

## Session:

# Solidarity with Ukraine: The possible contribution of the private sector to support the Ukrainian statistical system

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Dear colleagues,

I would like to thank IAOS **President Misha Belkindas** and the chair of the Scientific Programme **Jan-Robert Suesser** for organising this emotive session and inviting me to take part. But I would like above all to thank the **Polish Statistical Office** for hosting the event, and, on behalf of many Ukrainian friends to which I told I was attending this session, for the warm effort of the Polish population to host the refugees fleeing the Russian aggression.

My special salute to Mr Ihor Verner and Mr Oleksandr Osaulenko representing the Ukrainian colleagues in this event.

I would like to cite **Prof. Jozef Olenski**, former director of Statistics Poland, published in the Statistical Journal of IAOS in 2017, *“The IAOS as the largest representation of all national statistical offices and international organizations of the world seems to be the best forum for discussing new roles of official statistics in **high uncertainty and fragile, extreme, sensitive political, social and economic environments** in a globalized world”*, where the “extreme environments” include what he classifies as “social fragility, social shocks, conflicts and disasters” involving “rapid, mass migrations, **flows of refugees**, displacement of national or social groups, **victims of disasters, genocides**, epidemics, pandemics, disturbances of systems of safety and security, health care, education, local, regional or macroeconomic disturbances of labor market, anomalies in living conditions and social aid, etc.”. What Ukraine is suffering now fits into Olenski’s definition of extreme environments.

### **My experience in Ukraine**

I had the opportunity to work in Ukraine from 2014 to 2019 in the support to the Ministry of Regional Development with the collection, analysis and use of territorial statistics. There was a dire need for **regional indicators** in the context of a process of amalgamation of communes (hromady) and devolution of competences. Thus, statistics were considered for an important state-building policy. At the same time, regional data

were becoming increasingly difficult to compile with the loss of data from the Autonomous Republic of Crimea, Donetsk and Luhansk oblasts.

In parallel, my company DevStat is involved with **Eurostat-funded projects** to support **ENP East countries**, including training courses and seminars and the update of the Global Assessment of the statistical system of Ukraine, which was in preparation just before the Russian aggression. I had also the opportunity of taking part in a **volunteer expert group convened by UNFPA** and the State Statistics Service to prepare the next Population Census based on administrative records.

I had therefore witnessed the efforts, not with difficulties, of the State Statistics Service to provide relevant territorial statistics, by adapting the local statistics to the needs of the municipal amalgamation process, to move towards a more modern statistical production system. All these efforts should be sustained.

### **The role of the private sector**

Misha and Jan-Robert asked me to propose how the private sector could support the reconstruction. The role of the public sector – international organisations, NSOs, bilateral development agencies – will be surely discussed elsewhere. An excellent roadmap for the support that the public sector can give can be found in the PARIS21 Engagement Strategy for STATISTICAL CAPACITY BUILDING IN FRAGILE AND CONFLICT-AFFECTED STATES, which could be revised in order to cover the type of situations that Ukraine is living.

The theory of international assistance often presents the **public-private partnerships (PPP)** as effective means to deliver. The fact that the private sector should be involved in reconstruction of Ukraine is most likely agreed by all stakeholders. However, in the official statistics domain, the public-private partnership is in its infancy.

Here are some ideas on how the private sector can be involved, for the debate on their relevance and feasibility. The private sector contributes indeed as an **information provider** (with businesses responding to surveys and providing for innovative data sources), as **user of the data** (and therefore, influencing the statistical work programmes) and in the **production** of statistics (data collection, processing, dissemination).

I will propose a few ideas on how to involve the Ukrainian private sector

- As provider of innovative data sources
- In the production of Ukrainian statistics
- In the identification of emergent information needs for the reconstruction.

As well as how international consultancies we can contribute in

- Funding the reconstruction of the National Statistical System
- Generating additional income for statisticians staying in Ukraine

- Supplying technological solutions needed for the production and dissemination of statistics
- Managing the international funding, and
- Advocating for a peaceful, sustainable and fair reparation and reconstruction of the Ukrainian state and in particular statistical institutions.

### **1. Involving the global and Ukrainian private sector as provider of innovative data sources**

Identifying relevant **private actors -especially Ukrainian - that can provide big data sources covering Ukraine (telecom companies, social media, online commerce portals)** with the successful business models already implemented by Eurostat and some national statistical offices would help the State Statistical Service of Ukraine leapfrog towards the use of innovative sources.

I would like to mention one example provided by a Ukrainian colleague on the set-up of an expert team, including from the private sector, to support the Ukrainian Ministry of Digital Transformation in the daily analysis of half a million Internet pages to gather intelligence about different aspects of the aggression, including social and behavioural data. Similar technologies have been used in the so-called Eurostat “Experimental Statistics” to compile statistics on prices, mobility and other domains.

Companies with expertise in advanced analytics could be identified to support innovative statistical projects. **Funding from innovation-promotion sources such as Horizon4Ukraine should be explored.**

### **2. Involving the Ukrainian private sector in the production of statistics**

Ukraine has a strong IT and consultancy sector. More than 30% of the value of service exports from Ukraine are ICT services. Unfortunately, the salaries in the public sector are not attractive for the many young IT professionals so needed to modernise Ukrainian statistics. In addition, many are not aware of the processes in official statistics.

The **involvement of the Ukrainian ICT sector** in the modernisation of its national statistical system should be supported as an opportunity for rapid technological change. Partnering with the Ukrainian private ICT sector can help identify the technologies best adapted for data collection and the maintenance of data production and dissemination systems.

This may take the form of directed grants to the sector for the development of solutions for priority projects such as dissemination databases, automated visualisation and reporting, project management tools, adaptation of standards (e.g. SDMX, geospatial and statistical information integration), integration with administrative systems such as TREMBITA, etc.

Concretely, external companies could support certain statistical activities and infrastructure:

- Field data collection. Data collection from the field has been traditionally carried out by field staff of the regional and lower-level territorial offices. It should move progressively to modern data collection methods, and, as in many cases, **outsourced to specialised local companies** able to mobilise interviewers with the supervision by the State Statistics Service. The staff of the statistical office could then be reallocated to other tasks in the statistical business process.
- the transition towards web-based data collection to capture information from Ukrainians abroad by transforming the usual questionnaires
- Strong GIS companies exist in Ukraine. With the use of geospatial image technology, it could be possible to update of the Register of Dwellings to estimate the damages and help plan the reconstruction, the extraction of information about land and crops from satellite images
- Editorial companies can be involved in the preparation of good quality publications from publication-ready data provided by the State Statistical Service, to increase the efficiency of the remaining staff

All this will have a direct impact not only in the modernisation of the statistical production process, but also in the creation of jobs much needed for the economic reconstruction.

The international donor community can support this **by adapting the international procurement systems to incentive the presence of local companies in the implementation of technical assistance projects**, and the external impacts on the Ukrainian economy and welfare.

### **3. Ukrainian and international private sector as users of official data**

Evaluations have found that sustainability of interventions on official statistical systems can be increased when the users of statistics are actively involved and capacity to use data and statistics is also built. However, evidence on the effectiveness of support that aims to strengthen statistical and data literacy among users is currently limited.

It is now the time to study how users of Ukrainian statistics, and in particular the private sector – national media, employers, investors, consumer market suppliers – are affected by the lack of timely data accounting for the social disruption and the economic shock due to the aggression.

**The State Statistics Service of Ukraine is best positioned to investigate users' needs and involve the private sector which will take part in the reconstruction to understand what the emergent information needs will be.**

#### 4. Raising private funds for Ukrainian statistics (private sector as donors – CSR)

Except for large foundations and companies, providing financial support to complement international institutions funding for statistics is not common nor easily manageable. According to the PARIS21 Press report for 2021, the Bill & Melinda Gates Foundation became the only philanthropic donor that ranks among the top five donors. Other philanthropic donors (Bloomberg, Rockefeller Foundation) are playing a more important role in recent years in the landscape of international funding to data and statistics, despite accounting for a small share (just over 3% during this period).

Corporate giving to statistics, as part of social responsibility programmes, was a little over double that of foundations, it was difficult to determine how much corporate giving is philanthropic and how much is driven by business interest. Unlike foundations, corporations look to meet business goals in their giving to development projects. In any case, the experience of large technical assistance programmes such as Health Metrics or 50x2030 supporting respectively health and agriculture statistics should be considered. Our association of Official Statisticians does not count with many members from the private sector to play a strong role in mobilising private funding. **The Bern Network can play however an important role in advocating for the financing for the Ukrainian statistical sector.**

#### 5. International consultancies as job and income providers for statisticians while preventing brain drain

Small companies like DevStat can hardly provide a significant number of jobs to Ukrainian statisticians. Other companies can make more impact. However, offering jobs abroad for qualified staff would drain the human capacity of the Ukrainian statistical system.

It is always possible to design mechanisms to support Ukrainian statisticians who remained in the country, helping them generating additional income by **participating in short-term consultancies** compatible with their duties in the national statistical system. Flexibility should be offered by the Ukrainian public administration to facilitate that its staff can participate in such type of activities.

Additionally, private companies could, with a small economic effort, provide online internships in statistical projects to raise the competences of young statisticians. The experience of the IBF Foundation and DevStat, which are currently offering an online internship of a student from Haiti proves that most tasks in statistical projects can be delocalised when there is no risk of confidential data disclosure. Cross-border internships are offered by Eurostat to students of EMOS masters. **A similar scheme could be put in place, financed by private companies, to provide such opportunities to Ukrainian students with the commitment of continuing studies and work in Ukraine.**

It is important to prevent the brain drain from the national statistical system to implement technical assistance projects in Ukraine and elsewhere.

## **6. International and local private consultancies as managers of funding**

Channelling the financial support to the Ukrainian Statistical System of large foundations and international donors will be mainly done through the private sector, NGOs, universities, etc. unless it is delivered directly as budget support. The experience of companies in the EU managing framework contracts, technical assistance and research projects can provide an efficient management to international donors. However, we should consider minimising the management costs for that most of the funding reaches the final beneficiary. While EU competition rules does not allow agreeing with competitors on service prices, I am ready to propose **a cap on management costs**.

## **7. International private companies supplying technological solutions at special rates**

Large international tech companies which can provide technology and communications, or rebuild the premises destroyed. Data collection and the maintenance of data systems require several technological inputs including, GPS units, tablets, mobile phones, computers, GIS and mapping software, statistical software, database software, internet connectivity, and open data platforms, and other accessories. I am sure that many companies that produce these technologies may be interested in partnering with official statistics to either initially gift or offer their products at a reduced rate to Ukraine as a means of entering a new market and cultivating future business.

## **8. Private consultancies as advocates**

The independence of private companies can support advocacy actions in favour of the support to the Ukrainian statistical system. As individuals and as managers of companies, we can express our private opinion on the war without the need for approval, which is not the case for staff of public institution or for officials of professional associations such as IAOS and ISI where every communication is subject to scrutiny by its constituencies.

For example, a consultancy network – the International Consulting Alliance ICA which includes over 90 consulting companies worldwide decided to temporarily **suspend the membership of our Russian partner**, a spin-off of a Governmental university, and this as a sign of solidarity to our Ukrainian partner, whose managing partner asked me to transmit her salute.

**Maybe this is an occasion of openly discussing - not of deciding, because there are other instances for that in our association - about restrictions to corporate membership of certain institutions linked to Governments which seriously interfere with the normal statistical activity of their own or other countries.**

## Conclusion

I would like to close my intervention by recalling that what we are discussing today for Ukraine could have been discussed for many other countries suffering extreme political, social and economic events. It is difficult to ascertain how strong is the impact of statements and actions, at the global political level, of an association of professionals less visible than the Wimbledon competition of the Scala of Milano. Still, acts such as this session leading to symbolic decisions as well as to technical discussions on a roadmap for action are useful.

I wish to express to our Ukrainian colleagues all my sympathy and support for their fight.

Хочу висловити нашим українським колегам усі співчуття та підтримку їхньої боротьби.

## References

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**Horizon4Ukraine:**

<https://webgate.ec.europa.eu/funding-tenders-opportunities/display/IT/Horizon4Ukraine>