

# Outreach and Uses



Shared Prosperity Dignified Life



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# Introduction

The utilization and reach of Purchasing Power Parities (PPP) are steadily expanding, with ongoing implementation of new applications.

The applications of PPP are varied and extend beyond the scope of economic analysis.

In addition to their roles in assessing the actual sizes of economies and comparing productivity, wellbeing, and income across nations, PPP also extend their applications to encompass measurements in health, energy, education, and environmental domains.

# PPP Uses and Applications: Administrative Uses



Country group aggregates and growth rates in the IMF World Economic Outlook

World and G20 output and growth rates in OECD Economic Outlook



Allocation of the European Union structural and cohesion funds



World Bank and IMF Shareholding and Drawing Rights

# PPP Uses and Applications: SDGs, WBG Goals, WDI

PPP-based indicators are used in 8 of 17 SDGs



PPP-based indicators used in WB Twin Goals



PPP-based indicators in the World Development Indicators: 43+ indicators on

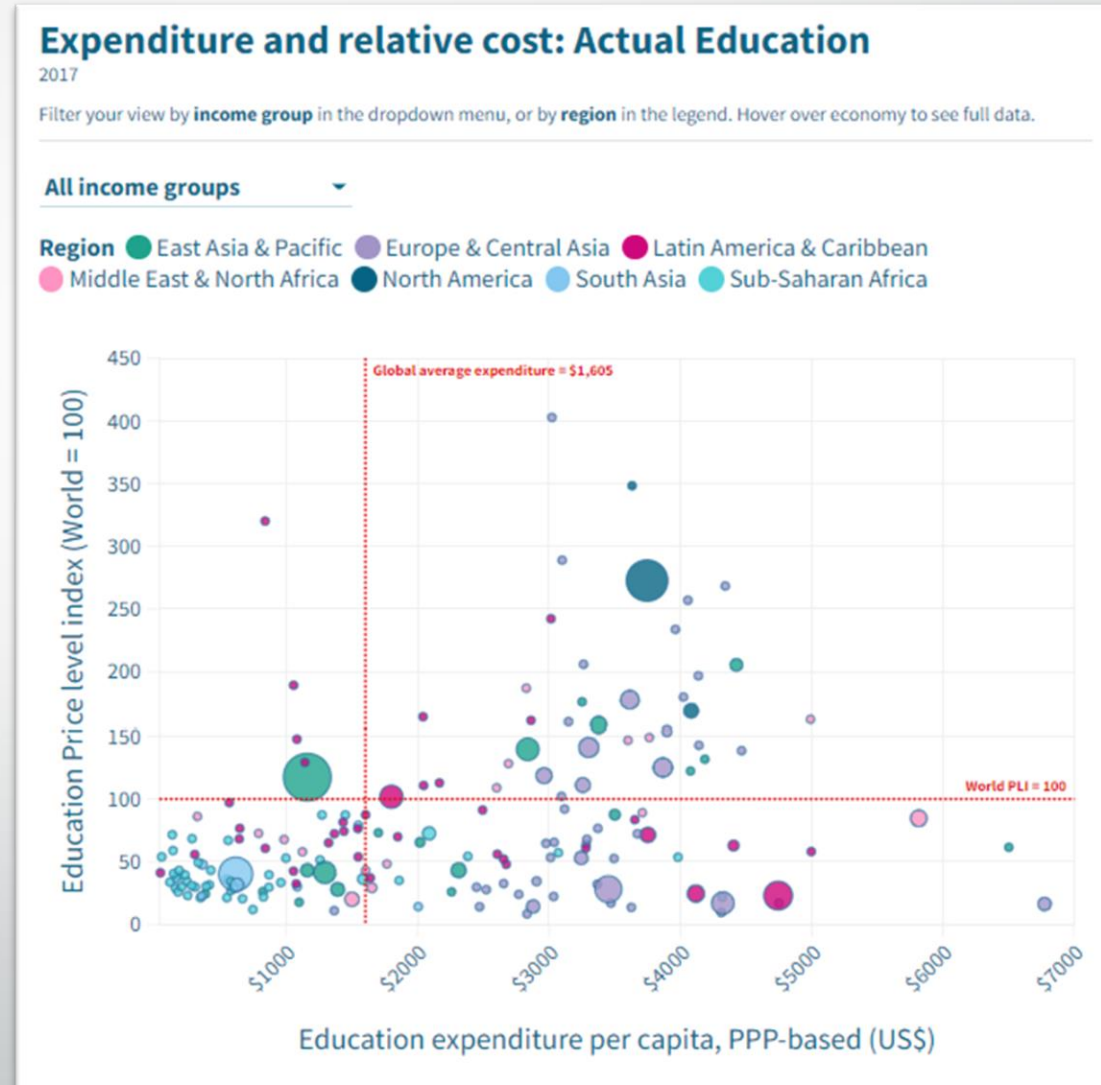
Poverty | Social protection & Labor | Economy & Growth | Climate and energy | Environment | Health

# Potential New Uses

- **World Bank Income Classifications**
  - Currently market exchange rate-based, discussion ongoing for a move to PPP-based classifications
  - Update to be provided for the ICP Technical Advisory Group (TAG) meeting
- **A proposed new indicator World Bank to monitor shared prosperity: The prosperity gap**
  - The prosperity gap is the factor by which each person's income must be multiplied to reach the prosperity standard of \$25 per day in PPP terms
  - Refer to the [blog](#) and [paper](#)
  - 2 poverty indicators (PPP-based) | 2 new indicators of shared prosperity | 2 environment indicators

# Outreach: ICP Blogs

- [How much do countries spend on education, and how do the price levels of education compare? Three charts from the ICP](#)
- Published on International Education Day (January 24, 2023)
- Uses an interactive story of charts to lead users through the ICP data available on the **expenditure by households and governments on education** in countries around the world, and how the relative costs of education differ.

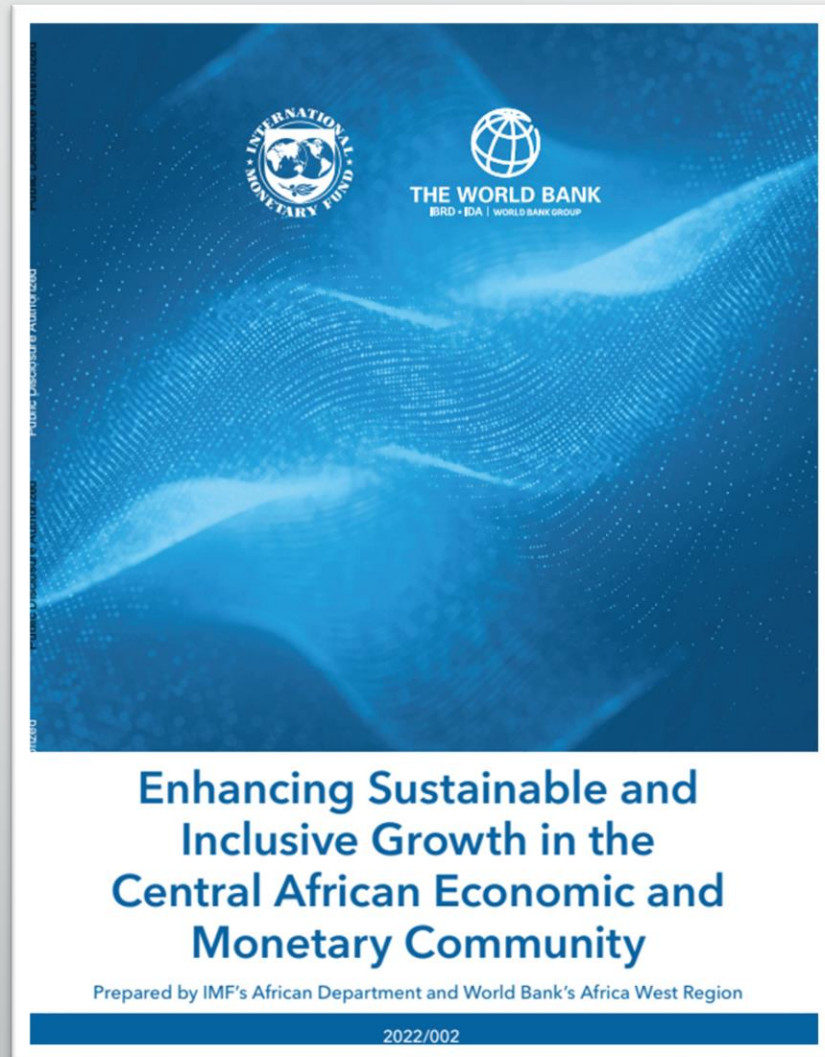


# Uses: FAO – IFAD – UNICEF – WHO – WFP



- The multi-agency report “[The State of Food Security and Nutrition in the World 2023](#)” published in July 2023, uses ICP data for its **Cost and Affordability of a Healthy Diet** to report on food security and the number of people for whom nutritious diets are inaccessible.

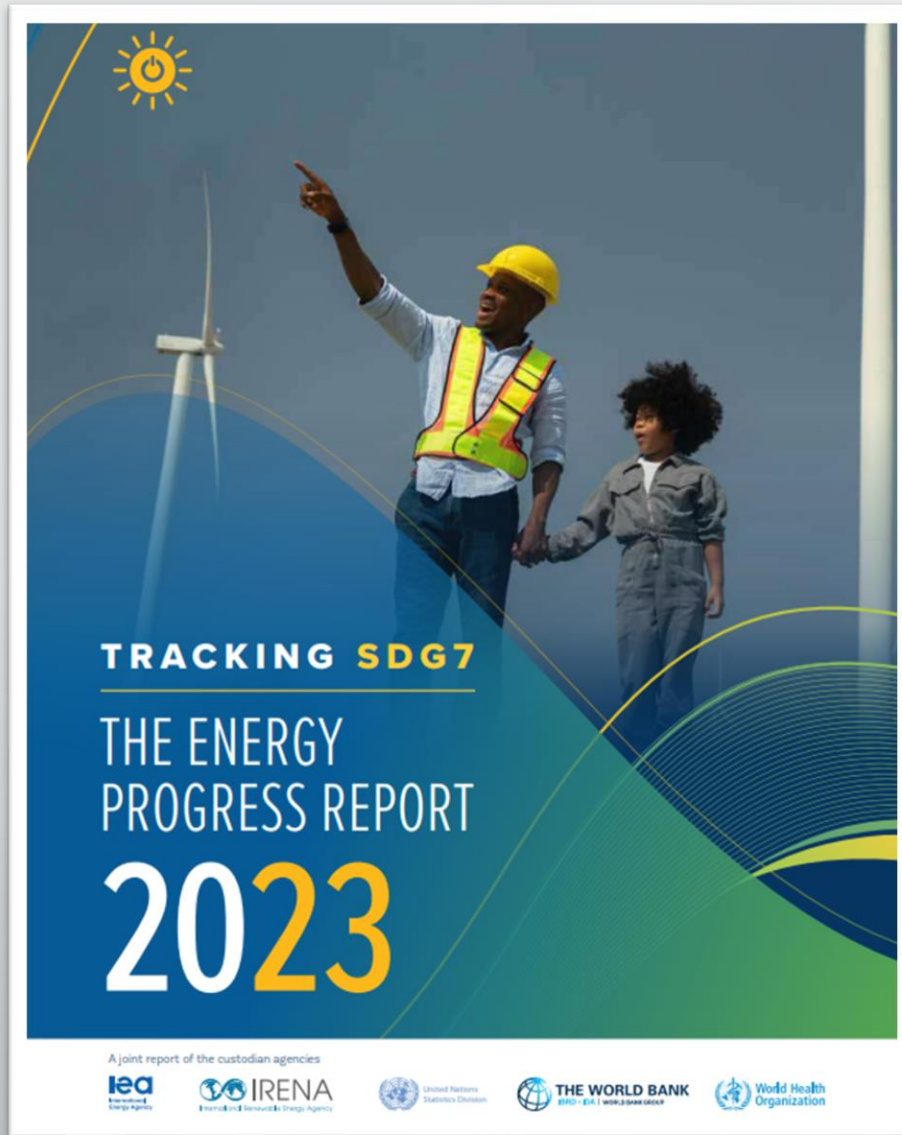
## Uses: IMF – World Bank



The joint International Monetary Fund - World Bank December 2022 report **“Enhancing Sustainable and Inclusive Growth in the Central African Economic and Monetary Community”** uses PPP-based GDP per capita to compare countries' economic growth over a thirty-year period.

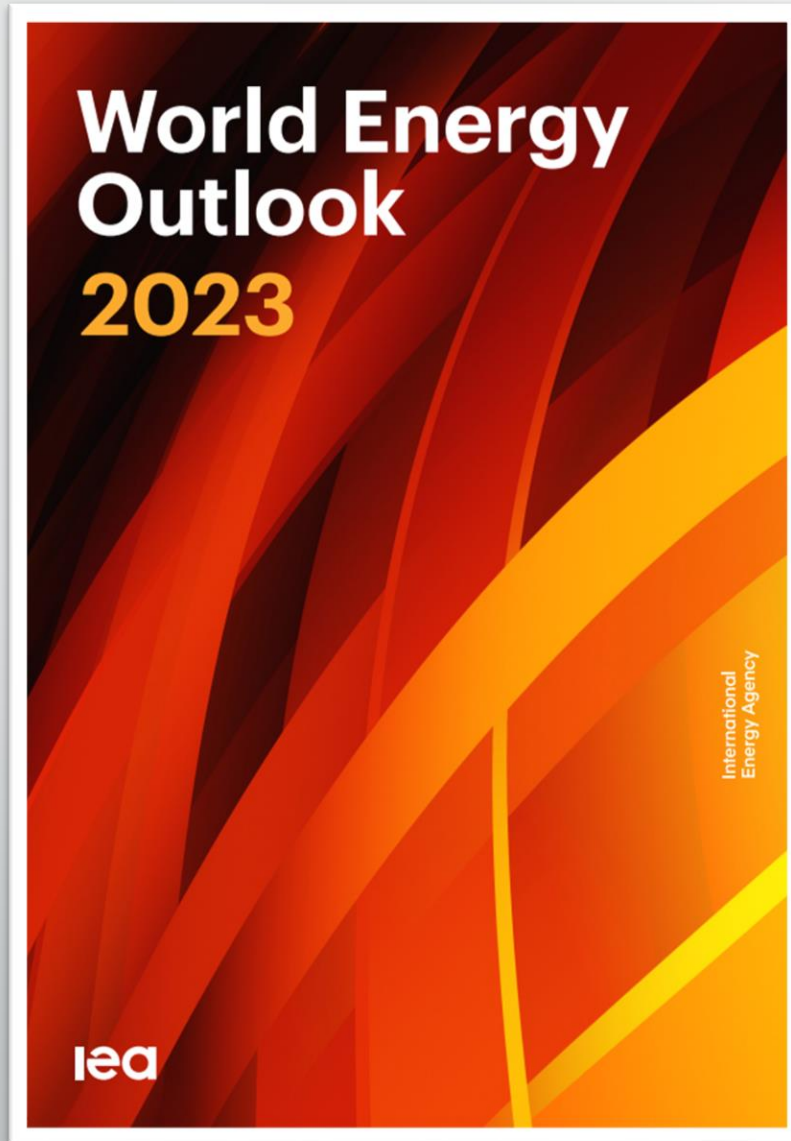


Uses: IEA–IRENA–UNSD–World Bank–WHO



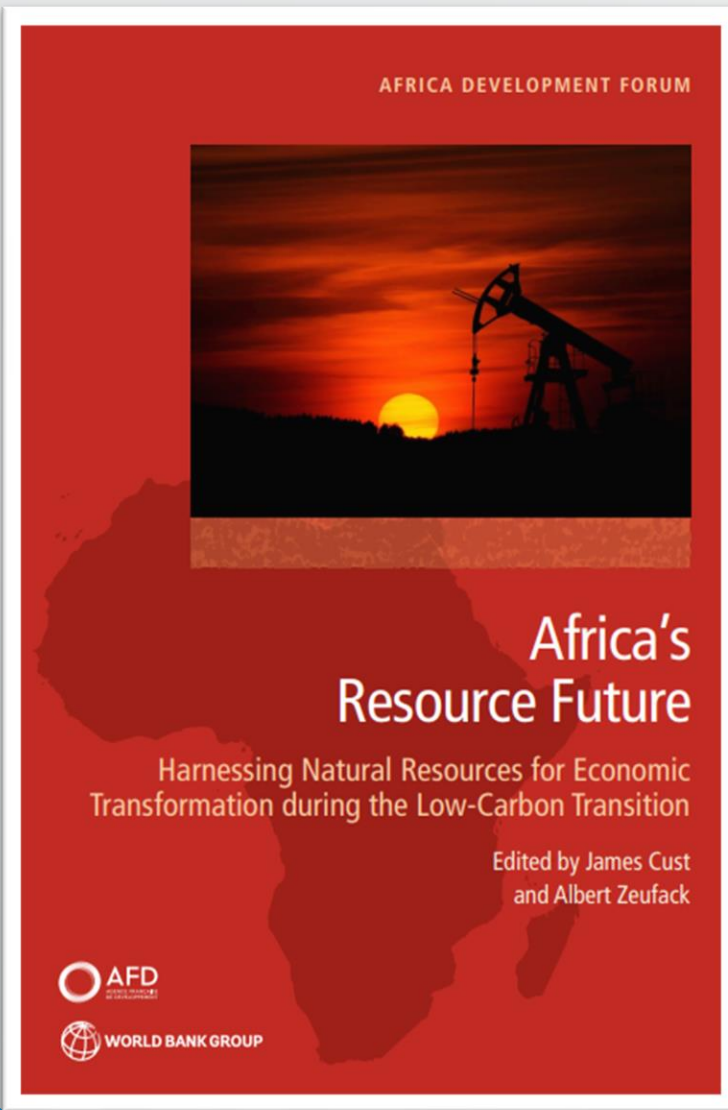
The multi-agency report “[Tracking SDG 7: The Energy Progress Report 2023](#)” published in June 2023 uses an indicator on the energy used per unit of economic output – measured in PPP terms – to track improvements in energy efficiency.

## Uses: IEA



In the International Energy Agency's latest [World Energy Outlook](#), published in October 2023, PPP-based GDP is used to measure both fossil fuel and carbon dioxide emission intensity, while PPP-based GDP per capita is used to analyze countries' current and future energy demands.

## Uses: World Bank



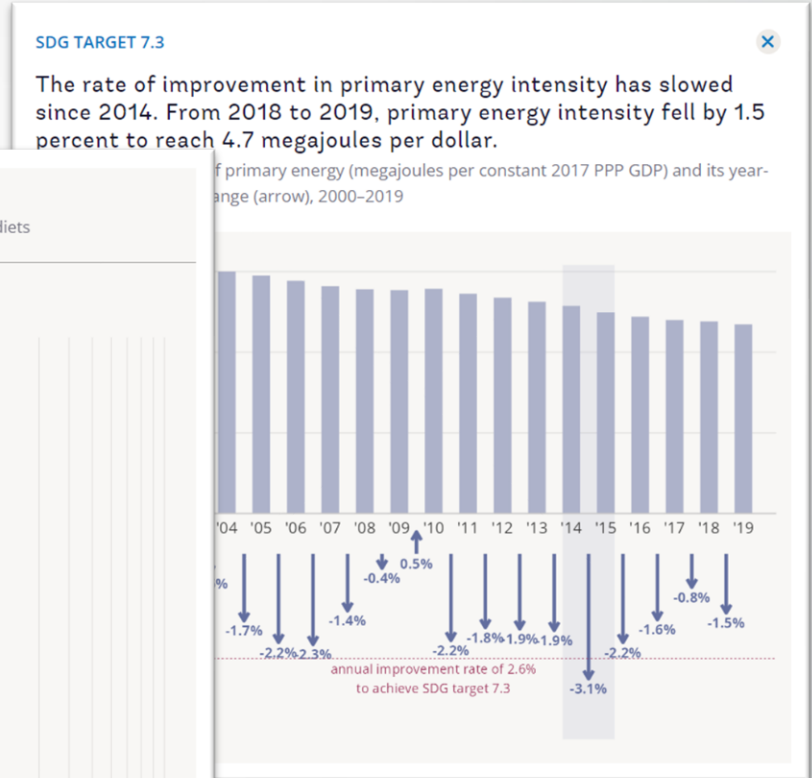
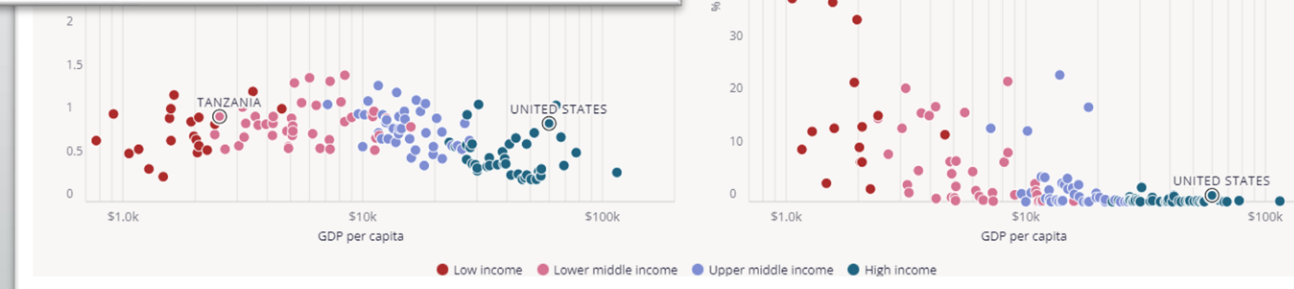
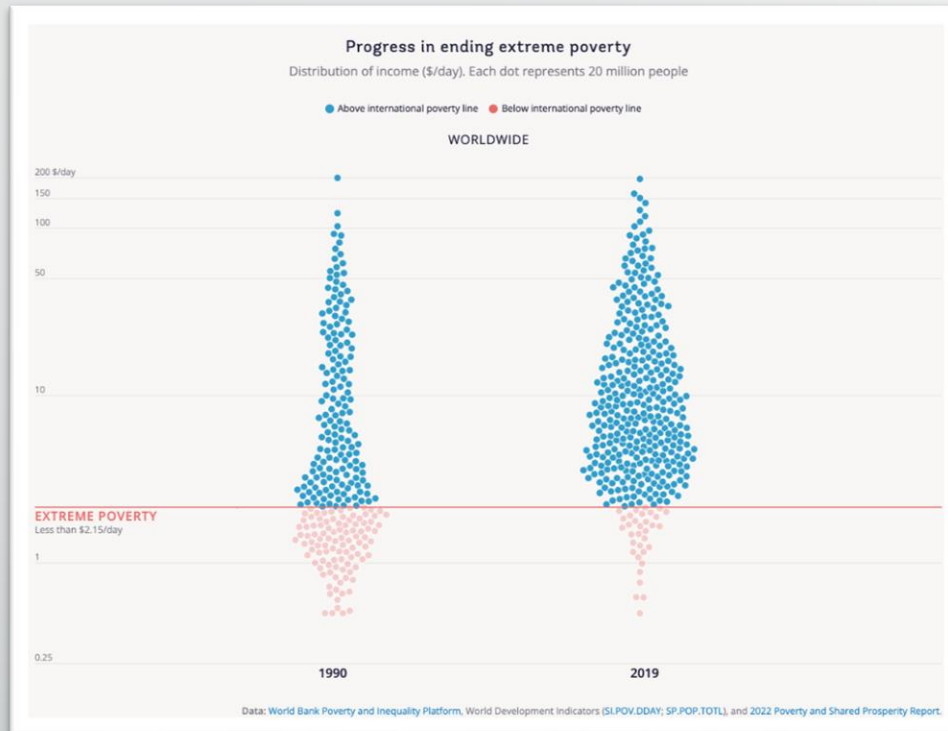
The Agence française de développement and World Bank publication “[Africa’s Resource Future Harnessing Natural Resources for Economic Transformation during the Low-Carbon Transition](#)”, published in April 2023, uses PPP-based poverty data in its examination of how natural resource wealth is driving Africa’s economic transformation and the implications of the low-carbon transition for resource-rich economies.

## Uses: UNDP - OPHI



The UNDP and OPHI publication [“Global Multidimensional Poverty Index 2023 - Unstacking Poverty: Data for high impact action”](#), published in June 2023, compares the PPP-based international poverty line of \$2.15 a day with an index that combines deprivations across health, education, and standard of living parameters to **examine how multidimensional data can be used to track progress towards SDG 1.**

# Uses: Atlas of Sustainable Development Goals 2023



The World Bank June 2023 [ATLAS of Sustainable Development Goals 2023](#) highlights PPP-based indicators used for SDG tracking

# Uses: UN Sustainable Development Goals



The UN's “[The Sustainable Development Goals Report 2023: Special Edition](#)”, published in July 2023, includes an analysis of the effect of COVID-19 on **global poverty using the extreme poverty line of \$2.15 at 2017 PPPs**. It also reviews changes in energy intensity over recent years, defined as the amount of energy used per unit of PPP-based wealth created.

## Uses: ILO



- ILO's flagship annual report [World Employment and Social Outlook Trends 2023](#) (January 2023)
- Uses **PPP-based income levels** under which employed people are considered to be the "working poor" or living in extreme poverty. It also expresses **output per worker in PPP terms** in comparing labor productivity across countries.

# More Uses on the [Global ICP Website](#)



**ICP**

## International Comparison Program

A worldwide statistical initiative to collect comparative price data and detailed GDP expenditures to produce purchasing power parities (PPPs) for the world's economies

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### About the International Comparison Program (ICP)

The International Comparison Program (ICP) is one of the largest, and most enduring, statistical initiatives in the





**THANK YOU**