

UPDATE ON CAPACITY DEVELOPMENT 4.0 TASK TEAM

This note provides a summary of the activities of the Task Team on New Approaches to Capacity Development, established by PARIS21 Board members in 2017. It presents the main results of the initiative and proposes the next steps for implementation.

1. INTRODUCTION

The achievement of the 2030 Sustainable Development Agenda will involve an unprecedented demand for robust and reliable data at the national level. While this has already prompted more opportunities for national statistical systems (NSSs) to improve and invest in their processes and capacities to deliver, many NSSs in developing countries already face an uphill struggle in producing basic quality data for policy making and programme implementation. The emerging data demands from the Sustainable Development Goals (SDGs) are adding to this challenge in a financially constrained environment. In this context, capacity development in data and statistics has become a widely recognised priority, as enshrined in the Cape Town Global Action Plan for Sustainable Development Data.

Following its 2017 Annual Meetings, PARIS21 formed a task team to revisit statistical capacity development to respond to these emerging challenges for NSSs. The Capacity Development 4.0 (CD4.0) Task Team gathered representatives from NSOs, international agencies, civil society, think tanks, academia and the private sector. The team had three main objectives: first, to propose a conceptual framework for CD4.0, integrating statistical capacity into the needs of the new data ecosystem; second, to propose indicators for assessing progress against the CD4.0 framework's dimensions; and third, to design operationalisation principles for the new framework. This note summarises the main results of the task team's work and makes proposals for consideration for next steps.

Defining CD4.0

Capacity development 4.0 is defined as “the process through which a country's national statistical system, its organisations and individuals obtain, strengthen and maintain their abilities to collect, produce, analyse and disseminate high quality data to meet users' needs” (PARIS21, 2018a).

2. CURRENT APPROACHES TO STATISTICAL CAPACITY IN A CHANGING ENVIRONMENT

The current landscape of data production and dissemination is changing. Information technologies, the emergence of new data providers and users, and the increasing complexity of the data ecosystem have raised new questions on the role and capabilities of NSSs, and in particular national statistical offices, in national policy making. Key concerns include how data and statistics can more efficiently support evidence-based policy making, as well as how they can serve as a vital accountability and transparency tool to enhance government performance.

New skills and organisational practices will be decisive in adapting to the new data environment. Current approaches to statistical capacity remain largely focused on technical skills and have ignored the wide range of competencies required in today's data ecosystem. Soft skills are increasingly necessary across statistical organisations, requiring the NSOs and other relevant actors in the data ecosystem to expand their current skill set.

In recognition of this shift, one of the CD4.0 Task Team's remits was to design and carry out a global survey of *new approaches to capacity development and immediate needs* (henceforth the CD4.0 survey). The CD4.0 survey aimed to provide an analytical benchmark of the current state of capacity development among NSOs in 2018, which could inform future actions and guidelines in this area. Ninety heads of NSOs from all global regions responded to the survey. In respect to capacity development, over 40% of all respondents (and 75% of African respondents) identified staff leadership and management skills as an area for further investment. Management skills are crucial for improving planning and reporting systems among producers of official statistics, as well as within the NSO itself. Despite this overwhelming consensus on their importance, however, management skills are not prioritised in capacity development programmes.

Appropriate assessment tools and proper financing mechanisms will be essential for improving statistical capacity. Statistical assessments have traditionally guided agencies to identify capacity needs, often through the use of specific benchmarks of compliance. However, most assessments are predominantly focused on skills (statistical production processes, quality assurance and codes of conduct) and resources (legislation, principles and institutional setting) (Fonteneau, Baredes and Mayard, 2018). Financing for statistical capacity development adds further restrictions; there are currently limited data on available domestic/external resources. This is exacerbated by inadequate funding. In 2017, only 7 International Development Association countries (out of a total of 75) were implementing a fully funded national statistical plan (DESA, forthcoming). Lack of funding, combined with limited resources for capacity development, has led national statistical systems to fall into a vicious circle of low production and scant local demand for data (Scott, 2005; OECD, 2017).

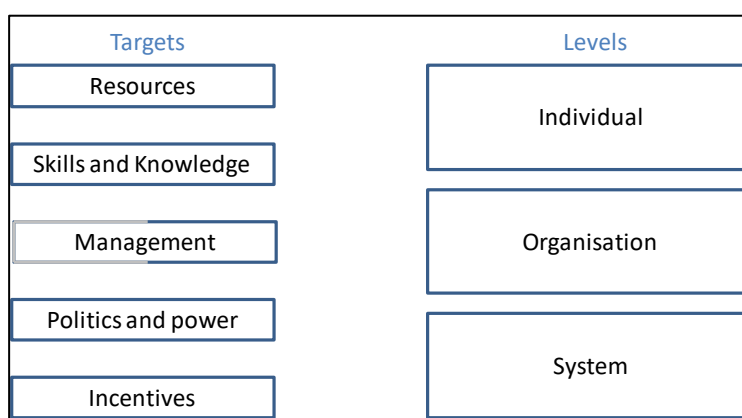
Current capacity development programmes are supply-driven, and country ownership is modest. The supply-driven approach to statistical capacity development has been a common factor in the implementation of capacity programmes, at the considerable detriment to their domestic usefulness and sustainability. 50% of African NSO respondents to the CD4.0 survey perceive that capacity programmes implemented did not involve sufficient consultation between national and international stakeholders (PARIS21, 2018b). With no clear target or benchmark for capacity, impact and sustainability is not possible (Open Data Watch, 2015). The supply-driven approach is also related to donors' results-based frameworks perspective, which is characterised by short timeframes and project-level quantifiable results (Denney and Mallet, 2017; OECD, 2017). The result of these interventions is, therefore, not always relevant for domestic policy making. Indeed, 60% of African NSO respondents who received international support mentioned that capacity development programmes in the last year did not respond to their needs.

3. REVITALISING STATISTICAL CAPACITY: THE CD4.0 APPROACH

CD4.0 entails a comprehensive approach across different levels and targets

Capacity Development 4.0 in data and statistics focuses on the capabilities needed by the national statistical system across three levels: individual, organisation, and system. The *individual* level consists of individual capacities within a statistical organisation; the *organisation* level involves organisation-wide practices; while the *system* level refers to interactions among data communities (Figure 5). The CD4.0 approach proposes holistic interventions that help to strengthen the whole system at these three different levels. It stresses the need to strengthen the capability of national statistical systems for interacting with the larger data ecosystem.

Figure 5. The levels and targets of Capacity Development 4.0



Source: Denney, L. and Mallett, R. with Benson, M. S. (2017), *Service delivery and state capacity: findings from the Secure Livelihoods Research Consortium*. London: Secure Livelihoods Research Consortium.

The CD4.0 framework targets five capability areas that need to be developed if national statistical systems are to meet users' needs. Building on Denney and Mallett (2017), these key targets are (Figure 5):

- i) *Resources*, which are defined as the means (human, physical, financial, legal) to support statistical production. Resources can range from the physical infrastructure for running a population census to the institutional frameworks and arrangements (e.g. statistical law, confidentiality and data privacy laws).
- ii) *Skills and knowledge*, which include the abilities (e.g. information processing, teamwork), both individual and organisational, required to perform a task. In this context, they also refer to the technical skills, such as creative thinking and problem-solving abilities, required to contribute to organisational innovations.
- iii) *Management* entails the combination of both resources and skills and knowledge to produce an output. It includes acquiring and distributing resources in the NSS, defining organisational strategies, and building leadership.
- iv) *Politics and power* refer to the interactions and relationships between units (individuals or organisations), which often determine the dynamics of the whole system.
- v) *Incentives* are defined as the motives guiding individuals and organisations. Existing approaches to statistical capacity already recognise the role of resources, skills and

knowledge and, to some extent, management in the production of official statistics. However, the roles of incentives, and politics and power, are commonly overlooked.

In an era of changing skill demands, CD4.0 aims at strengthening leadership, communications and strategic thinking, as well as improving the overall environment for the production of statistics

Capacity Development 4.0 aims for a more comprehensive set of individual skills and organisational practices. The new and shifting needs of official statistics call for a significant upgrading and expansion of existing skills to include social and emotional skills that can better respond to the complex challenges ahead. The CD4.0 approach recognises leadership, management and communication skills as effective vehicles for strengthening NSSs' organisational processes, helping them to address both internal and external requirements. Internally, a coherent arrangement of resources matched to goals, a culture of innovation and a motivated workforce are critical. Externally, good communication with stakeholders and strong co-ordination between statistics suppliers are the cornerstones of an approach which meets users' needs.

A new set of individual skills will allow actors in the NSS to reach users better. One example is the capacity for *storytelling* in official statistics. CD4.0 Survey results highlight the persistent challenges for NSOs in communications and advocacy. Around 71% of survey respondents report having communication challenges with data providers when using non-traditional sources. More than 40% of NSOs report being interested in establishing partnerships with the private sector to access big data and geospatial data (a key action of the Cape Town Global Action Plan), but lacking sufficient knowledge to pursue them. Despite this, intensifying the interaction between users and producers of official statistics was identified as a priority for NSOs, with 22% of respondents mentioning developing relevant products for users as a goal for their NSS.

Capacity Development 4.0 means enhancing co-ordination and establishing the right incentives

Capacity Development 4.0 integrates a donors' perspective and improves co-ordination in delivery. The framework stresses the importance of donor co-ordination for delivering capacity and describes the emerging examples in this area. New mechanisms are being discussed for improving donor co-ordination and the targeting of needs in the data and statistics sector. One example is an initiative led by the High-Level Group on Partnership, Coordination and Capacity Building (HLG-PCCB) that is exploring the possibility of creating a global fund on development data. The model of an international partnership for attracting financial resources for the sector could be extended to other areas, for example, to optimise planning and thematic distribution of capacity development programmes among providers.

Addressing incentives to participate in capacity development programmes can identify more sustainable and effective motivation mechanisms. The monitoring of capacity programmes has paid little attention to the underlying incentives for individuals and organisations to participate. What incentives do participants have for attending training programmes? How do organisations select their representatives for international trainings? Why do donors continue to choose training as the main tool for capacity development? Capacity Development 4.0 aims to understand these factors, and integrates them into better programme delivery. To many, the current approach involves a system in which donors focus on short-term, output-related results (e.g. number of people trained), and statistical organisations rely on capacity programmes to motivate their employees (e.g. with *per diems* as rewards). A systematic

consideration of incentives during the design and implementation of programmes could be the first step in achieving their stated objectives. The Measurement group of the CD4.0 Task Team (see Annex II) reflected on a new set of indicators to include these aspects and to allow for diagnosing and flagging deficiencies in unexplored capacity areas.

The final goal of Capacity Development 4.0 is to support countries in achieving a ‘virtuous data circle’. Integrating a comprehensive approach to the way data and statistics are generated and used, the CD4.0 approach aims to tackle both sides of the spectrum: data demand and supply. The opportunities for data generation and disaggregation today are significant and growing, and suggest that encouraging data use, particularly for policy making, will be more of a more complex endeavour in the future.

4. TOWARDS GUIDING PRINCIPLES FOR CAPACITY DEVELOPMENT 4.0

After nearly 15 months of extensive consultation, research and activities, the task team has successfully achieved its objectives. Key outcomes include: 1) a conceptual framework for future work developed and fully endorsed by all task team members; 2) new indicators that can better track and measure progress in the conceptual framework’s new dimensions, developed from the analysis of international assessments on statistical capacity; and 3) a collection of case studies from existing capacity development programmes by participants of the operationalisation subgroup, who illustrated their experiences through the lens of CD4.0.

In addition, the task team has identified “success criteria” for implementing capacity development programmes:

- *Accountability* practices for project management and the incorporation of results-based monitoring.
- *Effective absorption* of new knowledge and/or processes, which can be improved by targeting a country’s innovation capability.
- *A comprehensive approach to capacity development*, which goes beyond technical competencies to include soft skills, changes to organisational structures and to address institutional constraints where needed.
- *Adaptability to the local environment*, respecting organisational practices, culture and the work environment.
- *Project sustainability*, both in terms of outcomes (where tangible and measurable results can be defined for the medium term) and of financing.

5. MOVING FORWARD

It is proposed that these success criteria form the basis for defining the guiding principles that are to be discussed, further refined and eventually adopted by the task team’s organisations. The suggested

timeline for developing these principles is six months, with possible milestones where discussions can be advanced and finalised, such as the World Data Forum or other international meetings.

6. REFERENCES

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ANNEX : REPORT OF ACTIVITIES OF THE TASK TEAM IN NEW APPROACHES TO CAPACITY DEVELOPMENT

1. COMPOSITION AND CONVENORSHIP

The task team functioned in three sub-groups: conceptual framework, operationalisation and measurement. It was co-ordinated by the PARIS21 Secretariat together with the co-chairs of each of the sub-groups: UNDP (Conceptual Framework), National Statistical Office of Mongolia (Operationalisation) and Inter-American Development Bank (Measurement). Following a call for interest, task team members were selected based on their expertise in the field and with a view to ensure balanced representation of multilateral agencies, research centres, civil society organisations, statistical offices and statistical training centres.

2. OBJECTIVES AND ACTIVITIES

The task team worked primarily via the community site, e-mail exchange and videoconferences. A two-day workshop also took place in December 2017 to further refine the approach. The following objectives were met:

1. A refined conceptual framework for Statistical Capacity Development 4.0 (view the paper: *Proposing a framework for Capacity Development 4.0*).
2. An online repository (Open Assessment Repository) to compare existing statistical capacity assessments with each other and the proposed conceptual framework
3. A review of existing assessments of statistical capacity to explore what they measure and which of the proposed indicators for dimensions of Capacity Development 4.0 are not currently covered (see the paper: *Measuring Statistical Capacity Development: a review of current practices and ideas for the future – moving towards Statistical Capacity 4.0*).
4. A global survey to assess the state of statistical capacity development and countries' priorities, conducted with the High-Level Group on Partnership, Coordination and Capacity Building for the 2030 Agenda.