

# ESGAB ANNUAL REPORT 2015

Seventh annual report by the  
**European Statistical  
Governance Advisory Board**  
to the European Parliament  
and the Council on the implementation  
of the European Statistics  
Code of Practice by Eurostat and  
the European Statistical System  
as a whole



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# EUROPEAN STATISTICAL GOVERNANCE ADVISORY BOARD (ESGAB)



First row up, left to right:  
Martti Hetemäki (Chair),  
Pilar Martin-Guzmán,  
Enrico Giovannini,  
Patricia O'Hara.

Second row:  
Marius Profiroiu,  
Günter Kopsch,  
Lars Lyberg.

ESGAB was established by the European Parliament and the Council in 2008 to provide an independent overview of the European Statistical System (ESS) with particular regard to the implementation of the European Statistics Code of Practice. ESGAB's aim is to enhance professional independence, integrity and accountability (three key elements of the Code of Practice) in the ESS, and the quality of European statistics.

Its tasks include preparing an annual report to the Parliament and the Council on the implementation of the Code of Practice insofar as it relates to the Commission (Eurostat),

including an assessment of implementation in the ESS as a whole, and advising the Commission (Eurostat) on appropriate measures to facilitate implementation of the Code, how to communicate it to users and data providers, updating it and questions relating to user confidence in European statistics, if considered necessary.

ESGAB comprises seven members and Eurostat participates as an observer. The Commission covers its secretariat and meeting expenses. ESGAB members receive no remuneration. ESGAB therefore has no operating budget.

For further details see: <http://ec.europa.eu/esgab>.

# FOREWORD

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I am pleased to be writing my first foreword as Chair of the European Statistical Governance Advisory Board. This seventh annual report focuses on Eurostat's progress on implementing the Code of Practice following last year's peer review by the previous ESGAB team and on some specific challenges in the collection of official statistics.

The new team took up office in March 2015, with half its members continuing into a second term and the others, myself included, starting as newcomers. I owe much to the professionalism of the previous team, which has laid the ground for our Code-compliance monitoring work.

ESGAB's tasks in a rapidly changing environment are no easier than those of our partners in the European Statistical System (ESS). Changing quality paradigms mean that methodologies and the production process will need to be adapted. Pragmatic solutions will need to be found for coordinating the complex ESS.

I look forward to addressing these challenges with ESGAB colleagues, ESS partners and European decision-makers.

**Martti Hetemäki**  
**ESGAB Chair**

# EXECUTIVE SUMMARY AND RECOMMENDATIONS

In many ways, 2015 has been a significant year for the European Statistical System (ESS). One major achievement was the revision of Regulation (EC) No 223/2009 on European statistics to strengthen the professional independence of statistical authorities and improve the coordination and efficiency of the ESS. The 2013-2015 Code of Practice peer review has resulted in new recommendations and improvement measures throughout the ESS, focusing on quality in governance, procedures and statistical outputs. Eurostat has been given, and has used, new tools – including the power to propose sanctions in cases of misreporting of government debt and deficit data – to ensure that high-quality standards are upheld in the production of European statistics.

Nevertheless, the ESS must remain vigilant if it is not to be left behind the curve on various challenges. This report addresses three of these: the ‘data revolution’, resource constraints in the face of growing data needs for policy-making, and the regionalisation of statistical systems in some Member States.

An exponential increase in the volume and types of data available has triggered an unprecedented data revolution. Big Data, other new data

sources and more use of existing registers and administrative data promise lower costs and response burden and greater efficiency. Statisticians are beginning to develop ways of harnessing the mass of available data to produce high-quality statistics while respecting privacy and confidentiality rules and resolving many other technical and legal issues. New cooperation models need to be found for exploiting data provided by private-sector entities. These developments are here to stay and, sooner rather than later, will challenge conventional concepts and processes for surveys and statistical production (quality, timelines, confidentiality and methodology, to mention just a few). Consequently, the Code of Practice itself will also need to take into account new ways of producing statistics. The future requires open and innovative minds, a capacity to adjust to fast-changing skills requirements, efficient implementation and investment in order to reap the potential benefits of new developments.

Ever since its first annual report in 2009, ESGAB has strongly advocated multiannual resource planning and sustainable funding so that resources can be balanced with current statistical demands and, most importantly, invested in future developments. This has not



happened. Instead, the reverse is true: resource cuts have become the norm and the tension between the need for new investment and the ever-growing demands of the users of statistics has only increased. Statistics are perceived by decision-makers and citizens as a public good without a price tag: this must change. On the production side, Eurostat, the national statistical institutes (NSIs) and other national authorities (ONAs) must be able to demonstrate the value of their statistical outputs and services, e.g. by adopting effective cost-accounting systems.

In some parts of the EU, national statistical systems are geographically fragmented, as regions and local authorities (some responsible for administrative registries) also produce statistics. Regulation (EC) No 223/2009 on European statistics provides for all statistical producers to comply with the Code of Practice. Given the political constraints, ensuring this will require NSIs to demonstrate leadership and coordinate statistical systems. In cases of increasing regional autonomy, cooperation and quality assurance mechanisms between regional and national levels will need to be established.

Apart from discussing future challenges, this report serves a monitoring purpose following the peer review of Eurostat last year. ESGAB issued

16 recommendations, which have resulted in 20 measures to improve Eurostat's compliance with Code principles such as professional independence, efficiency, quality, methodology and impartiality. Only a few of these were due to be completed this year and progress is mostly well on track.

Views diverged on the 2014 recommendations on the legislation governing the recruitment and dismissal of Eurostat's senior management and no action plan was drawn up. ESGAB is in favour of open competition, laying down the procedure and professional statistical qualifications in law. The Commission applies its Staff Regulations and prerogative of rotating senior management, without demanding that the Director-General of Eurostat have statistical qualifications. Although the Commission did not change the professionally qualified senior management of Eurostat in its June 2015 rotation exercise, ESGAB remains of the opinion that the current rules do not ensure the selection of a candidate with sufficiently high statistical qualifications. Four recommendations this year are devoted to this subject, including one for improving the relevant indicator in the Code of Practice.

## 2015 RECOMMENDATIONS

### Eurostat's compliance with the Code of Practice – follow-up of 2014 peer review\*\*<sup>1</sup>

**Eurostat's** first progress report was issued in May 2015 and ESGAB was kept regularly informed, in its meetings, on preceding and subsequent developments. The recommendations below address improvement measures that are scheduled to be well advanced or completed by the end of 2015 or the first quarter of 2016:

**2015/1\*\*** When appointing the Director-General of Eurostat, the Commission should in future ensure that candidates' professional competences in the field of statistics are independently assessed. ESGAB could be consulted in the course of the recruitment process and informed, where applicable, why its advice has not been taken into account.

**2015/2** Indicators of professional competence in the Code of Practice (especially 1.2 and 1.8) should be more clearly defined in order to improve compliance assessment.

**2015/3\*\*** The selection criteria for future Eurostat Directors-General should include very good knowledge and experience in fields relevant to Eurostat's mission. The criteria should be explicitly stated in the vacancy notice for open calls for candidates and taken into account in internal rotations of Commission Directors-General.

**2015/4\*\*** Reasons for dismissing the Director-General of Eurostat should not compromise his/her professional independence and should preferably be specified in legislation on European statistics. Until the next revision of the relevant legislation, this could be incorporated as good practice in other publicly available documents.

**2015/5\*\*** Eurostat should seek to set an example in the ESS by further reducing the frequency and number of statistics subject to pre-release access.

**2015/6\*\*** The pre-release rules should be more easily accessible to the public and state clearly when and to whom statistics are available before their publication.

**2015/7** Pre-release access should be monitored transparently and publicly.

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<sup>1</sup> \*\* Recommendations addressing those issued in the 2014 report.

## Challenges for the ESS: data revolution, resource constraints and regionalisation

**The** EU is unique in the degree to which its policies are based on statistics. The quality of European statistics needs to be ensured through compliance with high professional standards in all Member States. This is even more vital given the changing landscape of statistics and its implications for quality.

**2015/8** ESGAB urges the Greek Government and all responsible political actors to take action as soon as possible to build trust in the modern statistical system established over the past five years.

**2015/9** ESS members should promote greater awareness and recognition of official statistics as a public good. ESS members and actors in the political and administrative system should engage in dialogue more intensively than in the past, jointly developing and implementing concrete action to improve the current situation.

**2015/10** ESS members (in particular NSIs and Eurostat) should improve cost-accounting systems and provide early estimates of the costs of producing European statistics in order to ensure adequate comparability and coverage. The estimates should be used for a benchmarking exercise covering statistical systems at international level.

**2015/11** ESS members should measure trust in official statistics so as to gauge cost-effectiveness and make the value of official statistics more apparent.

**2015/12** ESS members should step up their efforts to introduce or improve multiannual resource planning and sustainable funding for European statistics.

**2015/13** The nature of the future challenges underlines the importance of ESS leadership in exploring and using new methodologies and new data sources such as Big Data and the need further to expand professional capacity and continuous learning for the ESS as a whole. Training initiatives such as the European Statistical Training Programme (ESTP) and the European Master's in Official Statistics (EMOS) should take full account of the changing landscape of European statistics.

**2015/14** The quality framework and the Code of Practice for European statistics should accommodate anticipated developments and challenges in the changing landscape of European statistics. To this end, a revision of the Code of Practice should commence shortly.

**2015/15** The NSIs in countries with statistical production in regions with a high degree of autonomy should be alert to the challenges posed by the regionalisation process and adopt a strong leadership role and effective coordination procedures. To this end, a clear and definite mandate and wide coordination powers should be enshrined in legislation.

**2015/16** Governments and NSIs in the transition phase of regionalisation should provide sufficient resources for training and awareness-raising on the Code of Practice.

**2015/17** Eurostat should reinforce its capacity to monitor and evaluate Code compliance in regionalised and decentralised statistical systems.

# 1. INTRODUCTION

The main focus of this report is on Eurostat's progress in implementing improvement measures resulting from the recommendations in ESGAB's peer review of Eurostat in 2014. We also explore future challenges facing the European Statistical System (ESS) as a whole, i.e. Eurostat and national statistical institutes (NSIs) and other national authorities (ONAs) in each Member State responsible for the development, production and dissemination of European statistics.

This report comes at a time when the results of the second round of peer reviews are unfolding.

The Commission will present the conclusions of the exercise in its communication to legislators in early 2016. ESGAB will examine the ESS's compliance with the Code of Practice from the national perspective more closely once the NSIs' first reports on the implementation of improvement measures are available.

In section 2, we highlight that 2015 is an important milestone for the ESS. Section 3 is devoted to Eurostat and section 4 explores the future challenges for the ESS. The executive summary recaps on the recommendations made in the previous sections.

## 2.2015: THE CULMINATION OF SEVERAL ESS DEVELOPMENTS

In 2015, the revision of Regulation (EC) No 223/2009 on European statistics<sup>2</sup> has given the ESS a solid foundation, strengthening its governance architecture and the Code of Practice and providing a basis for a quality assurance and quality control system. Both the Regulation (directly applicable in all Member States) and the Code (a self-regulatory instrument adopted by ESS members) have their origin in a thorough overhaul of ESS governance a decade ago in response to the first difficulties in government finance statistics. Similar difficulties in 2009 and the subsequent financial and economic crisis proved that the initial measures had not fully resolved the quality problems. Also, resources shrank faster and faster – contributing to dramatic cuts in the budgets allocated to official statistics – while enhanced economic governance in the EU threw

up new demands in terms of the volume, quality and accessibility of statistical information.

The ESS's response to these challenges was to reinforce the Code of Practice (revised in 2011) and to launch a new round of peer reviews in 2013. ESGAB carried out a peer review of Eurostat in 2014 and the results of this audit-type exercise in the Member States and EFTA countries are now unfolding; the first improvement measures are now being implemented on the basis of the recommendations.

The ESS Committee (ESSC) decided to streamline the governance structure further in order to be fully in charge of programming and coordinating the entire ESS. It was decided that the comitology powers should be transferred to the ESSC from the existing comitology committees.<sup>3</sup> The ESSC adopted the ESS Vision 2020 as the main vehicle

<sup>2</sup> Regulation (EU) No 2015/759 amending Regulation (EC) No 223/2009 on European statistics ([consolidated version](#)).

<sup>3</sup> Process is still ongoing, e.g. in the case of balance of payments.

for addressing the many challenges ahead and a strategic action plan for its implementation as of 2015. The Vision 2020 initiatives focus on users, quality, new data sources, production processes and dissemination.

The ESS has also attached great importance to skills development in the rapidly changing landscape of official statistics. The newly established European Master's in Official Statistics (EMOS) is aimed at promoting competence development in the field within existing European master's programmes. In May 2015, the EMOS label (which is valid until 2019) was awarded to 12 master's programmes<sup>4</sup> and courses will start in the 2015-2016 academic year.

The Commission and Eurostat have sought to strengthen quality and production mechanisms for European statistics. The ESSC adopted a new architecture for statistical legislation to deal with the plethora of statistical legal acts that had been adopted in the past 20 years. This *acquis* had become a straitjacket and required substantial revision and simplification, in line with the legal principles and tools of the Lisbon Treaty.

Eurostat's role and responsibilities were defined in 2012 in a Decision<sup>5</sup> in which the Commission undertook to uphold the independence of Eurostat and its Director-General in the execution of their tasks and ensure that European statistics comply with high-quality standards. The professional independence of Eurostat's Director-General is further confirmed in the *Practical arrangements governing working relations between Commissioner Thyssen, her cabinet and Eurostat*.<sup>6</sup>

The Director-General has the sole responsibility for deciding on statistical methods, standards and procedures, and on statistical releases in accordance with the legislation in force.

The amended legislation to enforce effective budgetary surveillance in the euro area (the excessive deficit procedure) strengthened Eurostat's quality assurance and control powers in terms of methodological visits and investigations, *inter alia* empowering it to propose sanctions and fines.<sup>7</sup> These developments have led to closer cooperation with national authorities to improve the quality of government finance statistics, notably in Greece and Spain. The Hellenic Statistical Law has been amended and biannual Greek government finance statistics have now been published for the 10th time in a row without reservation by Eurostat. In May 2015, following an investigation in Spain's Autonomous Community of Valencia, the Commission proposed for the first time sanctions relating to the manipulation of debt and deficit data (without calling into question the accuracy of other national statistics). In July, the Council followed the Commission's recommendation to impose a fine on Spain.

The main achievement in 2015 for the ESS as a whole was the revision of Regulation (EC) No 223/2009 on European statistics. Negotiations on the Commission's ambitious 2012 proposal took place over a period encompassing six EU presidencies, European Parliament elections and a new Commission team. The amendments strengthen the ESS, notably in terms of clarifying the professional independence, coordinating role

<sup>4</sup> <http://www.cros-portal.eu/content/emos-labelled-universities>

<sup>5</sup> OJ L 251, 18.9.2012, p. 49.

<sup>6</sup> Practical arrangements governing working relations between Commissioner Thyssen, her cabinet and Eurostat, signed on 18 September 2015.

<sup>7</sup> Council Regulation (EC) No 479/2009 on the application of the Protocol on the excessive deficit procedure annexed to the Treaty establishing the European Community and Regulation (EU) No 1173/2011 of the European Parliament and of the Council on the effective enforcement of budgetary surveillance in the euro area.

and accountability of heads of NSIs and the head of Eurostat for the production and dissemination of statistics at national and Union level, and providing for better access to administrative records so as potentially to reduce response burden and improve quality.

Finally, the composition of ESGAB has been renewed in 2015 in line with the relevant legislation, with a new Chair and three new members to replace outgoing members. Over the past 12 months, ESGAB has been following very closely the development of the ESS and events in national statistical systems. In this context, it has published on its website two formal opinions addressing Code compliance in Germany and Greece, and supported the ESS statement on

commitment to the professional independence of statistical authorities and the credibility of European statistics, and on statistics in Greece. In this way, it has drawn the attention of some Member States to statistical governance issues, such as the appointment procedure for heads of statistical offices in the German *Bundesländer* (Annex 2) and the operation of the Hellenic Statistical System (Annexes 3 and 4).

In conclusion, ESGAB welcomes the progress in the past decade, which has strengthened ESS governance and given it a number of tools to prepare the way ahead, especially as future challenges are bound to test anew the system's resolve and capacity to change.

# 3. OVERVIEW OF IMPLEMENTATION OF THE CODE OF PRACTICE

## 3.1. EUROSTAT

ESGAB carried out a peer review of Eurostat in 2014. Its report summarised Eurostat's strengths, especially in the areas of legal environment, commitment to quality, methodology and quality of human resources. It issued 16 recommendations, on the basis of which Eurostat developed an implementation plan containing 20 improvement measures (Annex 1). The plan does not address the first four recommendations, on the appointment and dismissal of Eurostat's Director-General and other senior management, as views on these had diverged. Eurostat's first progress report was issued in May 2015 and ESGAB was kept regularly informed, during its meetings, on preceding and subsequent developments. Many of the improvement measures are to

be completed in 2016-2017 and will thus be covered in future ESGAB reports. Measures scheduled to be well advanced or completed by the end of 2015 or the first quarter of 2016 concern recommendations 5, 10, 11, 12 and, to a certain extent, 16. These are covered in more detail below; for each recommendation, we describe Eurostat's action and assess progress on implementation.

### Recruitment and dismissal of Eurostat's senior management

2014 recommendations nos. 1-4 focus on the legislation governing the recruitment and dismissal of Eurostat's senior management (see Annex 1). Eurostat's divergent view was as follows:



‘Eurostat Directors-General as well as all other senior managers are recruited and appointed following the transparent policy established by the Commission, based on guidelines which are publicly available. The policy and the guidelines correspond to the requirements set out in the Code of Practice. More specifically, the essential requirement for appointing the Director-General, according to the Code, is his or her professional competence, not that the arrangements for the appointment are specified in law. Moreover, the indicator related to professional competence is not defined in the Code, in particular not by any reference to reputation in specific circles or to statistical qualifications as more relevant than other qualifications. The assessment of competence should remain with the appointing authority, both at national and Union level. Strong indicators for assessing the competence of Eurostat future Directors-General are established in the Commission Decision on Eurostat. Recommendations 1, 2 and 4 thus go beyond the Code as regards the appointment procedures. The conditions for any dismissal of Commission officials – including Directors-General and other senior management – are set out in Article 5 of the Staff Regulations. The Staff Regulations, in combination with the Commission Decision on Eurostat, correspond to the Code of Practice indicator on having the conditions for dismissal specified in a legal framework. Recommendation 3 is thus without subject.’

ESGAB would have welcomed progress reports on the recommendations in the light of Regulation (EC) No 223/2009, as amended. As to Eurostat’s view, ESGAB agrees that Commission senior managers are recruited and appointed according to publicly available guidelines. However, the rules allow for officials to be transferred without an open external publication of the vacancy. There is therefore no guarantee that, in the case of a rotation of Directors-General (and other managerial staff), a candidate with a high level of professional qualifications in the field of statistics will be appointed. A recent reshuffling of senior Commission management was described as follows in a press release:<sup>8</sup>

‘Following the re-organisation of the Commission in November 2014, today’s decision is a further step in gearing the Commission towards effective delivery. It concludes an inclusive process set in motion by the President in March 2015. First, Commissioners proposed three names of senior managers they would like to see as their Director-General. Then, the President consulted the relevant Vice-Presidents on the proposals submitted to him, counting on the valuable support and advice of Vice-President Kristalina Georgieva (responsible for budget and human resources).’

<sup>8</sup> ‘Continuity and change: Commission appoints new Secretary-General and reshuffles its senior management’; press release, 24 June 2015; [http://europa.eu/rapid/press-release\\_IP-15-5252\\_en.htm](http://europa.eu/rapid/press-release_IP-15-5252_en.htm).

While public, this process may appear more appropriate for the staffing needs of policy-orientated Directorates-General than those of services producing impartial official statistics. Similarly, the last vacancy announcement for Eurostat Director-General required only a 'very good knowledge and experience of the workings of the European Institutions, ..., preferably in a field relevant to the mission of Eurostat'. In other words, professional qualifications in the field of statistics are not a pre-requisite for becoming head of Eurostat.

As to the requirements in the Code of Practice, ESGAB agrees that the indicator relating to professional competence is not sufficiently defined. We tried in 2011 to formulate such a definition<sup>9</sup> and there is certainly scope for improving it, but we reject the notion that the competence of a future Director-General of Eurostat, NSI or ONA should continue to be assessed by the appointing authority, be it at national and Union level. The ESS is responsible for producing high-quality, trustworthy and impartial European statistics and must provide for adequate 'checks and balances' in its procedures for appointing and dismissing heads of statistical offices. The amended Regulation (EC) No 223/2009 took a first step in this direction in requiring the Director-General of Eurostat to appear before the European Parliament for a hearing directly after his/her appointment. However, the reasons for dismissing the Director-General are not stated (in Article 6a(2)) as clearly as those for dismissing the heads of NSIs (Article 5a(4)). We would expect and encourage the Commission to set a clearer example in the ESS for complying with the Code of Practice and address the issues raised in the diverging view in the course of 2016.

<sup>9</sup> See footnote 11 under Recommendation 2015/2.

## 2015 RECOMMENDATIONS

**2015/1\*\*<sup>10</sup>** When appointing the Director-General of Eurostat, the Commission should in future ensure that candidates' professional competences in the field of statistics are independently assessed. ESGAB could be consulted in the course of the recruitment process and informed, where applicable, why its advice has not been taken into account.

**2015/2** Indicators of professional competence in the Code of Practice (especially 1.2 and 1.8)<sup>11</sup> should be more clearly defined in order to improve compliance assessment.

**2015/3\*\*** The selection criteria for future Eurostat Directors-General should include very good knowledge and experience in fields relevant to Eurostat's mission. The criteria should be explicitly stated in the vacancy notice for open calls for candidates and taken into account in internal rotations of Commission Directors-General.

**2015/4\*\*** Reasons for dismissing the Director-General of Eurostat should not compromise his/her professional independence and should preferably be specified in legislation on European statistics. Until the next revision of the relevant legislation, this could be incorporated as good practice in other publicly available documents.

<sup>10</sup> \*\*Recommendations addressing those issued in the 2014 report.

<sup>11</sup> 1.2: The heads of the National Statistical Institutes and of Eurostat and, where appropriate, the heads of other statistical authorities have sufficiently high hierarchical standing to ensure senior level access to policy authorities and administrative public bodies. They are of the highest professional calibre.

1.8: The appointment of the heads of the National Statistical Institutes and Eurostat and, where appropriate, of other statistical authorities, is based on professional competence only. The reasons on the basis of which the incumbency can be terminated are specified in the legal framework. These cannot include reasons compromising professional or scientific independence.

## Implementation of the legal architecture

2014 recommendation no 5: **‘Future European statistical legislation should adhere to the legislative architecture adopted in 2013 with its three-layer approach, making in particular a distinction between the “what” in framework regulations and the “how” in delegated and implementing acts.’**

The Lisbon Treaty has substantially amended the way in which the legislator confers powers on the Commission, distinguishing clearly between implementing and delegated acts. Member States have a formal voting right, in the comitology committees, only for the former. For the latter, the power to adopt legal acts of general application to supplement or amend non-essential elements of a legislative act is delegated to the Commission, with a subsequent scrutiny power exercised, on an equal footing, by the European Parliament and the Council. The Commission prepares both types of legal act in consultation with Member States in ESS working groups and directors’ groups.

Eurostat’s two improvement measures relate to proposals for a Framework Regulation Integrating Business Statistics (FRIBS) and a Framework regulation for European statistics on persons and households (ESS). The Commission plans to adopt the FRIBS proposal by the end of 2016 and the legislative process with the Parliament and the Council for the IESS proposal should start in the course of that year.

ESGAB welcomes the progress achieved and looks forward to the planned Commission proposals on both framework regulations. We attach considerable importance to the implementation of the legislative architecture put in place since the Lisbon Treaty. In many ongoing discussions on legislation, the main difficulties are linked to delegated acts. ESGAB calls on all stakeholders to take a pragmatic

attitude so as not to fall back to the less efficient practices of the past, when the inclusion of all statistical details in the basic legal act hampered the short-term adjustments needed for implementation. Swift agreement on the use of implementing and delegated acts is essential to the ESS’s capacity to respond to future challenges in a fast-changing environment (see section 4).

## Dissemination – release calendar

2014 recommendation no 10: **‘Eurostat should aim at publishing a full release calendar and a joint publication of Eurostat and NSI statistics.’**

Eurostat puts forward two improvement measures:

- No 10.1 concerns the release calendar. Eurostat reports that the weekly release calendar comprising all statistical news releases (euro indicators or ad hoc releases) is sent to some 1 000 journalists and news agencies; and
- No 10.2 is a first step towards the joint publication of articles in *Statistics Explained*<sup>12</sup>. Eurostat has proposed to Member States that NSIs be allowed to release articles on the shared dissemination platform in *Statistics Explained* by 2016.

ESGAB considers measure no 10.1 to have been implemented. On measure no 10.2, it would stress that 2014 recommendation no 10 is not limited to articles in *Statistics Explained* and encourages Eurostat to pursue efforts to overcome the challenges relating to the simultaneous release of statistics by all ESS

<sup>12</sup> ‘*Statistics Explained*’ presents statistical topics in easily understandable articles. Together, the articles make up an encyclopedia of European statistics, completed by a [statistical glossary](#) clarifying terms used and by links to further information and the latest data and metadata.

members, notably issues of quality frameworks and in particular the timeliness dimension.

### Dissemination – pre-release rules

2014 recommendation no 11: **Eurostat should fully investigate the potential impact of a full pre-release ban and ways to manage risks if a strongly limited pre-release is maintained for individual news agencies.’**

Eurostat reports that this recommendation has been implemented; after investigation, it decided not to implement a full pre-release ban. Agreements have been concluded with the media and the European Central Bank (ECB) and memoranda of understanding with other Commission services are being updated to specify the security status of pre-releases and the job profiles concerned.

The *Practical arrangements governing working relations between Commissioner Thyssen, her cabinet and Eurostat* stipulate that all news releases be ‘transmitted, under embargo and for information, to the member of cabinet responsible for Eurostat and the communications adviser the working day before their dissemination to the press’. Two euro-indicator news releases identified as market-sensitive are transmitted by encrypted email on the morning of their release. The rules on pre-release access for the Commissioner’s cabinet are similar to those in the working arrangements with the previous Commissioner.

ESGAB considers that recommendation no 11 has been formally fulfilled. Following an investigation, Eurostat concluded that no major changes to the pre-release rules were necessary. The January 2014 protocol<sup>13</sup> on impartial access

grants pre-release access for information purposes to the ECB, the Commissioner and her cabinet, other Commission departments and accredited journalists. However, we would draw attention to the statement connected with the recommendation (p. 22 of the ESGAB 2014 report):

‘The peer review team would prefer a complete ban on pre-release to politicians and civil servants of any rank, except possibly for the news agencies once the potential impact of such an action has been carefully assessed. The peer review team recommends fuller investigation of this issue before a decision is taken to restrict pre-release completely, even in the case of sensitive data.’

The current trend towards greater transparency calls for stricter arrangements whereby pre-release is completely banned or limited to media only. A full ban is already in place in a number of Member States, e.g. the Czech Republic, Italy, Poland, Slovenia and Sweden. Also, users seeking a comprehensive overview of the pre-release arrangements in force or their monitoring cannot easily find the rules in sufficient detail on the relevant Eurostat webpage. ESGAB would expect the Commission and Eurostat to be seen, just as clearly as the Member States, to comply with the Code of Practice and preferably to set an example by further restricting pre-release access.

<sup>13</sup> [http://ec.europa.eu/eurostat/documents/4187653/5798057/IMPARTIAL\\_ACCESS\\_2014\\_JAN-EN.PDF](http://ec.europa.eu/eurostat/documents/4187653/5798057/IMPARTIAL_ACCESS_2014_JAN-EN.PDF).

## 2015 RECOMMENDATIONS

**2015/5\*\*<sup>14</sup>** Eurostat should seek to set an example in the ESS by further reducing the frequency and number of statistics subject to pre-release access.

**2015/6\*\*** The pre-release rules should be more easily accessible to the public and state clearly when and to whom statistics are available before their publication.

**2015/7** Pre-release access should be monitored transparently and publicly.

### Communication

2014 recommendation no 12: **‘Eurostat should review and revise its communication strategy to ensure that it is effectively reaching its target audiences in today’s media landscape and make optimal use of modern communication tools for different user segments.’**

Eurostat reports two improvement measures being implemented as scheduled (by mid-2015):

- No 12.1: The Eurostat press office is interviewing media representatives to evaluate possible changes to the current communication strategy. It will draw up an action plan on the basis of the results; and
- No 12.2: Eurostat is developing infographics to complement its existing visualisation tools and help less experienced users. The ‘Economic Trends’, ‘Young Europeans’, ‘Quality of Life’ and ‘Your Country in a Bubble’ tools were phased in over the first half of 2015. In order to assess the

usefulness of its visualisation tools and identify possible improvements, Eurostat will interview a sample of representative users in the third quarter of the year.

ESGAB considers the proposed measures as first steps to implementing recommendation no 12 and looks forward to further action following the interviews with media and users.

### Code of Practice

2014 recommendation no 16: **‘A principle and corresponding indicators addressing the need to coordinate the development, production and dissemination of European statistics should be developed during the next revision of the Code of Practice.’**

Following completion of the peer reviews in the first quarter of 2016, Eurostat will propose to the ESSC that a task force be set up to amend the Code of Practice in the light of this recommendation.

ESGAB welcomes the intention to amend the Code of Practice in close collaboration with ESS members and looks forward to contributing to this work.

### Summary of 2015 recommendations for changes in the Code of Practice

2015 recommendation no 2 on more clearly defined indicators relates to the first principle of professional independence.

2015 recommendations nos 5-7 relate to more equal access, as covered by Code of Practice indicator 6.7.<sup>15</sup>

<sup>14</sup> \*\* Recommendations addressing those issued in the 2014 report.

<sup>15</sup> 6.7: ‘All users have equal access to statistical releases at the same time. Any privileged pre-release access to any outside user is limited, controlled and publicised. In the event that leaks

### 3.2. ESS NATIONAL MEMBERS

At the time of writing, the second round of peer reviews was still ongoing. The visits were concluded by the end of June, followed gradually in the course of the autumn by the review teams' reports and the NSIs' proposals for improvement measures. The process covered a wide range of issues affecting the ESS; the Commission will report to the Parliament and the Council on these in early 2016. The first 2016 reporting on progress on improvement measures will form the basis of ESGAB's 2016 report.

The first round of peer reviews concluded that there had been good progress on improvement measures in areas for which NSIs were directly responsible, but a number of issues identified in 2006-2008 remained. In particular, many recommendations and measures, e.g. as regards institutional setting, had not been fully implemented. Improved access to and exploitation of administrative data sources for statistical production could still lead to greater cost-efficiency in many countries and should be worked on further, especially in order to enhance the quality of registry data for statistical purposes. Also, legislative changes to allow the exchange of micro-data among ESS members are advancing only slowly. Moreover, a lack of resources is stretching the system to its limits; it can no longer be taken for granted that the constant growth in demand for statistics will be met. Increased resources are needed to develop new products and services and exploit the wealth of emerging information sources.

In ESGAB's preliminary assessment, the current peer review exercise is set to recognise new challenges and areas for improvement in the ESS, such as:

- professional independence, impartiality and objectivity (e.g. appointment procedures for heads of NSIs; further restriction of pre-release access);
- resources, burden on respondents and cost-effectiveness (e.g. partly problematic budget cuts; flexible mandate to use administrative data);
- quality, methods and procedures (e.g. strengthening the use of standardised methods; implementation of systematic quality audits);
- the comparability of national results has become an essential dimension of quality, to be taken increasingly into account when making methodological choices;
- dissemination and user relations (e.g. establishment of common portals for all official statistics; improved access to micro-data for researchers); and
- coordination (e.g. strengthened legal power for the coordination role of NSIs; systematic quality audits in ONAs).

Some of these issues are examined below and ESGAB will study them in more detail when considering the recommendations resulting from the current round of peer reviews.

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occur, pre-release arrangements are revised so as to ensure impartiality.'

# 4. CHALLENGES FOR THE ESS

The coming decade will be no less challenging than the previous one. This section explores the impacts and risks to the ESS posed by current economic, social, political and technological developments. The economic crisis is leaving the ESS under-resourced and hampering its ability to take advantage of the data revolution, defined as 'growing demand for data from all parts of society', together with 'an explosion in the volume of data, the speed with which data are produced, the number of producers of data, the dissemination of data, and the range of things on which there is data, coming from new technologies such as mobile phones and the "internet of things", and from other sources such as qualitative data, citizen-generated data and perceptions data'.<sup>16</sup>

Citizens may have lost trust in public institutions, including official statistics. In some countries, a greater regionalisation of powers and administrations, including statistical offices, threatens compliance with the Code of Practice. Finally, the Code itself needs to be updated in order to function as a quality framework in a rapidly changing environment.

## 4.1. NEED FOR INVESTMENT IN RELEVANT AND TRUSTED OFFICIAL STATISTICS

Pressures on resources and technological and methodological innovations have led to significant efficiency improvements in NSIs in recent years. There is nevertheless still a tension between the need for new investment, the increasing demands of policy-makers, governments and users for ever more relevant and timely statistics as a basis for decision-making, and scarcer resources for their production. At the same time, the private sector is investing more and more resources in the collection and use of data to improve business processes.

The economic crisis highlighted the importance of high-quality statistical information for national and international decision-making, but the crisis and its aftermath also dented trust in institutions. Recent Eurobarometer surveys<sup>17</sup> suggest a link between trust in the integrity of official statistics and public trust in institutions of governance and government (see text box). Establishing a well-functioning public statistical infrastructure oriented purely to implementing rules, principles and regulations might not be enough to change perceptions and restore trust. This paradoxical situation can

<sup>16</sup> See report on A world that counts: mobilising the data revolution for sustainable development; [www.undatarevolution.org](http://www.undatarevolution.org).

<sup>17</sup> Standard Eurobarometer 83, spring 2015 and Special Eurobarometer 323 (Europeans' knowledge of economic indicators), 2010.

still be observed in Greece. Internationally, the stabilisation of the Hellenic Statistical System, in particular the Hellenic Statistical Institute (ELSTAT), was widely acknowledged as a major success, but this perception is not at all shared among Greek stakeholders.

With greater recognition of the role and relevance of official statistics in measuring performance and triggering sanctions, public trust in their objectivity and integrity is fundamental to ensuring transparency and accountability and therefore to the functioning of democracy itself. If decision-makers or citizens distrust the evidence base or find it irrelevant, they are likely to ignore it and to be suspicious of the institutions that use such evidence. Thus, users' perception of the quality of statistics is of paramount importance.

The production of high-quality official statistics is by nature costly, as it requires many highly skilled staff. As data sources, technologies and

statistical analysis become more diverse and sophisticated, the work demands investment in IT infrastructure and methodological development. NSIs are competing with better-resourced private-sector businesses to attract staff with relatively scarce new skills, particularly in data science. Failure to invest in this area poses not only a very real risk to quality, but also the danger that official statistics will be perceived as less relevant or technologically sophisticated than those produced by commercial bodies.

National governments have to recognise that NSIs, Eurostat and ONAs must be adequately resourced if they are to maintain quality while responding to fast-moving environmental changes (such as globalisation and the data revolution) and ever-increasing user demand. Among politicians and the general public, there appears to be limited awareness or discussion of official statistics as a key aspect of a modern state infrastructure that needs continuous

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## Trust in official statistics in the European Union

In spring 2015, on the basis of a Eurobarometer survey, the Commission investigated European citizens' knowledge of key macroeconomic indicators and their confidence in official statistics. The survey measured *inter alia* the complex concept of trust in official statistics and updated the results of similar surveys in 2007 and in 2010. Caution is called for in interpreting the results because the concept of trust is heavily dependent on knowledge and culture, which makes cross-national comparisons difficult without extensive question

adaptations across countries. On average, 44 % of EU citizens tend to trust official statistics, while 50 % tend to distrust them (6 % have no opinion). The first figure is the same as in 2010, while the second is four percentage points higher. At country level, the situation is very mixed: in three countries, trust in official statistics exceeds 70 %, in nine it is between 50 % and 69 %, in 10 between 40 % and 49 %, and in six between 27 % and 39 %. Only two countries have seen a significant increase in trust over the past five years, five a decrease of about 10

percentage points, and two an even larger fall. As trust in statistics and trust in government are generally correlated, it is worth noting that the former was 13 percentage points higher than the latter (44 % vs. 31 %) at EU level in spring 2015. This positive difference exists in all EU countries but one. While the gap closed by two percentage points between 2010 and 2015 at EU level, in 11 countries it widened, in some cases quite considerably. It narrowed in 15 countries, in six cases by more than 10 percentage points.



investment in order to maintain and improve standards and relevance. This is despite the fact that statistical evidence is accepted as being central to political decision-making. The new forms of governance that have emerged from the economic crisis in Europe are predicated on a high-quality evidence base; EU policy and institutions rely on statistical indicators to set quantitative objectives and thresholds. EU economic policy coordination is a prime example of this.

Ascribing such importance to statistical evidence while cutting the resources available to produce it suggests a failure to recognise the value of the statistical infrastructure. The statistics used for designing and monitoring policies are a public good that is free to consumers (and as such often taken for granted) but costly to produce. The policy-makers who take responsibility for setting goals and targets must also ensure the availability of adequate resources to produce the high-quality statistics that are needed to underpin them.

There is a need to address this 'disconnect' by promoting greater awareness and recognition of the contribution of official statistics to the public good, so that the value and logic of adequately resourcing their production is apparent to decision-makers and citizens. At the same time, NSIs and Eurostat must be prepared to be more transparent in demonstrating their good stewardship of public monies by adopting effective cost-accounting systems and measuring and benchmarking their cost-effectiveness.

Investment in quality management and process improvements is another means of optimising the use of resources. This could be achieved by multiannual resource planning in order to secure sustainable funding for future developments, as well as day-to-day operations. NSIs and Eurostat must also consciously engage with politicians and administrators to stress the value of official statistics. In an encouraging example from outside Europe, the Australian Bureau of Statistics (ABS) is receiving government investment of AUD 250 million (about €160 million) over five years to transform the infrastructure, systems and processes used to produce official statistics.<sup>18</sup> An investment plan bridging the gap between out-of-date infrastructure and today's requirements needs to be carefully managed in order to achieve the desired result. While this example is not directly comparable with the investment needs in the ESS, ESGAB strongly supports the proposal to extend the European statistical programme (ESP) to 2018-2020<sup>19</sup> with an increased budget.

<sup>18</sup> Government investment in the ABS;  
<http://www.abs.gov.au/websitedbs/Corporate.nsf/Home/government+investment+in+the+ABS>

<sup>19</sup> ESP public consultation, 23.7-15.10.2015;  
<http://ec.europa.eu/eurostat/about/opportunities/consultations/esp>.

## 2015 RECOMMENDATIONS

**2015/8** ESGAB urges the Greek Government and all responsible political actors to take action as soon as possible to build trust in the modern statistical system established over the past five years.

**2015/9** ESS members should promote greater awareness and recognition of official statistics as a public good. ESS members and actors in the political and administrative system should engage in dialogue more intensively than in the past, jointly developing and implementing concrete action to improve the current situation.

**2015/10** ESS members (in particular NSIs and Eurostat) should improve cost-accounting systems and provide early estimates of the costs of producing European statistics in order to ensure an adequate level of comparability and coverage. The estimates should be used for a benchmarking exercise covering statistical systems at international level.

**2015/11** ESS members should measure trust in official statistics so as to gauge cost-effectiveness and make the value of official statistics more apparent.

**2015/12** ESS members should step up their efforts to introduce or improve multiannual resource planning and sustainable funding for European statistics.

## 4.2. CHANGING LANDSCAPE FOR EUROPEAN STATISTICS: LOTS OF DATA, BUT HOW MUCH INFORMATION?

'Revolutions in science have often been preceded by revolutions in measurement'.<sup>20</sup> The last breakthrough in the production of statistics came with computerisation in the 1970s. Today, against the background of the data revolution,<sup>21</sup> the ESS is on the verge of a new and profound transformation to equip it to respond to the needs of our knowledge-based society and public- and private-sector performance management requirements.

Society is witnessing an unprecedented *overflow of data and information*: an online search of these words produces around 50 million results in 0.50 seconds. Only a fraction of this information is wanted and useful; most is superfluous. Big Data are constantly produced as an imperceptible by-product of other transactions via mobile phones, online click paths, commercial operations, sensors and much more. Often 'data' and 'information' are not easily distinguishable. However, data alone have no meaning. They become information and knowledge only when put in context and processed into a useful form. Statistics are no exception: variables and indicators mean little to a user without context and reference points. How are statisticians to cope with this fog of abundant, messy and shifting data? How to find the 'needle' of desired data in the 'haystack' of cyber noise?

The current rule book for official statistics was designed for surveys in a situation where primary data were not readily available; they

<sup>20</sup> Sinan Aral, MIT Sloan School of Management; <http://web.mit.edu/sinana/www/>.

<sup>21</sup> See report on A world that counts: mobilising the data revolution for sustainable development; [www.undatarevolution.org](http://www.undatarevolution.org).

had to be collected through questionnaires and interviews. This predominant paradigm is comforting in that it defines finite populations to be studied and provides total control over question design. It still underlies existing quality assurance frameworks, notwithstanding the growing use of administrative data (a sort of 'public-sector Big Data').

The concept of quality in official statistics is closely related to the particular role that the statistical evidence base plays in society. The EU is unique in the degree to which its policies are based on statistics. The quality of European statistics needs to be ensured through compliance with common standards at all levels in all Member States. Equally, European statistics need to be trustworthy and comparable. After all, comparability is the ultimate goal of all surveys. Large research groups are working on continuously improving comparative surveys in multinational, multiregional and multicultural contexts (3MC). While methods for achieving equivalence have improved since the adoption of the Code of Practice, there are still many aspects to work on. One possible route for the ESS would be closer collaboration with the 3MC researchers.

The ESS's classical tasks can be viewed as a system of surveys based on international 'output harmonisation' and, to a minor extent, 'input harmonisation'. A rules-based approach to outputs, production and institutions, in line with the Code of Practice, is designed to ensure that users are aware of the essential quality features of statistical information. Furthermore, the 'what' defined in work programmes and production methodologies are largely conventions emerging from decision-making processes that allow for adequate participation of stakeholders and civil society. Compliance with rules as the main proof of quality presupposes that such rules can be designed and agreed upon in advance.

*Detect the expected,  
discover the unexpected*

## ESS and Big Data

Decision-makers are overwhelmed by data in a search for 'the needle in the haystack' and the gap between policy-makers and data-providers is widening. Machine intelligence can help in detecting larger patterns, but humans are better at detecting finer-grained and ambiguous anomalies. Combining Big Data analytics and visual analytics can thus be a powerful tool for mastering the complexity. This can be seen as a holistic approach to decision-making, combining visualisation, human factors and data analysis, whereby:

- policy-makers can understand the dynamics of known phenomena and detect emerging ones;
- large indicator sets can be combined in a single, simple framework;
- key factors for decision-making can be identified by illustrating the root causes of a phenomenon in a way that is systematic, meaningful, intuitive, time-saving and easily understandable by non-(statistical) experts; and
- the benchmarking of countries can go beyond single or combined scores (i.e. composite indicators).

Projects across the ESS include:

- mobile phone data for population statistics;
- web evidence for nowcasting key indicators;
- data from flight reservation systems for transport statistics; and
- wikimedia usage information supporting cultural statistics.

To achieve comparability, the ESS relies heavily on 'output harmonisation', where Eurostat defines the deliverables that each NSI should provide for each product or survey. These demands are backed by Eurostat instructions or regulations regarding specific implementation steps considered crucial for good comparability. The regulations are examples of 'input harmonisation'. Recent research on comparative surveys points to a risk of too much output, and too little input, harmonisation jeopardising good comparability. Somewhat stricter input harmonisation seems important in the case of some implementation steps that can have an impact on comparability. Too much variation in NSIs' treatments of some potential error sources might make it difficult meaningfully to compare results from different countries. It is especially important to make sure that countries use best practices in their treatment of non-response and measurement errors. These 'non-sampling errors', which are increasing in many countries, can otherwise result in overstated levels of confidence. Thus, it would probably be worthwhile to investigate the scope for increased input harmonisation, i.e. a higher degree of standardisation in some areas of ESS statistics production. Standardisation efforts within the ESS are also in line with agreed quality management principles.

On the other hand, new data sources (collected with tools such as satellites, sensors, scanners, internet and social media information, etc.) provide opportunities to release figures more frequently, fill data gaps left in conventional statistical production, develop new indicators to complement existing ones and give rise to new areas of research. Crucially, harnessing available information for statistical production could avoid or limit the need for costly surveys and so improve the efficiency of the system in the long run.

In the short term, however, new investment is needed in order to exploit Big Data for statistical production. The process will affect common statistical definitions, classifications and legislation. The risks and challenges associated with using Big Data in statistics production include broad issues such as data ownership and the protection of confidentiality. Most of the data are owned by the private sector, whose willingness to share them with the public sector has been quite limited to date. As the cost of collecting and merging data falls over time, a growing number of new statistics producers will emerge and NSIs will increasingly produce official statistics using data produced by others. Establishing well-functioning partnerships between public and private organisations to guarantee the sustainability and integrity of information will be key for the development of national statistical systems. NSIs will also need to be prepared to deal with reputational issues: the quality of statistical outputs may vary if it is not possible to ensure that all partners in the production process comply with the Code of Practice.

As a result of such complex developments, we may have to adjust our concept of quality and debate the use of modelling in the production of official statistics. Traditionally trained statisticians will need to acquire new skills to become 'data scientists' mastering data mining, visualisation tools, alternative inferential paradigms and communication, and finding creative ways of making the mass of data 'speak', i.e. to structure and 'clean' large quantities of formless data so that they can be analysed ('data-munging').<sup>22</sup> Finally, it is likely that efforts to recruit new private data-providers will lead to interesting discussions

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<sup>22</sup> In 2012, the Harvard Business Review identified data scientist as the 'sexiest job of the 21st century'; see T.H. Davenport and D.J. Patil; <https://hbr.org/2012/10/data-scientist-the-sexiest-job-of-the-21st-century/>.

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about the future perimeter of national statistical systems.

These developments will inevitably also require a rethink of current quality assurance, control and management frameworks, which are unfit for the data revolution and Big Data. As it stands, the Code of Practice cannot deal with Big Data issues, the general abundance of new data sources and their specific error structures. In particular, the next revision of the Code will need to address the following principles:

- 4 - Commitment to quality;
- 5 - Statistical confidentiality;
- 7 - Sound methodology;
- 8 - Appropriate statistical procedures;
- 12 - Accuracy and reliability;
- 14 - Comparability; and
- 15 - Accessibility and clarity.

Now that the second round of peer reviews based on the Code of Practice is complete, a discussion should begin on revising the Code. The ESS must embrace the change: being left behind by more proactive competitors is not an option. ESGAB will contribute to the process by organising a session on the topic at the 2016 Quality Conference.<sup>23</sup>

## 2015 RECOMMENDATIONS

**2015/13** The nature of the future challenges underlines the importance of ESS leadership in exploring and using new methodologies and new data sources such as Big Data and the need further to expand professional capacity and continuous learning for the ESS as a whole. Training initiatives such as the European Statistical Training Programme (ESTP) and the European Master's in Official Statistics (EMOS) should take full account of the changing landscape of European statistics.

**2015/14** The quality framework and the Code of Practice for European statistics should accommodate anticipated developments and challenges in the changing landscape of European statistics. To this end, a revision of the Code of Practice should commence shortly.

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<sup>23</sup> Eighth European Conference on Quality in Official Statistics (Q2016), 31.5-3.6.2016, Madrid.

### 4.3. REGIONALISATION AND STATISTICS: RISKS FOR CODE COMPLIANCE

The European administrative space made up of all national administrations is the basis of the smooth functioning of the EU as a whole. However, because of subsidiarity, there is no common EU policy in the field of public administration and Member States are free to determine their internal administrative rules and methods. While there is a certain level of approximation of national legislatures and recognition of decisions (subject to mutual trust), Europe comprises many countries (e.g. Germany, Spain, the United Kingdom and Belgium) with federal structures and more or less autonomous regions. In some, regionalisation is increasing; new regional structures are being created and acquiring devolved powers.

Relevant policy decisions taken at regional level require regional-level statistics, but regionalisation processes can throw up challenges to the production of statistics. NSIs need strong coordinating powers and a very clear legal mandate if they are to maintain the quality, harmonisation, comparability and timeliness of official statistics alongside such processes. And this is not all: appropriate legislative frameworks still depend on the regions' and the statistical community's good will and cooperation for their implementation.

In any network, when the number of 'nodes' increases, stronger governance is needed to avoid a rise in vulnerability. Therefore, when powers are devolved to regional level, there are usually two different phases to consider:

- a transition period in which many processes, including statistical production, are reorganised and redistributed; and

- a subsequent stable period, when tasks have been redistributed and agreements and memoranda of understanding on day-to-day work, including statistical production, have been concluded.

In Member States where administrative structures are traditionally decentralised, statistical production is mostly in the stable period and based on established mechanisms. However, problems similar to those arising in the transition period may arise when new statistics are developed or stricter quality assurance requirements are introduced.

#### Transition period

The transition period is a particularly sensitive time as regards compliance with the Code. It is often difficult to recruit qualified statisticians sufficiently quickly in the regions and the new staff may not be familiar with the statistical culture and the principles of the Code. Especially principles 1 (independence), 5 (statistical confidentiality) and 6 (impartiality and objectivity, equal access to information and documented pre-releases) can be seriously affected.

Official statisticians must make a special effort to familiarise the regional producers of statistics with the professional ethics and culture and the principles of the Code. In cooperation with governments, NSIs should ensure that the necessary human and financial resources for training are allocated in due time. Ongoing training is needed if the culture of the Code is to permeate the new regional statistical offices and the expanded statistical system in general. Workshops promoting the Code in the regions have the additional advantage of raising awareness among regional government members, who (especially at the beginning of the regionalisation process) are often unaware of the specificities of the production of official statistics and the associated ethical rules.

Central governments and Eurostat also have a role to play here.

### Stable period

Most principles of the Code can be affected to some extent by regionalisation, but principles 13 (timeliness) and 14 (comparability) can be particularly sensitive. For instance, risks do not necessarily increase when the NSI is in charge of all phases of the survey process, but the risks for harmonisation increase sharply when data collection is under the supervision of regional offices. When statistical systems are loosely coordinated, there is a tendency to use legislation as a planning instrument and it is often over-prescriptive as a result. A legislative culture in which the basic acts often cover the 'how' as well as the 'what' is best suited to static information needs, but engenders over-conservatism and serious difficulties when it comes to adapting to new and greater information needs. Moreover, coordinating the system is rather costly, as numerous regular meetings have to be held to reach consensus on questions of methodology.

Regionalisation can make it difficult to exploit administrative registers for statistical purposes: it is of utmost importance that existing registers continue to use the same definitions, classifications and standards. Whenever the standards are revised, it is equally important that all regions switch to the new system simultaneously. Maintaining an updated business register at national level will require good cooperation and coordination, since the data provided by local units are probably scattered across several regions. Confidentiality issues could also arise at this point, since information that is protected at regional level might be freely available at national level.

However, the main problems tend to appear with the launching of new registers, which are often set up at different times in the regions

and are based on differing standards, with each region adopting the classification system that best reflects its particular interests. Reaching agreement subsequently is usually very cumbersome, with the additional risk that some of the regional series may have to be broken. Also, timeliness can be affected; for instance, regions dependent on the holiday industry will naturally prioritise the timely collection of tourism information, sometimes delaying the production of other information which in turn might be essential to other regions and/or the country as a whole.

## 2015 RECOMMENDATIONS

**2015/15** The NSIs in countries with statistical production in regions with a high degree of autonomy should be alert to the challenges posed by the regionalisation process and adopt a strong leadership role and effective coordination procedures. To this end, a clear and definite mandate and wide coordination powers should be enshrined in legislation.

**2015/16** Governments and NSIs in the transition phase of regionalisation should provide sufficient resources for training and awareness-raising on the Code of Practice.

**2015/17** Eurostat should reinforce its capacity to monitor and evaluate Code compliance in regionalised and decentralised statistical systems.

# ANNEXES:

## Annex 1: ESGAB's 2014 recommendations and Eurostat's improvement measures

### **LEGISLATION UNDERPINNING THE RECRUITMENT AND DISMISSAL OF EUROSTAT'S SENIOR MANAGEMENT**

- 1.** Arrangements for future appointments of Directors-General of Eurostat should be specified in law, and based on open competition.
- 2.** Key criteria for selection of a Director-General of Eurostat should be his/her professional reputation in the international statistical community and his/her management capacities.
- 3.** Legislation should specify reasons for an early dismissal of the Director-General of Eurostat. These should not include reasons which compromise his/her professional or scientific independence.
- 4.** The recruitment and dismissal of Eurostat senior management, other than the Director-General, should be public and transparent with strong emphasis on statistical qualifications.

### **EUROSTAT'S DIVERGING VIEW ON RECOMMENDATIONS 1 – 4**

Eurostat Directors-General as well as all other senior managers are recruited and appointed following the transparent policy established by the Commission, based on guidelines which are publicly available. The policy and the guidelines correspond to the requirements set out in the Code of Practice. More specifically, the essential requirement for appointing the Director-General, according to the Code, is his or her professional competence, not that the arrangements for the appointment are specified in law. Moreover, the indicator related to professional competence is not defined in the Code, in particular not by any reference to reputation in specific circles or to statistical qualifications as more relevant than other qualifications. The assessment of competence should remain with the appointing authority, both at national and Union level. Strong indicators for assessing the competence of Eurostat future Directors-General are established in the Commission Decision on Eurostat. Recommendations 1, 2 and 4 thus go beyond the Code as regards the appointment procedures.

The conditions for any dismissal of Commission officials – including Directors-General and other senior management – are set out in Article 5 of the staff regulations. The staff regulations, in



combination with the Commission Decision on Eurostat, correspond to the Code of Practice indicator on having the conditions for dismissal specified in a legal framework. Recommendation 3 is thus without subject.

## **IMPLEMENTATION OF THE LEGAL ARCHITECTURE**

**5. Future European statistical legislation should adhere to the legislative architecture adopted in 2013 with its three-layer approach, making in particular a distinction between the 'What' in framework regulations and the 'How' in delegated and implementing acts.**

### **CURRENT SITUATION:**

Eurostat is currently discussing with ESS stakeholders four different framework regulations which are intended to adhere to the layer approach of the legislative architecture, namely the Framework regulation integrating business statistics (FRIBS) in the domain of business statistics, and three Framework regulations in the domain of social statistics: the Integrated European Social Statistics (IESS) Framework regulation for the existing social surveys, a second Framework regulation on population statistics (including population and housing census) and a third Framework regulation on mainly administratively-based statistics and accounts). Since the level of ambition is high, notably in terms of distinguishing the 'What' and the 'How', extensive and time-consuming consultations are required. The complexity of the files also justifies concentrating on only a few framework regulations at this point in time, with a view to benefit from the experiences in other domains later on. The timetable of FRIBS has been expanded to align it with the timetables of important elements (SIMSTAT- Single Market Statistics, statistical units). Progress on both

FRIBS and IESS framework regulations has also been hampered by the adaptation period needed to acquire experience of the new decision-taking procedures introduced by the Lisbon Treaty. It is clear that the legislative architecture as adopted in 2013 cannot be achieved unless a good balance between flexibility and certainty can be found, notably in the way powers are delegated to the Commission to adopt either delegated or implementing acts.

### **IMPROVEMENT ACTION 1:**

Work on FRIBS and IESS will continue in accordance with the established planning.

#### FRIBS:

- early 2015: Impact Assessment report
- mid 2015: decision on the scope of the exchange of micro-data
- mid 2016: consultation of the BSDG on the draft legal text
- September 2016: consultation of the ESSC on the draft legal text
- end 2016: adoption of proposal by Commission

#### IESS:

- 2015: Consultation of the ESSC
- 2015(Q4) or 2016(Q1): adoption of the Commission proposal
- 2017 or 2018: Adoption of IESS by the European Parliament and the Council (with adoption of implementing measures by Commission shortly afterwards)

### **TIMELINE:**

FRIBS: adoption of the proposal by the Commission: end 2016

IESS: adoption of the proposal by the Commission: end 2015 – 1st Q 2016

**COHERENCE OF EUROPEAN STATISTICS – QUALITY, METHODOLOGY AND PROCEDURES**

**6.** Instances where the implementation of legally stipulated and agreed methodologies or tools is being significantly delayed in some Member States should be reviewed and analysed with a view to identifying and implementing necessary systemic corrective measures.

**CURRENT SITUATION:**

Eurostat is regularly monitoring the compliance of Member States with the legislation in force, the implementation of recommendations in the different thematic and horizontal areas and the use of agreed tools. Those countries in which the implementation is considerably delayed are systematically addressed on the relevant issues, through bilateral contacts and/or within the thematic area governance (working groups, directors’ groups) and required to provide plans and roadmaps for the implementation.

**IMPROVEMENT ACTION 2:**

Implementation and reinforcement of quality assurance frameworks (inventories, quality reports, compliance reports, metadata reports) combined with a dedicated follow-up of the identified issues at country level by the thematic responsible entities in Eurostat.

Different instruments will facilitate these actions: dedicated training, supporting actions (e.g. ad-hoc projects supported by Commission grants), meetings of expert groups and centres of excellence.

**TIMELINE:**

12/2017

**7.** Harmonisation of methodologies for data processing and for the calculation of quality indicators should be rigorously pursued in cooperation with Member States.

**A) Harmonisation of methodologies for data processing ... should be rigorously pursued in cooperation with Member States.**

**CURRENT SITUATION:**

Several modernisation activities have been activated in the ESS to streamline and improve statistical production processes. The ESS, and the global statistical community, are aware of the need for harmonisation of methodologies for data processing and promote the development and implementation of standards for statistical data processing based on harmonised information models, process descriptions and articulation, reference statistical methodologies and implementing tools.

**IMPROVEMENT ACTION 3:**

The strategic goals of the modernisation of the ESS explicitly take into account the need for harmonisation of methodologies for data processing within the general approach for the enhancement of the integration and interoperability of production processes. The implementation of the corresponding ESS Vision 2020 enabling actions, according to the ESS Vision 2020 implementation roadmap, further facilitates and enhances harmonisation of data processing in the ESS according to the collaborative approach with Member States that is at the foundation of the ESS Vision 2020 implementation.

**TIMELINE:**

Intermediate milestones will be identified in the business cases of ESS.VIP that will be discussed and endorsed by the ESSC up to February 2016.

12/2017

**B) Harmonisation of methodologies ... for the calculation of quality indicators should be rigorously pursued in cooperation with Member States.**

**CURRENT SITUATION:**

Standard ESS quality and performance indicators (QPI) have been developed and recently updated. These QPI are defined in the ESS Quality Handbook. Their implementation is continuously promoted and encouraged at all possible fora (e.g. at UNECE level). They are implemented via the standard ESS quality and metadata report structures (Single Integrated Metadata Structure-SIMS: ESS Standard for Quality Reports Structure-ESQRS) which are used in more and more statistical domains.

**IMPROVEMENT ACTION 4:**

With the increasing use of the ESQRS and Euro-SDMX Metadata Structure (ESMS), the ESS quality and performance indicators will be produced and published in more and more statistical domains. Promotion action will be organised starting from 2015 onwards. Around half of the main statistical domains should be covered by 12/2016. All main statistical domains should be covered by 12/2017.

**TIMELINE:**

50 % of the main statistical domains covered by 12/2016;

All main statistical domains covered by 12/2017

**8. Assessments should be carried out regularly and systematically to ensure that consistency checking practices take place across statistical domains in a comparable way.**

**CURRENT SITUATION:**

Consistency checking practices are not taking place across statistical domains in a comparable way. This is due partly because of the specificities of each domain, partly to the different level of maturity of the consistency checking approaches by statistical area and partly because of legacy of existing systems and frameworks. The ESS acquired progressive awareness of the issue and started dedicated and horizontal actions to address it.

**IMPROVEMENT ACTION 5:**

In the context of the ESS Vision 2020 implementation strategy, the project on Validation aims at ensuring the systematic and harmonised approach to consistency checking across statistical domains. The project promotes a harmonised methodological framework for validation, validation architecture, related governance and operational solutions. The systematic scrutiny of consistency checking practices in different statistical domains against the framework proposed by the project will foster and reinforce the overall harmonisation. The approach is based on a systematic dialogue at thematic area level (in thematic directors', working and expert groups).

**TIMELINE:**

Intermediate milestones will be identified in the business case of ESS.VIP Validation to be discussed and endorsed by the ESSC in February 2015.

12/2017

**9. The quality management and assurance practice should be further harmonised and streamlined. The basic common standard for user and producer orientated quality reports should be used for every statistical operation and domain. This will ensure that these reports provide similar information and that quality can be equally appraised in the different domains.**

**CURRENT SITUATION:**

The Single Integrated Metadata Structure (SIMS) encapsulates in a harmonised way both the producer oriented ESS Standard for Quality Reports Structure (ESQRS) and the user oriented Euro-SDMX Metadata Structure (ESMS). Both metadata structures are increasingly implemented in statistical domains. ESQRS and ESMS structures are used by Eurostat and by Member states. In the ESS Vision 2020, agreed by the ESSC in 2014, the ESS re-affirmed the importance of data and metadata quality not only for products and processes, but also for overall management, organisation and governance.

**IMPROVEMENT ACTION 6:**

Eurostat is developing a plan for full coverage of all ESS statistical domains in terms of production and dissemination of Eurostat and national ESMS and ESQRS reports. It is worth noting that both ESMS and ESQRS include metadata related to quality management. This plan needs to be adopted by the DIME/ITDG in 2015.

**TIMELINE:**

The plan should be fully implemented by 12/2017.

**IMPROVEMENT ACTION 7:**

Eurostat also intends to pursue work on a quality management system with the MS in the context of the ESS Vision 2020, taking into account general quality management principles, which should contribute to harmonising and streamlining quality practices in the ESS.

**TIMELINE:**

The plan should be agreed and in implementation phase by 12/2016.

**DISSEMINATION – RELEASE CALENDAR AND PRE-RELEASE RULES**

**10. Eurostat should aim at publishing a full release calendar and at joint publication of Eurostat and NSI statistics.**

**CURRENT SITUATION:**

Eurostat publishes a full release calendar for Euroindicators for a full calendar year in advance. The results of the 2014 User Satisfaction Survey for Media showed that “journalists were very positive about the Euro-indicator Releases calendar, as already in 2013, 87.1% of participants stated the calendar was relevant and sufficient for their needs and none found the calendar irrelevant and/or insufficiently informative.”

Eurostat also announces on its website the forthcoming (paper and PDF) publications for the current quarter and the two next quarters. Moreover, the update planning of each section of the Yearbook is announced in Statistics Explained (at the top of each article).

**IMPROVEMENT ACTION 8:**

Eurostat will complement the current release calendar with a weekly release calendar comprising all news releases and other publications (paper and PDF) for the week to come.

**TIMELINE:**

The setting up of the weekly release calendar is scheduled for January 2015.

**IMPROVEMENT ACTION 9:**

Moreover, Eurostat intends to propose to the Member States to open Statistics Explained

to NSIs so that articles from NSIs' staff can be released on this electronic dissemination platform. These articles would provide a more in-depth analysis at national level and would complement the Eurostat articles. This will lead to NSIs-Eurostat joint publications.

#### **TIMELINE:**

As regards possible joint publications in Statistics Explained, a first pilot project will be launched in 2015 depending of the interest of the Member States.

**11. Eurostat should fully investigate the potential impact of a full pre-release ban and ways to manage risks if a strongly limited pre-release is maintained for individual news agencies.**

#### **CURRENT SITUATION:**

Eurostat currently has a policy of restricted pre-release under embargo. On 2 September 2014, the Eurostat's Directors Meeting decided on a further restriction of pre-release, in particular as regards Commission staff, NSIs and the media.

#### **IMPROVEMENT ACTION 10:**

Eurostat will investigate the potential impact of a full pre-release ban. In particular, Eurostat will address the issue of pre-release access

- with the Cabinet when establishing working arrangements with the new Cabinet
- with other Commission services, whenever respective MoUs are being updated
- with news agencies at a dedicated meeting with their representatives

#### **TIMELINE:**

New pre-release policy introduced with all parties by October 2015.

## **COMMUNICATION AND USERS**

**12. Eurostat should review and revise its communication strategy to ensure that it is effectively reaching its target audiences in today's media landscape and make optimal use of modern communication tools for different user segments.**

#### **CURRENT SITUATION:**

Eurostat's aim is to continuously adapt its dissemination and communication policy to user needs. For that reason, Eurostat has been developing since a few years a number of different and complementary tools which give an up-to date representation of our user needs and behaviour: annual user satisfaction surveys, monthly reports from web analytics, monthly information on Eurostat's e-reputation (provides a precise knowledge of Eurostat users on blogs or social media as of Eurostat impact in the media), feedback from user support network and direct communication with user groups.

For example, the launch of the new Eurostat website has been perceived as a good opportunity to strengthen Eurostat's user orientation. During the preparation phase of its new website, Eurostat organised ad-hoc focus groups to allow an exchange of views on the current website's strengths and weaknesses. The outcome of the focus groups is being integrated in the design and structure of the new website.

Concerning the media, the 2014 User Satisfaction Survey for Media showed the following: "Users expressed a very high level of satisfaction with all aspects of the "News Releases" produced by Eurostat. 84.8% specified that the interest of the releases was "very good" or "good", as 82.0% did concerning their clarity and 78.4% for the range of topics covered." Eurostat is using Twitter almost on a daily basis to communicate main results and interesting charts.

**IMPROVEMENT ACTION 11:**

In order to prepare relevant improvement actions towards the media, the press office of Eurostat will carry out interviews with a series of media representatives in order to evaluate possible changes to the current communication strategy. These interviews will run until mid- 2015. Based on the results, the press office of Eurostat will devise a respective action plan. The results of these interviews will be presented to the DM.

**TIMELINE:**

Mid-2015

**IMPROVEMENT ACTION 12:**

The review of Eurostat’s dissemination and communication strategy is part of a continuous process. Eurostat is already complementing its current offer of visualisation tools with the development of info-graphics, to provide support to less experienced users. In order to assess the usefulness of the different visualisation tools proposed by Eurostat and to identify possible improvements, interviews will be organised with a selection of representative users. The results of these interviews will be presented to the DM

**TIMELINE:**

Mid-2015



**COORDINATION**

**13.** Eurostat should support the coordination role of the NSIs in relation to the ONAs by accepting only Code-compliant data transfers from an NSI or authorised ONA. The cut-off date for unauthorised data deliveries should be widely communicated one year in advance. Should unauthorised or non-Code compliant data transfers to Eurostat continue after the announced date, Eurostat should reject the data.

**CURRENT SITUATION:**

Currently ONAs which are not in the official list of ONAs as requested by Regulation 223/2009 can also transmit data to Eurostat.

**IMPROVEMENT ACTION 13:**

In 10/2014 the Edamis and Validation Services User Group discussed the improvement actions listed below with the aim that, within the framework of European statistics, only authorised/registered ONAs can transmit data/metadata to Eurostat.

Improvement actions discussed by the Edamis and Validation Services User Group:

1. NSIs should automatically be notified when data/metadata are sent by an ONA to Eurostat upon reception of the data
2. Eurostat shall progressively refuse to accept data/metadata sent by entities which are not in the official ONA list (published on the Eurostat website). National coordinators will be notified well in advance with the aim of ensuring that NSIs have a possibility to request the entities’ inclusion in the ONA list, if deemed appropriate, and in order to avoid unnecessary conflicts.
3. The Edamis reports should be revised in specifying the data sets transmitted by each ONA
4. The mandate of the national transmission coordinators should be revised reflecting the tasks mentioned above
5. A list of contact points in the ONAs will be produced and kept updated

These improvement actions will be implemented in 2015 which implies also an improvement of Edamis per se.

**TIMELINE:**

Improvement actions 1 and 2 should be fully implemented at the latest by 12/2015

Improvement actions 3, 4 and 5 should be implemented at the latest by 06/2015.

**14. Eurostat must establish clear mechanisms for its coordination role within the European Commission and develop an inventory of existing statistical activities.**

**CURRENT SITUATION:**

Following the adoption of the Commission Decision on Eurostat in September 2012, Eurostat has created a formal Commission interdepartmental group on the coordination of statistics gathering all DGs with an interest in statistics and has started to formalise commitments with key DGs through Memoranda of Understanding. A first pilot inventory of statistical activities in the Commission has been conducted in 2013-14.

**IMPROVEMENT ACTION 14:**

A proposal for a structured approach to increase the transparency of the coordination mechanisms will be presented to Eurostat's directors.

The proposal will cover the following aspects: bilateral agreements between Eurostat and DGs (Memoranda of Understanding), meetings involving Eurostat DGs and NSIs (stakeholders meetings) as well as the inventory of existing statistical activities in the Commission.

**TIMELINE:**

DM document with a proposal for a structured approach to increase the transparency of the coordination mechanisms: 06/2015

Full implementation of the mechanisms:

12/2015

**15. The ESS and the ESCB should focus on working pragmatically within the given division of labour and proceed with practical cooperation. It would be beneficial if the ESCB were to adopt verifiable quality assurance procedures similar to those of the ESS in order to enhance this mutual understanding.**

**CURRENT SITUATION:**

In this regard, the Committee on Monetary, Financial and Balance of Payments statistics (CMFB) set up during its plenary session on July 2014 a CMFB Technical Group (TG) on a generic template for national reports providing information on statistics underlying the Macroeconomic Imbalance Procedure (MIP) indicators. The CMFB TG is mandated to design a "generic template" for national reports providing information on quality, sources and methods together with information on statistical processes used for the compilation of the statistics underlying the MIP indicators.

Such template would foster a further alignment of the quality monitoring framework between ESS and ESCB and contribute to the overall quality assurance framework of the MIP related statistics. On the basis of the work of the CMFB TG, a proposal for a generic national template and the concrete example of a national report for Balance of Payments (BoP) and the International Investment Position (IIP) statistics will be presented to the CMFB at its January 2015 plenary meeting.

The Council Working Party on Statistics (CWPS) started the discussion of the Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EC) No 184/2005 on Community statistics concerning balance of payments, international trade in services and foreign direct investment at its meeting on 16 October 2014. The Commission's proposal addresses two elements. Firstly, the alignment of the Regulation to the decision-taking procedures

introduced by the Lisbon Treaty. This means that the powers already given to the Commission in the Regulation have been identified as being either powers to adopt delegated acts or powers to adopt implementing measures. Secondly, the streamlining of the governance structure within the European Statistical System. It is proposed that the European Statistical System Committee should be the committee to assist the Commission in comitology matters concerning the statistical domain of BoP., replacing the BOP Committee.

**IMPROVEMENT ACTION 15:**

An ESS-ESCB communication/work programme has been proposed by the CMFB and endorsed by the European Statistical Forum (ESF) in September 2014. The work programme defines a concrete set of actions to set up the quality monitoring framework for MIP relevant statistics, duly taking into account already existing quality monitoring frameworks. This will contribute to the alignment of the quality frameworks of the ESS and the European System of Central Banks (ESCB);

**IMPROVEMENT ACTION 16:**

In order to ascertain the necessary contribution of the ESCB to the legislative process relating to BoP statistics, the ESS and the ESCB agreed that the CMFB will be consulted on all proposals. The European Statistical Forum, in its meeting of 17 September 2014 has formally committed to such consultations

**16. A principle and corresponding indicators addressing the need to coordinate the development, production and dissemination of European statistics should be developed during the next revision of the Code of Practice.**

**CURRENT SITUATION:**

For the peer review exercise a separate questionnaire on the coordination role of the National Statistical Institutes has been prepared. The information gathered from this exercise will be used as an input for the next revision of the European statistics Code of Practice (CoP), including the aspect of coordination.

**IMPROVEMENT ACTION 17:**

Once the peer review exercise has finished the CoP will be amended in consultation with the Member States. A Task Force with Member States will be created in the first quarter of 2016 in order to prepare the revision of the CoP. Adding a new principle on coordination with its corresponding indicators will be looked into in this context.



## Annex 2: OPINION

### OF THE EUROPEAN STATISTICAL GOVERNANCE ADVISORY BOARD (ESGAB) URGING THE GERMAN AUTHORITIES TO MAKE STATISTICAL COMPETENCE ONE OF THE PROFESSIONAL QUALIFICATIONS REQUIRED WHEN APPOINTING HEADS OF STATISTICAL OFFICES

Helsinki, 7 April 2015  
ESGAB/2015/273

ESGAB has repeatedly drawn the German authorities' attention to the fact that the appointment procedures for heads of statistical offices in Germany's *Bundesländer* are not in line with the first principle of the European Statistics Code of Practice<sup>24</sup> on professional independence. ESGAB's concerns relate specifically to indicator 1.8 of the Code of Practice, which requires the appointment of the heads of statistical authorities to be based on professional competence only.

ESGAB notes with regret that some *Bundesländer* did not stress the importance of candidates having statistical experience in the recent recruitment notices for the heads of their statistical offices. Instead, the recruitment notices stated that they were looking for candidates with *legal competences* (for example, qualification as a judge) and *varied administrative experience* (i.e. not necessarily related to statistics). ESGAB is not criticising the officials selected using this procedure, but it is concerned about the criteria used to determine professional competence.

It is certainly necessary for the head of a statistical authority to have legal and managerial skills, but they are not enough on their own. The

head of a statistical authority can rely on the expertise of staff members for much of the detail of statistical work, but a sufficient understanding of methodology, statistical procedures and quality standards is vital. Moreover, a demonstrated commitment to the principles underpinning the work of professional statisticians is a prerequisite for a credible and professional head of a statistical authority.

The recent peer review<sup>25</sup> of the German statistical system came to similar conclusions and ESGAB fully agrees with its first recommendation:

‘The legal provisions for and the practice of appointment of the President of the Federal Statistical Office of Germany, the heads of the Statistical Offices of the Länder and the Other National Authorities producing European statistics should comply with the principle of professional independence. A transparent appointment procedure and clear selection criteria emphasising the

<sup>24</sup> European Statistics Code of Practice: <http://ec.europa.eu/eurostat/documents/3859598/5921861/KS-32-11-955-EN.PDF/5fa1ebc6-90bb-43fa-888f-dde032471e15>.

<sup>25</sup> Peer review report on compliance with the Code of Practice and coordination role, February 2015  
<http://ec.europa.eu/eurostat/documents/64157/4372828/2015-DE-Report/e9a771b3-7890-4996-a5c4-f818502e97c1>.

**professional qualifications<sup>26</sup> of the President of the Federal Statistical Office of Germany, the heads of the Statistical Offices of the Länder and Other National Authorities producing European statistics should be established in law.**<sup>27</sup>

ESGAB agrees with the German Statistical Society's (*DStatG*) statement of 18 March 2015<sup>27</sup> and urges the authorities responsible for filling the posts of heads of statistical offices in the *Bundesländer* to bring their recruitment practices into line with the European Statistics Code of Practice.

The requirement to appoint heads of statistical authorities by a transparent procedure based on professional criteria will soon be laid down in EU legislation in the forthcoming revised Regulation (EC) No 223/2009 on European statistics. ESGAB expects the German statistical authorities to comply fully with the new legislation, especially when appointing the new President of *Destatis*, the Federal Statistical Office, whose position is expected to become vacant sometime this year.

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<sup>26</sup> Our emphasis marked in bold

<sup>27</sup> Kompetenz der Amtsstatistik in Gefahr <http://www.dstatg.de/de/startseite/aktuelle-news/article/pressemeldung-deutsche-statistische-gesellschaft>.

## Annex 3: OPINION

### OF THE EUROPEAN STATISTICAL GOVERNANCE ADVISORY BOARD (ESGAB), URGING FULL IMPLEMENTATION OF THE HELLENIC STATISTICAL LAW (3832/2010) AND GREECE'S COMMITMENT ON CONFIDENCE IN STATISTICS

Helsinki, 24 March 2015  
ESGAB/2015/271

Reliable and relevant statistics are an essential condition for good governance and sound decision-making in democratic societies. Since 2009, the Hellenic Statistical Authority (ELSTAT) has regained the trust of its international partners by notably enhancing the quality of its statistical outputs, in particular its public finance statistics. This work has been carried out despite the difficult resource constraints in Greece and has been supported by EU technical assistance through the Joint Overall Statistical Greek Action Plan (JOSGAP). The commitment and professionalism of Greek statisticians together with the adoption of a modern and comprehensive statistical legislative framework, which reflects best practice, have contributed significantly towards this favourable outcome.

Recognising that considerable progress has been made, ESGAB welcomes the newly-elected Greek Government's pledge to fight corruption and to continue to modernise its public administration, as stated in Greek Finance Minister Yanis Varoufakis's letter of February 2015 to the Eurogroup, outlining Greece's proposed reforms. ESGAB welcomes especially the Greek Government's commitment to:

- 'Honour fully the Commitment on Confidence in Statistics, and in particular the institutional independence of ELSTAT, ensuring that ELSTAT has the necessary resources to implement its work programme.

- Guarantee the transparency and propriety of the process of appointment of the ELSTAT President in September 2015, in cooperation with EUROSTAT.'

The progress achieved by ELSTAT can be considered as providing a pioneering example of the type of reform and modernisation that is required in Greece's public administration as a whole. ELSTAT's efforts should therefore continue to be supported. The second annual report of the Good Practice Advisory Committee (GPAC),<sup>28</sup> established under the Hellenic Statistical Law<sup>29</sup>, takes stock of the progress achieved by the Hellenic statistical system since September 2013. In Greece's current context, the achievements made on the commitment to quality and statistical confidentiality are particularly commendable. However, the report also points to a number of critical issues that are also raised in the recently published peer review report<sup>30</sup> on compliance with the European Statistics Code of Practice and the coordination role of ELSTAT.

In particular, the two reports found that there is still a distinct absence of a 'wider cultural

<sup>28</sup> GPAC second annual report, December 2014: <http://www.statistics.gr/documents/20181/198f48ca-2b5b-4a53-8a5c-bcff2165e810>.

<sup>29</sup> Hellenic Statistical Law 3832/2010 (Government Gazette No 38, Issue A) <http://www.statistics.gr/documents/20181/42f49b16-cab6-41c2-89ce-97ad4329c2e4>

<sup>30</sup> Peer review report on compliance with the European Statistics Code of Practice and the coordination role of the national statistical institute, March 2015: <http://ec.europa.eu/eurostat/documents/64157/4372828/2015-EL-Report/488eadf4-da69-40db-b48b-884c6ac4937c>

acceptance and understanding amongst politicians, administrators, the media and indeed the public at large of what professional statistical independence actually entails in practice' and that the risk of a serious deterioration of the situation remains. As a result of the long-running legal battle over the methodological competence and independence of ELSTAT and its President, the institution has frequently been called into question in public. Such issues undermine the work that has gone into building capacity and trust in the Hellenic statistical system in recent years.

ESGAB, as the body responsible for overseeing the implementation of the European Statistics Code of Practice with the aim of enhancing professional independence, integrity and accountability, would like to highlight a number of concerns that are mentioned in the two reports mentioned above:

- The principle of professional independence must be implemented in practice. The relevant legislation and rules are in place but they need to be fully implemented, with the clear and active support of the government. The forthcoming amendment of Regulation (EC) No 223/2009 on European statistics will further emphasise the role and position of the heads of national statistical institutes, by adding a requirement that the procedure for appointing institute heads is transparent and based on professional criteria.
- The Greek Government's commitment on confidence in statistics must be respected and put into practice, particularly in relation to ensuring institutional independence and providing adequate financial and other resources. More specifically, ELSTAT must be able to recruit and maintain a sufficiently qualified workforce.
- The wording of ELSTAT's mandate must be explicit and must be upheld in practice,

especially as regards access to administrative records that could improve efficiency and quality while reducing the burden on respondents.

- The work and role of GPAC as established in law should continue and its members for the next term of office should be appointed without delay.
- Principles of quality monitoring and quality assurance, as established in Regulation (EC) No 223/2009 and the European Statistics Code of Practice, must be respected. This includes the requirement that European statistics produced in accordance with Article 338 of the Treaty on the Functioning of the European Union comply with the statistical principles laid down in that article, regardless of national arrangements and the national distribution of tasks. ELSTAT is the national coordinator and the contact point for Eurostat on this issue.

ESGAB agrees with GPAC and the recommendation in the peer review that the Greek Government should take swift action to implement the European Statistics Code of Practice and honour in full its commitment on confidence in statistics on which a report by the Greek government to the Commission is due since March 2014. ESGAB expects Eurostat to continue reporting on the matters highlighted in this Opinion and will closely follow developments in this area.

## Annex 4:

### **ESGAB supports the STATEMENT OF THE MEMBERS OF THE EUROPEAN STATISTICAL SYSTEM ON THEIR COMMITMENT TO PROFESSIONAL INDEPENDENCE OF STATISTICAL AUTHORITIES AND THE CREDIBILITY OF EUROPEAN STATISTICS AND ON STATISTICS IN GREECE, 26 May 2015**

The importance of European statistics in supporting evidence-based decision-making at both national and Union levels is without question. The professional independence and integrity of statistical authorities is one of the absolute pre-conditions for ensuring high-quality and credible statistics. This was confirmed by the European Parliament and the Council on 29 April 2015, by the adoption of Regulation (EU) 2015/759 amending Regulation (EC) No 223/2009 on European statistics.

We, the undersigned, who collectively, as members of the European Statistical System Committee, are responsible for overseeing the production of European Statistics in compliance with the highest professional standards throughout the European Union, wish to express our commitment to the statistical principles set out in Regulation (EC) No 223/2009, as well as in the European Statistics Code of Practice.

Regulation (EC) No 223/2009 provides a framework for the development, production and dissemination of independent European statistics. The amendments now introduced in the Regulation arise from the need to strengthen the European Statistical System following serious interference with the professional independence of the statistical institute in one specific country, namely Greece, revealed by the end of 2009.

The objectives of the amendments are to strengthen the European Statistical System

and improve the credibility of the statistics produced by it. We are convinced that the System now stands stronger and better protected. The amended Regulation strengthens the role and position of National Statistical Institutes and of their heads. By doing so it protects the independence of all statistical authorities and of the statistics they produce.

The integrity of official statistics and the functioning of the European Statistical System must be continuously ensured. We are committed to defending these aspects under the amended Regulation (EC) No 223/2009. This means defending the System as a whole, also by defending its various components.

Therefore, we confirm our concern with regard to the situation in Greece, where the statistical institute, ELSTAT, as well as some of its staff members, including the current President of ELSTAT, continue to be questioned in their professional capacity. There are ongoing political debates and investigatory and judicial proceedings related to actions taken by ELSTAT and to statistics which have repeatedly passed the quality checks applied by Eurostat to ensure full compliance with Union legislation.

We acknowledge the clear improvements within the Greek statistical system that have been achieved during the past five years, illustrated notably by Eurostat's consistent publication of Greek deficit and debt data without reservations

nor amendments since November 2010. However, we are aware that ELSTAT still has many challenges to face to maintain the institution's independence given the above-mentioned political debates and judicial proceedings and the forthcoming recruitment of a new President of ELSTAT. We welcome, therefore, the reinforced provisions on professional independence in Regulation (EC) No 223/2009 whereby the recruitment of the new President must follow a transparent procedure and be based on professional criteria only.

The European Statistical System will very closely observe the further developments in the Greek statistical system.

**European Statistical System Committee -  
Meeting 20<sup>th</sup>-21<sup>st</sup> May 2015**

# GLOSSARY

**EUROPEAN STATISTICS CODE OF PRACTICE (THE CODE):** The [European Statistics Code of Practice](#)<sup>31</sup> sets the standards for developing, producing and disseminating European statistics. It builds on a common definition of quality in statistics used in the European Statistical System (ESS, composed of national statistical authorities and Eurostat). The Code is a self-regulatory instrument containing 15 principles which address the institutional environment in which national and EU statistical authorities operate, and the production and dissemination of European statistics. Its implementation is supported by a set of indicators of good practice for each principle.

**EUROPEAN STATISTICAL GOVERNANCE ADVISORY BOARD (ESGAB):** [ESGAB](#)<sup>32</sup> provides an independent overview of the implementation of the Code of Practice. It seeks to enhance the professional independence, integrity and accountability of the European Statistical System key elements of the Code, and the quality of European statistics.

ESGAB has seven members. Its tasks include the preparation of an annual report to the European Parliament and the Council on the implementation of the Code by Eurostat and the European Statistical System as a whole. ESGAB also advises the Commission (Eurostat) on appropriate measures to facilitate implementation.

**EUROPEAN STATISTICAL SYSTEM (ESS):** [The European Statistical System](#)<sup>33</sup> (ESS) is a partnership

between the European Union's statistical authority, i.e. the Commission (Eurostat), and the national statistical institutes (NSIs) and other national authorities (ONAs) responsible in each Member State for the development, production and dissemination of European statistics.

**EUROSTAT:** [Eurostat](#) is a Directorate-General of the European Commission. Its mission is to provide the European Union with a high-quality statistical information service. Together with the national statistical offices, Eurostat is responsible for the European Statistical System: Eurostat develops and implements standards, methods and classifications for the production of comparable, reliable and relevant data. Users of Eurostat's output include the Commission and other EU institutions, Member State governments, international organisations, businesses, universities and a wide range of other users. Eurostat also supports non-EU countries, including the candidate countries, in adapting their statistical systems.

**PEER REVIEWS:** [Peer reviews](#)<sup>34</sup> are part of the European Statistical System strategy to implement the [Code of Practice](#). The objective is to enhance the integrity, independence and accountability of ESS statistical authorities. A first round of peer reviews was carried out in 2006-2008; a second round launched in December 2013 is still ongoing. Both rounds cover all EU Member States and EFTA countries. [European Statistical Governance Advisory Board \(ESGAB\)](#) carried out a peer review of Eurostat by the using the methodology developed for the NSI peer reviews with some adaptations reflecting Eurostat's specificities.

<sup>31</sup> <http://ec.europa.eu/eurostat/web/quality/european-statistics-code-of-practice>.

<sup>32</sup> <http://ec.europa.eu/esgab>.

<sup>33</sup> <http://ec.europa.eu/eurostat/web/european-statistical-system/overview>.

<sup>34</sup> <http://ec.europa.eu/eurostat/web/quality/peer-reviews>.

