

INCEPTION IMPACT ASSESSMENT			
TITLE OF THE INITIATIVE	Proposal for a Regulation amending Regulation No 99/2013 on the European statistical programme 2013-17		
LEAD DG – RESPONSIBLE UNIT – AP NUMBER	ESTAT A.TF.IP	DATE OF ROADMAP	09/ 2015
LIKELY TYPE OF INITIATIVE	Proposal for a Regulation of the European Parliament and the Council		
INDICATIVE PLANNING	http://ec.europa.eu/atwork/key-documents/index_en.htm		
ADDITIONAL INFORMATION	http://ec.europa.eu/eurostat/about/opportunities/consultations/esp		
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A. Context, Subsidiarity Check and Objectives

Context
<p>1) The action of the European Commission is anchored in its 10 political priorities for new Agenda for Jobs, Growth, Fairness and Democratic Change. The political response to the profound economic crisis and its social impact has fuelled demands for economic and social policies, which need to be based on robust and comparable evidence. "Evidence based decisions" are especially important in Europe for the performance management of EU policies. European statistics support the development, monitoring and evaluation of the policies of the Union, in particular policies setting quantitative objectives making use of statistical indicators. Some European statistics feed almost automatically into the EU monitoring of national policies (Stability and Growth Pact, Macroeconomic Imbalances Procedure, European Semester).</p> <p>(2) The European statistical programme (ESP), as defined by the amended Regulation 223/209 on European statistics¹ "<i>provides the framework for the development, production and dissemination of European statistics, setting out the main fields and the objectives of the actions envisaged for a period corresponding to that of the multiannual financial framework</i>". It defines the financial envelope for the implementation of the programme. The current European statistical programme² covers the years 2013-17, while the Multiannual Financial Framework³ (MFF) covers the years 2014-20. The synchronisation of the European statistical programmes with the MFF is necessary, which was also recommended by the European Court of Auditors⁴ and the European Parliament⁵.</p> <p>(3) A mid-term review of European statistical programme 2013-2017 has been completed in June 2015.</p> <p>(4) The current programme reflects the Vision set out in the Commission Communication of 10 August 2009 on the production method of EU statistics⁶. The initial vision was reviewed in 2014 to form an updated "European Statistical System Vision 2020" with an extended scope covering other key areas like users' needs, quality, data sources, processes, dissemination and communication.</p>
Issue
<p>Statistics impact modern information societies in various ways. Although the costs may be measured, the social, economic and environmental benefits of statistics or statistical legislative proposals are more challenging to measure. Even so, official European statistics are a basic precondition for evidence-based decision-making. Throughout recent years, it has become more than evident how important high quality statistical figures are, in particular because of the fact that some European statistics feed almost automatically into the EU monitoring of national policies (Stability and Growth Pact and Macroeconomic Imbalances Procedure, European Semester). The design and the evaluation of European policies are significantly depending because of reliable statistics. Statistical information helps political decision-makers assess the expected impact and measure the actual impact of EU policies. Statistics are needed to help drive the outcomes that policies are aiming at and measure progress towards these outcomes. Statistics must continue to be fit for purpose in under-pinning decision-making for those critical policies which are most relevant to European citizens and where wrong decisions would have a very high cost for</p>

¹ Regulation (EU) 2015/759 of the European Parliament and of the Council of 29 April 2015 amending Regulation (EC) No 223/2009 on European statistics. OJ L 123, 19.5.2015, p. 90–97

² Regulation (EU) No 99/2013 of the European Parliament and the Council of 15 January 2013, OJ L 39, 9.2.2013, p. 12

³ OJ, L 347, 20.12.2013

⁴ ECA Special Report N°12/2012 2012/AUD/0092/01.12/2016

⁵ Recommendation of the 2011 discharge 2011/PAR/0497/01OT12/2016 EP 2011

⁶ COM(2009) 404 final, 10.8.2009

Europe.

1. The current European statistical programme (including funding provisions) is expiring in 2017. Under Article 13 (1) of Regulation (EC) No 223/2009 on European statistics, as amended by Regulation (EU) 2015/759 the duration of the ESP shall correspond to that of the multiannual financial framework. Thus, an extension of the current ESP is needed.

2. Remaining statistical gaps to support EU policies

New political priorities: Statistics continue to be needed in support of all existing EU policies but at the same time, new needs emerge from the political priorities of the Commission, for instance:

- In line with the Commission's key priorities on growth and job creation, the reduction of poverty and social exclusion, skills and mobility, the social indicators should assist in reinforcing the social dimension of the EU and European Monetary Union, the European Semester, the macroeconomic imbalances procedure and the social impact analysis of the macroeconomic policies. Social indicators (in particular on inequalities, poverty and social exclusion) are expected to be delivered earlier than before in order to feed into the European Semester. Urgent action is therefore needed to speed up the delivery of these indicators.
- To support the political priority to "Boost jobs, growth and investments", further statistical work is needed to analyse the impact of technological change and innovation on growth and employment.
- Statistics on selling online cross-border are needed for the priority "Digital Single Market", in particular there is a need for more detailed information on accessing services provided by 'intermediaries in content distribution', the trust in online platforms and intermediaries as well as barriers faced by household for cross-border purchases.
- Changes in the design of European energy markets necessitate streamlining energy statistics to have timely, comparable and sufficiently detailed data supporting the Energy Union.

New phenomena to be captured: Globalisation has shown the need of official statistics to meet methodological challenges. Important phenomena including large-scale economic, financial and political crisis, new forms of organising economic production through global value chains and multinationals, global demographic trends affecting developing and developed countries in different ways, and issues of sustainable development, ask for new statistical products, all of which go beyond the adding of separate national results and which are able to serve multiple purposes. In this area a European approach is needed.

Users of statistics demand an adequate representation of the business economy. The economic importance of service industries has increased in absolute and relative terms over the last decade. Statistics on services which represent around 70% of the economy are still underdeveloped.

3. The current statistical infrastructure is not flexible enough

The current statistical infrastructure is not flexible enough to face the following challenges:

- As highlighted in the Commission Communication "Towards a thriving data-driven economy"⁷, new industrial revolution driven by digital data, computation and automation is emerging. Human activities, industrial processes and research lead to data collection and processing on an unprecedented scale, spurring new products and services as well as new business processes and scientific methodologies. This "data revolution" or "big data" is already presenting official statistics with challenges but also opportunities that need to be addressed urgently. These new data sources offer a huge potential to improve the timeliness and relevance of official statistics as well as to reduce response burden. On the other hand, there will be more competitive pressure from new data producers which can eventually change the role of official statistics due to the appearance of new actors on the information market providing new types of statistics, including those providing information in nearly real time.
- National statistical systems have seen drastic cuts of their resources in the past years. As a result there is actually little capacity for statistical systems to respond faster to new needs in a manner that is sustainable over time.
- There is a need to further reduce the burden on enterprises and citizens in accordance with the objectives of the Better Regulation Package⁸.

Important efforts have been undertaken by the statistical systems to modernise their production methods and to improve their responsiveness to new statistical demands. These efforts are supported by the ESP 2013-17 and the mid-term evaluation of this programme underlined that the move towards new methods for the production of European statistics as well as the definition of a new European Statistical System Vision 2020 have a positive effect on the approaches used throughout the European Statistical System. However, in a context of constrained resources, this has only permitted to partially solve the

⁷ COM(2014) 442 final.

⁸ COM(2015) 215 final: Communication from the Commission to the European Parliament, the Council, the Economic and social Committee and the Committee of the Regions "Better regulation for better results - An EU agenda" of 19.05.2015

problem. The statistical infrastructure still has to undergo an important transformation process to achieve major efficiency gains and quality improvements, this process would be significantly slowed down if the funding would stop in 2017.

4. Current partnerships are not sufficient to exploit the new data opportunities

New data sources (like “Big data”) represent a unique potential for official statistics that needs to be fully exploited, but it cannot be achieved by statisticians alone. Developing the necessary capabilities and skills to effectively explore this type of data is essential for their integration into the European Statistical System. This requires systematic efforts like appropriate training courses and establishing dedicated communities including academics for sharing experiences and best practice. The multidisciplinary character of Big Data requires synergies and partnerships to be effectively built with experts and stakeholders from various domains including government, academics and owners of private data sources.

Stakeholders:

1. Producers of European statistics

National Statistical Institutes and other national authorities.

2. Survey respondents

Businesses and households.

3. Users of European statistics

The *Institutional users* include National and European organizations, namely: National governments, European Commission, European Parliament and the Council, European Economic and Social Committee, European Central Bank.

Non-institutional users, users with a general interest (journalists, citizens, students), users with a specific interest (Decision makers, Methodologists, Marketing analysts), users with a research interest (Scientific community, consultants and researchers in Governmental Agencies and private sector).

Subsidiarity check

Under Article 338 of the Treaty on the Functioning of the European Union, the EU legislators shall adopt measures for the production of statistics where necessary for the performance of the activities of the Union. The shared competence between the Union and the Member States is justified by the need to ensure high quality statistics underpinning EU policies as well as the transnational character of many aspects of statistics in general and of European statistics in particular.

Pursuant to Regulation 223/2009 of the European Parliament and of the Council of 11 March 2009 on European statistics, "the European statistical programme shall provide the framework for the development, production and dissemination of European statistics, setting out the main fields and the objectives of the actions envisaged for a period corresponding to that of the multiannual financial framework". Pursuant to Regulation (EC) No 223/2009 on European statistics⁹, a multiannual European statistical programme (the ‘multiannual programme’) should be established, providing a framework for funding.

Member States ensure the actual collection of the statistical information at national level and they also need to collect statistics following the same harmonized principles in order to have comparable data to support European policies.. Therefore only a coordinated approach to the development, production and dissemination of European statistics as foreseen in the European statistical programme will guarantee the required coherence and comparability of the statistics relevant for the activities of the Union.

Only the Commission can coordinate the necessary harmonisation of statistical information at the European level in all statistical domains covered by this act, while, as mentioned above, the data collection itself can be carried out by the Member States. Consequently, the European Union may adopt measures in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union (TEU).

The added value of EU action is that it allows concentrating the statistical activities on EU policies and issues of relevance for the European Statistical System as a whole. In addition it contributes to an effective use of resources allowing for economies of scale and helping national authorities to accomplish their tasks, even when they lack the capacity, for instance in terms of harmonisation and methodological development. Furthermore, a specific added value of the proposed action would be to make essential contribution to some of the priority actions of the Union, such as the enhanced economic governance and Europe 2020 strategy.

Main policy objectives

(1) The initiative aims at setting the legislative framework for the European statistical programme for the duration of the

⁹ Regulation (EU) 2015/759 of the European Parliament and of the Council of 29 April 2015 amending Regulation (EC) No 223/2009 on European statistics. OJ L 123, 19.5.2015, p. 90–97

MFF, and providing the financial support to the European Statistical system, towards the following objectives:

(2) Provide high quality statistical information necessary to support the development, monitoring and evaluation of the policies of the Union and serving the needs of a wide range of users.

This will allow bridging the most urgent statistical gaps, in particular in terms of timeliness, and to focus on a number of priority areas in line with the 10 political priorities of the Commission.

(3) Implement new methods of production of European statistics aiming at efficiency gains, and quality improvements.

This will allow building the permanent capacity to respond faster to emerging needs, and harness the potential of new data sources, by adapting the statistical infrastructure.

(4) Strengthen the partnership within the European Statistical System (ESS) and beyond in order to further enhance its productivity and its leading role in official statistics worldwide.

This will facilitate the development of skills and the extension of partnerships to new players, to support the take up of new data sources by official statistics.

B. Option Mapping

Baseline scenario – no EU policy change

Option 1: Same European statistical programme (2013-2017) extended for 3 years 2018-2020

This option means no change in terms of statistics planned in the current European statistical programme, nor in terms of budget. This could be considered as the baseline scenario against which the other options can be compared.

Options of improving implementation and enforcement of existing legislation or doing less/simplifying existing legislation

The current ESP is expiring in 2017. Under Regulation (EC) No 223/2009 on European statistics, as amended by Regulation (EU) 2015/759¹⁰, the duration of the ESP shall correspond to that of the MFF. Thus, an extension of the current ESP is needed. .

Alternative policy approaches

Option 2: Extension of the current European statistical programme with adaptations

The option refers to an extended ESP that will keep the structure of the current ESP while taking into account the changes in the environment, the possible ways to harness the potential of big data for producing statistics, the European Statistical System Vision 2020 and the new emerging needs of users. It will cover the remaining of the MFF period (until 2020).

Option 2.a: Amendments of the current ESP and reduced annual budget compared to the current ESP

Option 2.b: Amendments of the current ESP and same annual budget as the current ESP (possibly requiring a re-prioritisation of the current statistical outputs if new statistics need to be developed).

Option 2.c: Amendments of the current ESP and higher annual budget than the current ESP (to strengthen the European statistical infrastructure).

Option 3: Several statistical programmes

Several programmes could be jointly proposed:

Option 3.a: An extension of the current ESP to cover the years 2018-20 and align with the timeline of the MFF, without the modernisation aspects (Objective II of the current European statistical programme).

Option 3.b: A separate programme focusing on modernisation and development of the European statistical infrastructure, with possibly a different timeline and budget.

¹⁰ Regulation (EU) 2015/759 of the European Parliament and of the Council of 29 April 2015 amending Regulation (EC) No 223/2009 on European statistics, OJ L 123, 19.5.2015, p. 90–97.

Alternative policy instruments
<ul style="list-style-type: none"> Not applicable. Under Article 13 (1) Regulation (EC) No 223/2009 on European statistics, as amended by Regulation (EU) 2015/759, it is stated that: "1.The European statistical programme shall provide the framework for the development, production and dissemination of European statistics, setting out the main fields and the objectives of the actions envisaged for a period corresponding to that of the multiannual financial framework."
Alternative/differentiated scope
To some extent Option 2 can be considered as providing a different scope, in particular with the possibility of a re-prioritisation of the current statistical outputs.
Options that take account of new technological developments
Digital developments will be taken into consideration, notably as regards the take up of new data sources (like Big Data) in the policy objective (2) "Implement new methods of production of European statistics aiming at efficiency gains, and quality improvements".
Preliminary proportionality check
<p>European statistics for the design and monitoring of EU policies necessitate harmonised methodology and principles and the definition of a common output to be delivered by each Member State so as to ensure the comparability of the data. This can be achieved only by way of EU action.</p> <p>The Treaty requires the European legislator to adopt measures for the production of statistics where necessary for the performance of the activities of the European Union. All options respect the principle of proportionality as they will not go beyond what is necessary to produce European statistics required for decision-making in the context of EU policies.</p>
C. Data Collection and Better Regulation Instruments
Data collection
<p>The evaluation of the Community statistical programme 2008-12, mid-term evaluation of the European statistical programme 2013-17 (available in 2015), and final evaluations of the Modernisation of European Enterprise and Trade Statistics programme (MEETS) will be used, as well as the paper on the European Statistical System 2020 Vision¹¹ elaborated by the European Statistical System.</p> <p>The main recommendations of the evaluation of the programme 2008-12 were the following:</p> <ul style="list-style-type: none"> A more specific formulation of general, specific and operational objectives, with causal link and hierarchical relations explicitly mentioned, should be the basis for drafting the multi-annual programme. It was recommended that careful analysis of "costs and merits" is developed by Eurostat in collaboration with the Member States to base the strategic choices as well as to inform the users on the decisions regarding negative priorities. In order to facilitate the implementation of the Vision, an explicit mandate should be given to Eurostat. A five-year action plan (rather than an annual review by the ESSC) for the implementation of the Vision is needed. <p>The mid-term evaluation of the European statistical programme 2013-2017 concluded that the programme is generally well implemented, with 17 out of the 23 detailed objectives being well on track for completion. The programme presents good EU added value, is run efficiently, corresponds to user needs and is coherent with other statistical programmes. For instance, the move towards new methods for the production of European statistics as well as the definition of a new European Statistical System Vision 2020 have a positive effect on the approaches used throughout the European Statistical System. The mid-term evaluation puts forward three recommendations to guide and further optimise the implementation of the programme. These are:</p> <ul style="list-style-type: none"> Giving particular attention to those objectives where problems have been encountered; Securing sufficient resources to maintain the necessary level of investment for the modernisation of the production of European statistics;

¹¹ <http://ec.europa.eu/eurostat/web/ess/about-us/ess-vision-2020>

- Identifying and implementing projects at EU level, which can maximise EU added value.

The recommendations from the **European Court of Auditors Special Report** N°12/2012: "Did the Commission and Eurostat improve the process for producing reliable and credible European statistics?" will also be taken into consideration.

Eurostat will gather further information from stakeholders through an open public consultation, user satisfaction survey, conferences (e.g. Conference of European statistics stakeholders organised by Eurostat and the European Statistical Advisory Committee ESAC). Commission Directorate-Generals (DGs) and the European Central Bank (ECB) will also be asked for their needs. Eurostat will also collect input from the National Statistical Institutes.

In addition, Eurostat will use information collected in the context of other Impact Assessments in particular on

- Framework Regulation on the Integration of Business Statistics (FRIBS),
- Framework Regulation for the Production of European Statistics on Persons and Households (Integrated European Social Statistics - IESS)
- Strategy for Agricultural Statistics 2020 and beyond (European Agricultural Statistics System – EASS)

Consultation approach

The current European statistical programme has been elaborated in 2010-2011. It is therefore important to get contributions from stakeholders to identify the changes that have occurred in the meantime and that need to be taken into account for the extension of the programme to the years 2018-20. This covers political, economic or social changes as well as changes in the field of technologies, statistics and methodologies.

It is then important to assess, in particular from the users' point of view, what should be the priorities for European official statistics until 2020.

In accordance with the EU Better Regulation Guidelines, feedback will be collected on the impact of suggested actions on the users, producers of statistics and on respondents (in particular businesses).

- An open public consultation related to this initiative was launched on 23 July 2015, closing on 15 October 2015.
- National Statistical Institutes have been involved in the elaboration of the European Statistical System Vision 2020 and will continue to be consulted through the European Statistical System Committee and experts groups.
- Commission DGs, the ECB and the European Parliament will be consulted through specific meetings.
- Other users and respondents are consulted via the ESAC (European Statistical Advisory Committee) and stakeholder conferences.

Will an Implementation plan be established?

Yes No

- Pursuant to Article 17 of the amended Regulation 223/2009 on European statistics, the multiannual programme will be implemented through Annual Work Programmes.

D. Information on the Impact Assessment Process

(1) Eurostat foresees to carry out an impact assessment of the three options mentioned above.

(2) Work on the impact assessment started in the second quarter of 2015.

(3) In 2013, Eurostat has set up an Inter-Service Group on Statistical Coordination, which has the following objectives:

- To facilitate Eurostat's cooperation with and consultation of the services of the Commission on European statistics, with a view to taking into account user needs and relevant policy developments.
- To coordinate activities of the Commission in the field of statistics with a view to optimising the use of existing information.

In addition, this group acts as an Impact Assessment Steering Group. So far, the Impact Assessment Steering Group has met once (in May 2015) and has been consulted in writing on the consultation documents.

The open public consultation is running until mid-October.

(4) The Inter-Service Steering Group (ISSG) will meet at least twice over the period necessary to achieve that work. ISSG members include at least: SG, AGRI, BUDG, CLIMA, CNECT, DEVCO, DIGIT, EAC, ECFIN, ECHO, EMPL, ENER, GROW,

E. Preliminary Assessment of Expected Impacts

The decisions to produce European statistics are driven by the need to support policy-making. The objective is to support policy-making by providing European Institutions and the governments of Member States with relevant high quality statistical information needed to design, implement, monitor and evaluate EU policies.

The production of European statistics has an impact in terms of administrative burden on national institutions and response burden of enterprises and citizens. Therefore an Impact Assessment will be carried out.

Option 1: "no change" policy: same European statistical programme extended for 3 years
 Repeating the ESP 2013-17 would not give room to reflect new statistical needs emerging from EU policies (e.g. social indicators). An identical programme would not specifically cover the financing of significant projects to harness the potential of new data sources such as "big data". The increased need for quality statistics, as referred to in the European Statistical System Vision 2020 would also not be reflected under this Option.

Option 2: Extension of the current European statistical programme with adaptations
 This option would allow taking into account some of the evolutions of the environment and new needs, considering that the general and specific objectives of the European statistical programme can encompass a large part of the actions foreseen in the European Statistical System Vision 2020.
 The impact assessment will analyse the potential effects of a lower, stable and higher budgets as well as the impact on businesses as data providers.

Option 3: Several statistical programmes
 Two programmes could have different timelines and levels of ambition, separating the multiannual programming of statistics foreseen in the Regulation N°223/2009 and standard support to the harmonization of European statistics, from the actions building a specific infrastructure for the production of European statistics.
 However, there is a risk of overlap between the two programmes since traditional production processes will enter gradually into a modernization phase. There is also an increased overhead in terms of the management of programme. This is the reason why the objectives of the MEETS programme (focusing on business statistics) which ended in 2013 are now included in the European statistical programme.

Likely economic impacts

Indirect impact: this initiative will lead to a more efficient statistical evidence base (e.g. globalisation, services sector, innovation) for policies that contribute to stimulate and consolidate economic growth.

Likely social impacts

Indirect impact: this initiative will lead to an improved assessment of the social impact of economic decisions on policies such as levels of employment and unemployment, the evolution of levels of poverty and the labour market in general. Improved timeliness of social indicators combined with existing macro-economic indicators will enable a more integrated and efficient analysis of such decisions.

Likely environmental impacts

Indirect impact: this initiative will facilitate policies that contribute to sustainable growth by providing improved energy and environmental statistics.

Likely impacts on simplification and/or administrative burden

The simplification or reduction of administrative burden for businesses and individuals will be achieved through the implementation of the objectives of the programme (such as the reengineering of statistical production or the better use of administrative data and big data).

Likely impacts on SMEs

Same as above

Likely impacts on competitiveness and innovation

Indirect impact: the initiative will enhance the link to policy relevant outputs such as growth, employment, and creation of new business opportunities and the drivers for technological change and innovation by providing relevant statistics.

Likely impacts on public administrations

The initiative will have an impact on National Statistical Institutes and Other National Authorities. This impact will be examined as part of the impact assessment, mainly regarding three dimensions: impact of the amendments to the statistical outputs (more statistics to be delivered, reprioritisation, more timely statistics), impact of modernisation actions (use of new data sources) for the National Statistical Institutes, impact of different budget levels

Likely impacts on third countries, international trade or investment

The initiative will deal with cooperation with international organisation and capacity building in third countries, to make sure that good quality data are available for the monitoring of the enlargement and European neighbourhood policies, to measure the compliance of the candidate countries and potential candidates with European standards in the area of statistics and to support both them and the European Neighbourhood countries in their efforts to provide good quality data in accordance with European standards. .