the World Bank) with the following data and metadata:

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.

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

##### *Activities/Components*

To achieve the development objective and key results, the project comprises the following components and activities.

##### *1. Arrangement of regional workshops*

The component involves conducting regional workshops that cover the following topics: i) designing ICP surveys; ii) compiling GDP expenditures; iii) conducting quality assurance; iv) sharing knowledge and best practices relating to production of economics statistics; and (v) promoting the uses of PPPs.

##### *2. Participation in international meetings and conferences*

The component aims at ensuring that the national and regional economic statistics and PPP estimates are produced according to the latest methodologies, techniques, guidelines and agreements.

### 3. Preparation of operational materials and calculation of PPP estimates

The component involves preparing operational materials for conducting ICP activities and producing PPP estimates and related measures.

### 4. Production of knowledge materials and publications

The component involves production of knowledge materials relating to economic statistics and publications illustrating regional ICP results.

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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  |     |

## CONTACT POINT

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### Borrower/Client/Recipient

Borrower : Interstate Statistical Committee of the Commonwealth of Independent States (CIS-STAT)  
Contact : Andrey Kosarev Title : Deputy Chairman of CIS-STAT  
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### Implementing Agencies

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### FOR MORE INFORMATION CONTACT

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