

ICSC Secretariat Explanations on the use of European Comparison Programme Data at 37th ACPAQ session in 2015

From ICSC/ACPAQ/37/R.5, Para 8:

“At its thirty-sixth session, the Committee considered the results of the secretariat’s assessment of the feasibility of using price data collected under the ECP in the establishment of the PAI for the relevant group I duty stations. The numerous advantages of using ECP data, including the significant volume of information gathered; the frequency of updates; the quality of the collected information; the increased harmonization of cost-of-living measurement methodologies with Eurostat and the ISRP; and the potential for savings, were some of the most important considerations behind the Committee’s recommendation for the use of ECP price data. The Committee also recommended the retention of the current method of sourcing price data for group I locations not currently covered by ECP.⁸ The Commission approved these recommendations at its 79th session.”

Further, from ICSC/ACPAQ/37/R.7, Para 17-21:

“The Committee considered document [ICSC/ACPAQ/37/R.3](#), outlining the modus operandi for the implementation of the Commission’s approval, at its seventy-ninth session, of the use of data collected under ECP in post adjustment index calculations for covered group I duty stations. The secretariat first described the scope of the data it would receive from Eurostat, covering 21 group I duty stations and over 2,000 average prices per city, along with Quaranta tables providing related statistics including the number of price quotations used and the coefficient of variation by item; and a list of the type of outlets by item used in the Brussels survey. The secretariat indicated that the three-year ECP survey cycle would have only minimal impact on the schedule for the launch of the 2016 round of surveys and that the new round of surveys could be launched, starting with the collection of price data in New York, in June 2016, as scheduled.

The secretariat described how the existing methodology and procedures for price data collection and processing would be modified to permit the use of ECP price data. Although the majority of the items on the list would be covered by the ECP items, the secretariat explained that there were additional items for which the price collection would be conducted by the survey coordinator and secretariat staff, mainly items subject to the real-time price comparison methodology and items deemed unique to the United Nations staff expenditure patterns. The secretariat described two options for updating the average prices with data from the Harmonised Index of Consumer Prices: either Eurostat would update the data before delivery or the secretariat would update the data from the survey date. The secretariat expressed a preference for the second option because of its advantages, including the possibility of receiving the data earlier from Eurostat and updating the data using one mapping of the Harmonised Index of Consumer Prices as opposed to two different mappings if Eurostat conducted the update. Once updated, the price data would be imported into the secretariat’s integrated data processing system and analysed. The secretariat showed how the mapping of many ECP items to one ICSC item would work; that would be followed by a balancing exercise similar to the one built into the secretariat’s existing system.

The secretariat described two deviations from the existing methodology that would result from the use of ECP data: the treatment of organic items; and the calculation of price ratios. The secretariat explained that although the pricing form would include an indicator for identifying organic products, there would no longer be a separate price ratio calculated for such products. It also explained that the averaging procedure would change from the two-step process, first within outlets and then across outlets, to a simple average of all price quotations recorded for an item at a given duty station.

The secretariat described how the integrated data processing system would be redesigned to accommodate the importation of the average price data and the supporting statistics. It explained that the module for the analysis of the price data would also have to be modified to account for the changes in the methodology described above. The secretariat described other implications for the roles of the various stakeholders in the design and administration of cost-of-living surveys, mainly the local survey committees, the secretariat staff and the observers. Finally, the secretariat outlined the next steps in the modus operandi for the use of ECP data, including details about the mini-survey that it would be conducting for the purpose of testing all aspects before the launch of the new round of surveys.”

Finally, from ICSC/ACPAQ/37/R.7, Para 26:

“The Committee:

- (a) Concluded that the use of ECP average price data in the calculation of post adjustment indices for covered group I duty stations was technically feasible, subject to the suggested methodological changes pertaining to the data collection and processing procedures, as well as the stated changes to the roles of various stakeholders;*
- (b) Affirmed the critical importance of outlet comparability in price comparisons and, in this regard, recommended that the secretariat ensure the highest possible degree of comparability of outlets used in price data collection at all duty stations and, in the case of group I duty stations covered by ECP, the comparability of the outlets used for price data collection by ECP and by the secretariat in New York;*
- (c) Recommended that the secretariat put in place the modus operandi for the use of ECP data in post adjustment index calculations for covered group I duty stations by conducting the planned mini-survey in New York.”*