

PEER REVIEW REPORT

ON COMPLIANCE WITH THE CODE OF PRACTICE AND
THE COORDINATION ROLE OF THE NATIONAL STATISTICAL INSTITUTE

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1. EXECUTIVE SUMMARY

The National Institute for Statistics and Economic Studies (STATEC) of Luxembourg was established in its current legal form by legislation in July 2011. Its mission is stated as 'providing public and private decision makers and citizens with a public service of high quality statistical information'.

The 2011 Law does not directly define the national statistical system but states that STATEC ensures the coordination of the national statistical system in consultation with the Committee for Official Statistics. Two Grand-Ducal Regulations in 2013 provide more detail on the role and composition of, firstly, the Committee for Official Statistics, which is chaired by the Director of STATEC and has, as members, some 40 representatives of government bodies with an interest in the production of official statistics; and secondly the Supreme Council of Statistics, which is a smaller committee of 12 members with an external chair and comprising representatives of broad user interests, such as the Chamber of Commerce and Luxembourg University. The Council gives its opinion on, among other things, the work of the national statistical system and on the work and decisions of the Committee for Official Statistics.

STATEC's statutory remit includes requirements to prepare short and medium-term global and sectoral economic forecasts; to develop macroeconomic models used for drawing up these forecasts; and to carry out and publish related, essentially applied research. It has some 140 full time equivalent staff, of whom about 110 work in the three main statistical divisions – Enterprise Statistics, Macro-economic Statistics and Social Statistics. The Peer Review team concluded that, to maintain confidence in the statistical outputs, the European statistics Code of Practice (CoP) should be more explicitly regarded as applying to all of STATEC's work, with appropriate adaptation and interpretation where needed.

The organisation's approach to ensuring good practice exploits the advantages of its relatively small size. A lot is achieved through informal and pragmatic solutions. Awareness of the CoP, the national statistical legislation and regulations, and the expectations of top management are communicated effectively throughout the organisation. Relations with officials in other national authorities are handled on a mutually supportive and friendly basis.

The main government users of statistics, journalists and academics all told the Peer Review team how helpful and professional the STATEC staff were, even when constrained by resource pressures. Communication with journalists is open and active, and the system of press releases and short summaries of new statistical data appears to be well developed and effective. Public awareness of STATEC is high and the Director is a recognised figure in the national media.

STATEC gives high priority to involvement in international statistical working groups and other forms of international engagement and draws on these forums for advice as necessary and practicable. In some countries the demands in terms of European statistics can create tension with national statistical requirements but there are few such examples in Luxembourg where national requirements are very largely met from within the scope of European statistics.

The 2011 Law focuses on the powers and responsibilities of STATEC as a national statistical institute (NSI) and that is reflected in the current culture of the organisation which puts the emphasis on STATEC as a distinct and distinctive institution rather than on the wider concept of a national statistical system. The Peer Review team concluded that there was now sufficient statistical activity contributing to the production of European statistics taking place outside STATEC

to require greater clarity in the meaning and scope of the national statistical system; in particular, to help ensure compliance with the CoP and effective management more generally.

There are statutory provisions for permanent and ad-hoc working groups to be established under the Committee for Official Statistics and the Peer Review team saw the further development of such working groups as the best way to establish an effective framework for the national statistical system and to provide it with a flexible forum within which to consider issues of relevance to it - including the implementation of the CoP and development of a comprehensive statistical plan.

One current concern of STATEC is whether its resources will be adequate to meet the requirements on Luxembourg in respect of the growing volume of EU statistical legislation. Resource pressures were cited in the Self-Assessment Questionnaire (SAQ) in relation to several instances of partial compliance with the CoP. The Peer Review team concluded that there was a real risk currently of Luxembourg failing to meet the requirements of Principle 3 of the CoP, which explicitly requires that 'the resources available to statistical authorities are sufficient to meet European Statistics requirements'. The Peer Review team also concluded that the current degree of financial independence of STATEC was less than that required by Principle 1 of the CoP, and that this was contributing to difficulty in meeting EU requirements within existing budgets.

Whilst staff in Other National Authorities (ONAs) responsible for the production of European statistics were aware of the CoP and worked closely with STATEC, the Peer Review team concluded that more explicit accountability to the Director of STATEC was required to ensure sustainable coherence across the national statistical system and consistent observance of the CoP. This could be achieved by adopting a 'dotted-line' responsibility to the Director of STATEC on those matters that came within his purview as the government's chief adviser on statistics.

STATEC is pursuing quality management in the same pragmatic and informal way it deals with many issues but the Peer Review team concluded that the requirements of the CoP dictated the need for at least one person working full time to establish a more systematic approach to quality, based on international good practice, both within STATEC and across the statistical system.

Although the 2011 Law gave STATEC full access to administrative data for statistical purposes, this had yet to be fully realised in practice. The Peer Review team concluded that outstanding cases needed to be resolved as a matter of priority - not least because failure to fully implement such provisions of the statistical legislation could not be regarded as compliant with the CoP.

The arrangements for the appointment of the Director of STATEC are not covered in the 2011 Law although there are some relevant provisions in more general civil service legislation which treat the appointment as for other top level civil service appointments. The Peer Review team concluded that a more specific statement that distinguished the requirements of the post from other senior civil service posts would be beneficial in demonstrating commitment to the principles of the CoP.

As already mentioned, many of the main users of Luxembourg official statistics have good and open relationships with STATEC and are complimentary about how helpful the staff are. However, the Peer Review team concluded that, partly because of the resource pressures, there needed to be a more explicit and transparent system for stimulating and evaluating proposals from users for new statistical outputs and that the Supreme Council of Statistics could be invited to establish and oversee such as system.

Overall, the Peer Review team concluded that whilst STATEC and the rest of the national statistical system often adopted informal and pragmatic approaches - appropriate to their relatively small scale - they nonetheless achieved a high level of compliance with the CoP.

RECOMMENDATIONS

Governance

1. The National Institute for Statistics and Economic Studies should develop a detailed description of the National Statistical System clarifying what it encompasses and what is not within it, identify the staff related to those activities and take steps to enhance their understanding of the National Statistical System and the interpretation of the European statistics Code of Practice in the context of their work. (European statistics Code of Practice, Principles 1 to 6, and coordination)
2. The National Institute for Statistics and Economic Studies should find ways to communicate in a user-friendly manner the concept of the National Statistical System, so that public administrations, the media and the public can better understand what it is and why it is valuable. (European statistics Code of Practice, Principles 1 to 6, and coordination)
3. The National Institute for Statistics and Economic Studies should establish and lead a system of permanent sub-committees and ad-hoc working groups reporting to the Committee for Official Statistics such that these committees and working groups collectively serve as the primary forum of the National Statistical System, addressing matters that require agreement across the System. The sub-committees should include one on the development of statistical planning across the National Statistical System and the ad-hoc working groups should include one on the interpretation and implementation of the European statistics Code of Practice. (European statistics Code of Practice, Principles 1 to 6, and coordination)
4. The National Institute for Statistics and Economic Studies should actively contribute to the work programme of topics to be addressed by the Committee for Official Statistics' working groups and foster such groups in a systematic way as resources allow. (European statistics Code of Practice, Principles 1 to 6, and coordination)

Sustainability

5. On the advice of the National Institute for Statistics and Economic Studies and of the Supreme Council of Statistics, the relevant authorities should address the adequacy of the resources available to the National Institute for Statistics and Economic Studies with a view to ensuring that European obligations in respect of official statistics are adequately funded. (European statistics Code of Practice, Principle 3)
6. The relevant authorities should take the necessary steps to give the National Institute for Statistics and Economic Studies maximum flexibility in the use of financial resources to employ staff on both permanent and short-term bases and full authority to transfer budgets between functions as necessary to meet its agreed priorities and commitments. (European statistics Code of Practice, Principles 1 and 10)

7. The relevant authorities should, on the advice of the National Institute for Statistics and Economic Studies, identify staff working within the National Statistical System in other national authorities and introduce explicit arrangements for them to be personally accountable to the Director of the National Institute for Statistics and Economic Studies in relation to their work on the production of European statistics and their responsibilities under the European statistics Code of Practice. (European statistics Code of Practice, Principles 1 to 6, 10 and coordination)
8. The National Institute for Statistics and Economic Studies should plan to appoint a full-time quality manager with a remit to establish a systematic approach to quality, based on international best practice; and to progress evaluation of statistical processes and outputs; and to establish an effective system of communication across the National Statistical System in relation to quality issues. (European statistics Code of Practice, Principle 4)
9. The relevant authorities should ensure full compliance with Article 13 of the 2011 statistics Law, which requires authorities to provide full access to administrative records, and in particular ensure that the National Institute for Statistics and Economic Studies has full access to tax records that it judges necessary to do its work efficiently. (European statistics Code of Practice, indicators 2.2, 8.8 and 9.4)

Reputation and Users

10. The National Institute for Statistics and Economic Studies should make proposals to the relevant authorities regarding the arrangements for the appointment, and termination of appointment, of the Director to be set out more specifically and distinctly. (European statistics Code of Practice, indicator 1.8)
11. The National Institute for Statistics and Economic Studies should put forward proposals for the principles of the European statistics Code of Practice to be formally recognised as applying equally to all its functions including economic forecasting and research; and to other parts of the National Statistical System responsible for European statistics. The interpretation of the Code of Practice in these contexts should be agreed with the Supreme Council of Statistics. (European statistics Code of Practice, Principles 4 and 6)
12. The Supreme Council of Statistics should take the lead in defining a more transparent and efficient system covering the whole of the National Statistical System for stimulating and evaluating proposals for statistical outputs (and access to microdata) taking account of all user needs. (European statistics Code of Practice, Principles 11 and 15)

2. INTRODUCTION

This peer review report is part of a series of assessments, the objective of which is to evaluate the extent to which National Statistical Institutes (NSIs) and the European Statistical System (ESS)¹ comply with the European statistics Code of Practice (CoP).

The CoP, which sets out a common quality framework for the ESS, was first adopted in 2005 by the Statistical Programme Committee and updated in 2011 by its successor, the European Statistical System Committee. The CoP – 15 principles and related indicators of good practice – covers the institutional environment, the statistical production process and the output of European statistics. The ESS is committed to fully complying with the CoP and is working towards its full implementation. Periodic assessments review progress towards reaching this goal.

The first global assessment, a round of peer reviews in 2006–2008, explored how the NSIs and Eurostat were progressing in implementing the parts of the CoP relating to the institutional environment and dissemination of statistics (principles 1–6 and 15). This resulted in reports for each NSI and Eurostat, available on the Eurostat website². These reports also include a set of improvement actions covering all the principles of the CoP; these informed the annual monitoring of the implementation of the CoP in the ESS in the period 2009-2013.

The scope of this second round of peer reviews is broader: the assessment of CoP compliance covers all principles; the CoP compliance of selected other national producers of European statistics (as well as the NSI) in each country is assessed; and the way in which statistical authorities coordinate the production and dissemination of European statistics within their statistical systems is explored.

It should be underlined that there is a fundamental difference between the reports in the previous round of peer reviews conducted in 2006-2008 and the reports from this round. In the 2006-2008 round compliance with principles 1 to 6 and 15 of the CoP was assessed by means of a four-level scale (fully met; largely met; partly met and not met) and improvement actions were agreed on all 15 principles. After five years of continuous development most of the improvement actions have been implemented and significant progress towards full compliance with the CoP has been made. Therefore, rather than stating the state of play for all principles of the CoP, the reports from the 2013-2015 round mainly focus on issues where full compliance with the CoP has not been found or further improvements are recommended by the Peer Review team.

In order to gain an independent view, the peer review exercise has been externalised and an audit-like approach, where all the answers to the self-assessment questionnaires have to be supported by evidence, has been applied. As in 2006-2008, all EU Member States, the EFTA/EEA countries and Eurostat are subject to a peer review.

Each peer review in the Member States and EFTA/EEA countries is conducted by three reviewers and has four phases: completion of self-assessment questionnaires by a country; their assessment by Peer Reviewers; a peer review visit; and the preparation of reports on the outcomes. The peer

¹ The ESS is the partnership between the Union statistical authority, which is the Commission (Eurostat), the national statistical institutes (NSIs) and other national authorities responsible in each Member State for the development, production and dissemination of European statistics. This Partnership also includes the EFTA /EEA countries.

² <http://ec.europa.eu/eurostat/web/quality/first-round-of-peer-reviews>

review of Eurostat has been conducted by the European Statistical Governance Advisory Board (ESGAB).

To test and complete the methodology, it was piloted in two countries, Iceland and Slovakia, over the summer of 2013.

The Peer Review of Luxembourg was conducted by Richard Alldritt (chair), Isabelle de Pourbaix and Tomaz Smrekar, who conducted a Peer Review visit to Luxembourg on 12-16 January 2015. The programme of the visit is in Annex A and a list of participants in Annex B.

This report focuses on compliance with the CoP and the coordination of European statistics within the Luxembourg statistical system. The report highlights some of the strengths of the National Institute for Statistics and Economic Studies (STATEC) in these contexts and contains recommendations for improvement. Improvement actions developed by STATEC and other relevant authorities on the basis of this report will be published within the four-week period starting when the final report is sent to the NSI.

3. BRIEF DESCRIPTION OF THE NATIONAL STATISTICAL SYSTEM

The National Institute for Statistics and Economic Studies (STATEC) was established in its current statutory form, under the authority of the Minister appointed to economic affairs, by legislation in July 2011 ('the 2011 Law'). The Law gives STATEC eight remits, the first and most general of which is to 'set up a statistical information system accessible to the public, in particular on the structure and the activity of the country by drawing up, through surveys or using administrative files, statistics concerning notably demographic, economic, social and environmental phenomena and also by centralising the statistical data available from public bodies by reason of their powers.'

The Law does not directly define the national statistical system but states (Article 3) that "STATEC ensures the coordination of the national statistical system in consultation with the Committee for Official Statistics. It ensures the harmonisation of the statistical methods, definitions and nomenclatures and sees to the application of relating European and international standards." And whilst the Law does not mention the European statistics Code of Practice (CoP) by name, it states (Article 11) that "STATEC establishes its own Statistics Code of Practice that meets European and international requirements and standards" and, in practice, STATEC has adopted the European statistics CoP as its own.

One distinctive feature of STATEC is that it has an additional statutory remit to prepare short and medium-term global and sectoral economic forecasts; to develop macroeconomic models used for drawing up these forecasts; and to carry out and publish related, essentially applied, research.

Objectives

STATEC defines its mission as 'providing public and private decision makers and citizens with a public service of high quality statistical information'. It adds that 'we are committed to produce statistics, analyses and studies which represent a detailed, reliable and objective image of Luxembourg's society. These informations are to enrich the democratic debate in all transparency and help to take evidence-based decisions.'

Structure

STATEC has a single office in Luxembourg-Kirchberg and employs around 140 full time equivalent staff, of whom around 110 are employed in the three main statistical divisions. The Director is assisted by a deputy director to whom he may delegate some of his powers and who replaces him when he is absent. There are four divisions and one support division: Social Statistics; Business Statistics; Macroeconomic Statistics; Studies, Forecasts and Research; and General Services.

STATEC's board of directors is composed of the director, deputy director and the heads of division. The board of directors discusses and coordinates the follow-up of current affairs within STATEC and the national statistical system. It also discusses STATEC's medium and long term objectives.

Appointment of Director

The appointment procedure for the Director of STATEC is not mentioned directly in the 2011 Law but is the same as for other top officials in the Luxembourg government. The vacancy is published on the website of the Ministry of Public Administration and interested persons can apply. The candidates are interviewed by the Minister of Economy. On the basis of a proposal from the Minister of Economy, the government decides on the appointment of the head of the NSI.

Legislation

The main Laws and Regulations are:

- *Law of 10 July 2011 on the organisation of the National Institute for Statistics and Economic Studies;*
- *Grand-Ducal regulation of 12 March 2013 relating to the composition, organization and operation of the Committee for Official Statistics;*
- *Grand-Ducal regulation of 12 March 2013 relating to the composition, organization and operation of the Supreme Council of Statistics.*

Statistical programme

The Statistical programme (Statplan) is established in December during an annual meeting and is published on Internet. Most of the statistics for which STATEC is responsible are covered by European regulations. Some statistics are required by national statistical laws or sectorial laws.

Statistical products and dissemination

The statistics produced by STATEC are published on the Statistics Portal of Luxembourg. Run in collaboration with other public services, www.statistiques.lu/en/ is becoming the reference portal for Luxembourg statistics. STATEC is responsible for its management and maintenance. The statistics portal is aimed at making statistical information available online and offers users a range of features. Users can also display results on a map of Luxembourg. An advanced search tool allows internet users to create customised tables. There is a release calendar for key figures. Users are regularly kept informed of portal updates through newsletters and RSS feeds.

Statistical information is organised by theme (territory and environment, population and employment, social conditions, enterprises, economy and finance) and by subject.

4. COMPLIANCE WITH THE CODE OF PRACTICE AND THE COORDINATION ROLE WITHIN THE NATIONAL STATISTICAL SYSTEM

4.1 STRENGTHS OF THE NATIONAL STATISTICAL INSTITUTE IN RELATION TO ITS COMPLIANCE WITH THE CODE OF PRACTICE AND TO ITS COORDINATION ROLE

This section of the report identifies some aspects of the CoP in relation to which STATEC, or the Luxembourg's National Statistical System (NSS) more generally, is regarded by the Peer Review team as showing high standards in relation to compliance with the CoP.

STATEC's approach to promoting and ensuring good practice exploits the advantages of its relatively small size as a national statistical institute. A lot is achieved through informal and pragmatic solutions that would not be workable, or appropriate, in a larger organisation. Most fundamentally, awareness of the CoP, the national statistical legislation and regulations, and the expectations of top management are communicated effectively throughout the organisation. Similarly, relations with officials responsible for statistical work, either as producers or users, in the other Luxembourg national authorities are handled on a mutually supportive and friendly basis, with fewer of the problems of boundaries and conflicting priorities typically found in large administrations. This pragmatic approach to manage the NSS supports many principles of the CoP but perhaps especially Principle 10 on cost-effectiveness.

The staff to whom the Peer Review team spoke were fully aware of the various streams of work within STATEC and, at least broadly, what was expected of them in terms of professional independence, commitment to quality, respecting international standards, statistical confidentiality, impartiality, accessibility, and cost effectiveness. Their focus on sustaining the reputation of STATEC as an institution and delivering a high quality service to users was evident and without exception. This shared commitment to statistical good practice reflects, in particular, the expectations of Principles 1, 4 and 6 of the CoP.

The same could be said, although in lesser degree, of the staff in the other national authorities to whom the Peer Review team spoke. They were aware of the expectations and obligations associated with the ESS, and also aware of the CoP and had made efforts to understand what it meant for them, and to comply with at least the main principles of the CoP. The sense of mutual respect and willingness to work in support of one another seemed to be universal among the staff within the statistical system. Again, this supports both commitment to quality, Principle 4, and cost-effectiveness, Principle 10, of the CoP.

Whilst these virtues do not map precisely on to particular elements of the CoP, they reflect the broader mission of the ESS, as stated within the CoP, 'to provide the European Union, the world and the public with independent high quality information on the economy and society...and to make the information available to everyone for decision-making purposes, research and debate.'

The main government users of statistics, journalists and academics all told the Peer Review team how helpful, professional, open and approachable the STATEC staff were, even when it was clear that they were constrained by resource pressures. The expectation of a strong service culture of this kind is implicit in various principles of the CoP, including Principles 1 and 15.

Communication with journalists is well developed and demonstrates a good level of mutual respect. The system of press releases and short, four-page, summaries of new statistical data (called 'Regards') appears to be well developed, flexible and effective. Public awareness of STATEC

is high and the Director is a recognised figure in the national media. All of these things contribute to achieving a high level of accessibility in accordance with Principle 15 of the CoP.

STATEC gives high priority to involvement in international statistical working groups and other forms of international engagement and draws on these forums for advice as necessary and practicable. This reflects and supports STATEC's commitment to sound methodology in accordance with Principle 7 of the CoP.

The 2011 Law and related regulations are clear and, in many respects, strong in establishing the professional independence of STATEC and giving it the practical authority it needs as an NSI. This reflects the expectations of Principle 1 of the CoP and demonstrates the progressive development of the governance structure in recent years.

4.2 ISSUES AND RECOMMENDATIONS

4.2.1 GOVERNANCE

Defining the national statistical system (NSS)

The history and development of STATEC has been, as a compact and independently functioning statistical office, not much challenged by conflicting political pressures or demands beyond the substantial demands arising from the need to produce European statistics within limited resources. Whereas in some countries the demands of European regulation to produce European statistics can create tension with national statistical requirements, there are few such examples in Luxembourg where national requirements are very largely met from within the scope of European statistics. There are occasional exceptions – such as the need to produce an extra version of the Consumer Price Index for national purposes – but for the most part, the primary role of STATEC is to produce the products that membership of the EU dictates.

The 2011 Law strengthens the sense of well-defended independence with statements such as:

- 'STATEC's remit is: to set up a statistical information system accessible to the public... by drawing up, through surveys or using administrative files, statistics... and also by centralising the statistical data available from public bodies by reason of their powers'. (Art.2);
- ...'to represent Luxembourg to foreign, EU and international statistical authorities as it is the national statistical authority' (Art.2);
- 'In carrying out its remit... STATEC is endowed with scientific and professional independence.' (Art.11);
- 'STATEC establishes its own Statistics Code of Practice that meets European and international requirements and standards.' (Art.11).

These and other provisions in the legislation focus on the powers of STATEC as a NSI and that focus is reflected in the current culture of the organisation which puts the emphasis on STATEC as a distinct and distinctive institution rather than on the wider concept of the NSS.

However, the legislation does formally recognise the wider concept of a statistical system. It states that 'STATEC ensures the coordination of the national statistical system in consultation with the Committee for Official Statistics'. Whilst the Law does not seek, even indirectly, to define the NSS, it does establish and set out the role of the Committee for Official Statistics. A supporting Grand-Ducal Regulation (12 March 2013) adds more detail in terms of membership and working

arrangements. The Committee includes representatives of some 40 government and public bodies and a broad remit to coordinate the statistical programmes of the various bodies - indicating that there are a substantial number of bodies to which the concept of a statistical programme is relevant.

The core documents provided for the Peer Review, and other evidence given during the Peer Review visit, further indicate that several of the bodies represented on the Committee for Official Statistics contribute in non-trivial ways to the production of European statistics, including: Department of Rural Economy, Ministry of Health, Ministry of Foreign and European Affairs, Ministry of Sustainable Development and Infrastructure, Ministry of National Education, Childhood and Youth, General Inspectorate of Social Security, the Accident Insurance Association and the Viticulture Institute. In the context of the production of European statistics, the statistical functions of these and other relevant bodies tend to be small and in some cases involve just parts of individual's work rather than being of a kind suitable for brigading in to professional statistical units. This does undoubtedly make the clear definition of the NSS relatively complex but not, in the view of the Peer Review team, an unrealistic aim.

Viewed in aggregate, the Peer Review team concluded that there was now sufficient, and sufficiently important, statistical activity contributing to the production of European statistics taking place outside STATEC that the expectations of the ESS (as reflected in the indicators of the Coordination Self-Assessment Questionnaire) require greater clarity in the meaning and scope of the NSS; in particular, to help ensure compliance with the CoP and effective management. Arguably this view is already implicitly accepted in the various provisions of the legislation that refer to the NSS and in the existence and role of the Committee for Official Statistics.

More generally, with the use of administrative data as the basis for much of the production of European statistics, the importance of statistical production outside the boundaries of STATEC may be expected to increase over time. In that longer-term context, it is going to be the NSS of Luxembourg that is responsible for meeting EU requirements, including compliance with the CoP, not simply STATEC as a relatively independent body. Thus STATEC's practical co-ordination of, and authority in relation to, the wider system is pivotal to long-term international confidence in Luxembourg's official statistics, even if the non-STATEC part of that system remains quite small in absolute terms. It is important that both the staff involved, and stakeholders outside the statistical system itself, understand what the concept of a statistical system means and why it is important that STATEC has an active and leading role in its management.

There would be scope to define the Luxembourgish Statistical System in different ways. The Peer Review team took the view that it should include at least all those statistical processes, and all the staff in STATEC and other national authorities (ONAs) responsible for contributing to the production of European statistics. Thus, ONA staff who are responsible for the processing of administrative data in to statistical aggregates which are then incorporated directly or indirectly into European statistics might be included rather than excluded from the definition of the NSS, regardless of their other responsibilities. But staff who manage administrative data for administrative purposes would not be included. The fact that both sets of staff may in some cases contain the same individuals is problematic but does not invalidate the concept. In the case of Luxembourg, the part of the NSS outside STATEC may not amount to a lot of functions - or a lot of people - but the statistics produced are nonetheless important to include within the governance of the statistical system.

So, to enhance compliance with Principles 1-6 of the CoP across the NSS and to address the specific indicators relating to Coordination, **the Peer Reviewers make two related recommendations:**

- 1. The National Institute for Statistics and Economic Studies should develop a detailed description of the National Statistical System clarifying what it encompasses and what is not within it, identify the staff related to those activities and take steps to enhance their understanding of the National Statistical System and the interpretation of the European statistics Code of Practice in the context of their work. (European statistics Code of Practice, Principles 1 to 6, and coordination)**
- 2. The National Institute for Statistics and Economic Studies should find ways to communicate in a user-friendly manner the concept of the National Statistical System, so that public administrations, the media and the public can better understand what it is and why it is valuable. (European statistics Code of Practice, Principle 1 to 6, and coordination)**

Practical steps to coordinate the NSS

Among the elements of the remit of the Committee for Official Statistics is 'to coordinate the statistical programme of the various administrations, ministries, public institutions and observatories and to monitor these programmes in order to improve efficiency and quality, to alleviate the overall response burden and to comply with European and international obligations within prevailing deadlines.' Another element is 'to give its opinion on any draft regulation that might have repercussions on the national statistical system'.

The membership of the Committee is set out in a 2013 Grand-Ducal Regulation and includes representatives of some 40 government bodies as well as members from the Central Bank of Luxembourg and others. The Director of STATEC acts as chair of the Committee and STATEC provides the secretariat. The Regulation further specifies that the Committee 'implements the Code of Practice of the Luxembourgish statistical system'.

Each of the government members of the Committee is appointed by the minister in charge of the economy, on a proposal from whatever minister or head of administration is appropriate to the represented body. So, the Committee for Official Statistics is, for the most part, a committee of government officials whose decisions are taken by formal voting (requiring a simple majority). The Regulation specifies that it meets at least once a year.

The existence of this recently-formed Committee with this composition, and with the ability to take decisions about the statistical system by a majority vote (about which its members are 'bound to secrecy' under the Regulation), might appear at first sight to present a threat to the professional independence of STATEC, but this did not appear to be a concern in practice. The culture of the Luxembourg administration, the culture of STATEC itself, and the various provisions of the 2011 Law are regarded as sufficient protection for professional statistical decisions.

Whilst accepting this conclusion, the Peer Review team was doubtful that the Committee in its present form would prove, in itself, to be an effective mechanism for guiding the future development of the NSS, or demonstrate capacity 'to improve efficiency and quality' unless augmented by a supporting structure. The Committee is expected to meet only annually, it is very large, it includes representatives of some organisations that have at most small roles in the production of official statistics, and its formal role is broad and 'representative' in nature. In addition, it is currently working without a clear agreement as to what the NSS does and does not encompass.

The Regulation contains specific provision for the Committee to establish either permanent or temporary working groups and a small number of such working groups have already been established, for example on Energy statistics. The Peer Review team concluded that the further development of the system of working groups reporting to the Committee for Official Statistics, offered the most pragmatic, flexible and effective way of giving substance to the concept of the NSS. In effect, any substantive issue requiring discussion and agreement across the NSS could be approached by establishing a working group, with members from relevant bodies as well as STATEC, to investigate and report on the best way forward. And to the extent that a number of such issues were identified, a forward plan for working groups could be drawn up and approved by the Committee, so as to leave STATEC flexibility in managing the arrangements. This would be to work with the grain of recent developments but giving the NSS a more substantive meaning.

In a small number of cases, the Peer Review team thought that a permanent working group, or sub-committee of the Committee for Official Statistics, would be worthwhile. These included one on the ongoing interpretation and implementation of the CoP across the NSS. It was noted in meetings during the Peer Review visit that the interpretation of the CoP in bodies with only small statistical functions is particularly difficult, mainly in relation to concepts such as professional independence and impartiality. As staff changes occur and the pattern of work evolves, there is likely to be an ongoing need for advice on questions of interpretation - the more so where staff are performing both statistical and non-statistical functions.

Another candidate for a permanent sub-committee would be the task of drawing together the statistical programmes from across the NSS in to a coherent NSS Programme. So far this has not been achieved and is likely to require an active group to deliver it on an annual basis. The Regulation contains a specific remit on the Committee to establish and publish 'the annual program of the Luxembourgish statistical system', so a working group, or sub-committee may prove to be a necessary step in delivering this.

Among topics for ad-hoc working groups, the Peer Review team concluded that there was a need for groups to develop a comprehensive release calendar for NSS statistical outputs; to improve the comprehensiveness and consistency of statistical outputs covering all European statistics; and to find an acceptable way to identify all statistical outputs clearly as products of the NSS. However, these are examples of the tasks that working groups could usefully undertake rather than specific recommendations.

Bearing these points in mind, and to enhance compliance with Principles 1-6 of the CoP across the national statistical system and to address the specific indicators relating to Coordination, **the Peer Reviewers make the following related recommendations:**

- 3. The National Institute for Statistics and Economic Studies should establish and lead a system of permanent sub-committees and ad-hoc working groups reporting to the Committee for Official Statistics such that these committees and working groups collectively serve as the primary forum of the National Statistical System, addressing matters that require agreement across the System. The sub-committees should include one on the development of statistical planning across the National Statistical System and the ad-hoc working groups should include one on the interpretation and implementation of the European statistics Code of Practice. (European statistics Code of Practice, Principles 1 to 6, and coordination)**

4. The National Institute for Statistics and Economic Studies should actively contribute to the work programme of topics to be addressed by the Committee for Official Statistics' working groups and foster such groups in a systematic way as resources allow. (European statistics Code of Practice, Principles 1 to 6, and coordination)

4.2.2 SUSTAINABILITY

Adequacy of resources

In assessing compliance, the Peer Review team considered the extent to which concordance with the CoP and good practices more generally were likely to prove sustainable going forward, especially for the areas where compliance was considered weaker. One of the main considerations here was the adequacy of resources and ensuring the effective use of those resources.

Principle 3 of the CoP requires that resources available to statistical authorities are sufficient to meet European statistics requirements. On the basis of the evidence presented by both STATEC and some of the main users of statistics, the Peer Review team formed the impression that there may be a need to improve compliance in this respect.

The small population size of Luxembourg as an EU member state is reflected in the size of STATEC, which is operating at a minimum in terms of staff numbers – only about 110 staff in total in the divisions responsible for production of Enterprise Statistics, Macro-economic Statistics and Social Statistics. This raises concerns, within STATEC and in some ONAs, that EU requirements might not continue to be met, or that they could be seriously hindered, or that national priorities may be overly constrained by the obligation to satisfy requirements deriving from EU membership.

The Peer Review team recurrently heard from various sources that STATEC's human resources are under pressure. In the SAQ the issue of insufficient human resources to meet duties is offered as the explanation for partial compliance with a substantial number of indicators. It is further noted that European and national statistical requirements are not all fully met. This was echoed during the Peer Review visit, where it was noted in discussions with users and other external stakeholders that some customers' or national needs were not being addressed because priorities were tailored to EU obligations which, in turn, were not fully satisfied due to human resources shortfalls.

Since the burden generated by EU requirements on resources is substantially the same for both small and large member states, STATEC's commitment to follow EU regulations results in a proportionately much bigger contribution in terms of human and financial resources than in larger countries. National authorities may not be taking sufficient account of this "dis-benefit of scale" when assessing STATEC's need for resources.

The message about under-staffing is reflected in timeliness problems, in the need to outsource important activities such as the Labour Force Survey (LFS) or the Survey on Income and Living Conditions (EU-SILC); in the low mobility between jobs of the permanent staff, growing use of non-permanent staff and increasing pressure on staff in general, the use of overtime as a solution; and in the inability to reengineer and update some structural pillars such as information and communication technology (ICT) tools. The pressure on junior staff to take on substantive responsibilities at an early stage in their careers was also noted. In some respects this may offer an incentive to staff but it could also lead to frustration and demotivation. Under-staffing inevitably jeopardises cost-effectiveness, the scope to offer attractive career paths, and effective knowledge management.

The Peer Review team did not see any reasons to take a different view from that reflected in the SAQ - that current resources in STATEC are currently less than adequate for sustainable compliance with the CoP and European statistics requirements. The Review team concluded that STATEC, together with the Supreme Council of Statistics in its advisory role, and in its overview of the Committee for Official Statistics, should guide the relevant authorities in reviewing the requirement of human resources within STATEC to ensure that Luxembourg is able to meet its current and future European obligations. So to enhance compliance with Principle 3 of the CoP, **the Peer Reviewers recommends that:**

- 5. On the advice of the National Institute for Statistics and Economic Studies and of the Supreme Council of Statistics, the relevant authorities should address the adequacy of the resources available to the National Institute for Statistics and Economic Studies with a view to ensuring that European obligations in respect of official statistics are adequately funded. (European statistics Code of Practice, Principle 3)**

Financial flexibility

Principle 10 of the CoP requires primarily that available resources are used with the greatest possible efficiency in the interests of cost effectiveness. The Peer Review team noted that despite the difficult staffing position, STATEC had found creative ways to make a virtue of its relative smallness by adopting pragmatic and informal approaches to address important issues. For example, it had created a so-called 'virtual methodological unit', where staff from various units and external experts advise on methodological issues as required. Similarly, facing a lack of resource for a permanent quality unit, STATEC created a rotating structure in which three STATEC members - on a voluntary basis and for three years duration - devoted part of their working-time to quality issues.

The Peer Review team also heard that STATEC intensively uses Eurostat working-groups and ESS networks as a resource to compensate for the absence of internal staff dedicated to methodology, quality management etc. Nonetheless, the inability to build up in-house expertise in such fields represents, in the view of the Peer Reviewers, a threat to compliance with the CoP.

In this context, injecting the maximum flexibility in the use of resources could help to compensate for the shortage of human resources, allowing STATEC to respond rationally to the demands placed on it, not least from a growing set of EU requirements.

The Luxembourg authorities are currently following a policy of tightly controlling staff resources in all government bodies and STATEC thus faces strong competition for any permitted increase in civil service staff numbers. In recent years, the Government has tended to allocate budgetary resources for limited time periods only, allowing for contracts with experts to perform some statistical tasks but not for longer term staffing. In many domains, STATEC recognises the need for improving its compliance with the Code, but at the same time its freedom to use its budget is restrained, which hampers initiatives aimed at solving structural constraints. For example, the reengineering of processes and computing resources cannot be given priority under the current arrangements, even though such developments would help to increase productivity and efficiency.

Over 20 per cent of STATEC's current staff is composed of external contracted experts. Their employment status is less secure and in cases where these experts are provided to STATEC by a private company, their higher overhead costs impact on the operational budget lines. The use of external contractors may also weaken knowledge transfer, which is vital for maintaining standards in the longer term. STATEC invests in the contracted experts, training them and integrating them into essential activities but must expect them to leave after a relatively short time, taking their

knowledge with them. With a higher degree of freedom in deciding on the use of its financial resources, STATEC would be likely to achieve better and more sustainable cost-effectiveness.

As well as the risk to cost-effectiveness, the Peer Review team concluded that the current level of financial independence of STATEC does not fully meet the expectations of the CoP as regards the principle of independence. The operational execution of the annual allocated budget seems to be ruled by a rigid legislation. The lack of freedom to allocate its own resources (financial and staff) allows an excessive amount of external control.

To further enhance compliance with Principles 1 and 10 of the CoP, the Peer Reviewers recommend that:

- 6. The relevant authorities should take the necessary steps to give the National Institute for Statistics and Economic Studies maximum flexibility in the use of financial resources to employ staff on both permanent and short-term bases and full authority to transfer budgets between functions as necessary to meet its agreed priorities and commitments. (European statistics Code of Practice, Principles 1 and 10)**

Accountability within the NSS

Taken together, principles 1 to 6 of the CoP cover institutional or organisational factors that ensure an appropriate institutional environment in which a high quality national statistical service can operate. The national statistical service in Luxembourg encompasses STATEC and several other national agencies, 12 of which share some responsibility for the production of European statistics. As stated in Article 3 of the 2011 Law, STATEC ensures the coordination of the national statistical system, in consultation with the Committee for Official Statistics, which it also chairs.

In this coordination role, STATEC bears responsibility for the harmonisation of statistical methods, definitions and nomenclatures and oversees the application of European and international standards. According to the law, the Director of STATEC is responsible for decisions relating to statistical methods, standards and procedures as well as for the content and the date of dissemination of the statistical publications.

Again, as in the case of freedom to manage resources, STATEC and its Director are given nominal authority and responsibility without the full means to exercise them. Currently, statistical units dealing with European statistics simply operate as any other unit within the Ministry or agency within which they exist. There is no formal accountability to the Director of STATEC for statistical decisions or decisions on the interpretation of the CoP. As noted earlier in this report, the interpretation of some aspects of the CoP is substantially more problematic when the statistical unit is very small or has both statistical and non-statistical functions. In Luxembourg that is typically the situation.

One option would be for all staff within the NSS dealing with European statistics to be employed by STATEC whilst continuing to work within the relevant Ministry. However a change of this kind would be likely to prove disruptive and could be difficult to manage and sustain in practice.

A less radical option would be to establish formal recognition of the coexistence of two lines of accountability – professional and administrative – for all staff of ONAs responsible for producing European statistics. The 2011 Law can be read as implying that these staff have some degree of accountability for professional decisions to the Director of STATEC, but the form of that responsibility is not set out directly.

Under such an arrangement, all civil servants responsible for European statistics would have a formal 'dotted-line' responsibility to the Director of STATEC for decisions associated with that work, but not for other work or decisions that those staff might have responsibility for. The obligation on them would be to consult the Director of STATEC on important decisions and seek agreement on how to proceed. Any disagreements would be resolved through the Committee for Official Statistics. Such a scheme would create an appropriate degree of accountability to the body in charge of the coordination and methodology of European statistics without interfering with lines of administrative accountability. It would reinforce the leadership role of STATEC within the NSS and the Director's position as the chief advisor on statistical issues to the Luxembourg government as a whole. A more consolidated professional approach to the production and dissemination of European statistics might also have benefits in terms of cost-effectiveness and efficiency across the NSS.

In consequence, in order to enhance compliance with Principles 1-6 and 10 of the CoP and the indicators relating to Coordination, **the Peer Reviewers recommend that:**

- 7. The relevant authorities should, on the advice of the National Institute for Statistics and Economic Studies, identify staff working within the National Statistical System in other national authorities and introduce explicit arrangements for them to be personally accountable to the Director of the National Institute for Statistics and Economic Studies in relation to their work on the production of European statistics and their responsibilities under the European statistics Code of Practice. (European statistics Code of Practice, Principles 1 to 6, 10 and coordination)**

Quality management

The requirements for procedures and methods set out in Chapter 3 of the 2011 Law reflect the quality principles of the CoP. It is possible to cross-reference the requirements of the Law with those of the CoP, for example independence (indicator 1.4 on methodological responsibility of the Chief Statistician, see Art.11, §2), impartiality and objectivity (indicator 6.1 about statistical considerations standing behind statistical production, see Art.11, §3), sound methodology (indicators 7.1 and 7.2 referring to international standards and consistency of standards, see Art.11, §4) and non-excessive burden on respondents (indicator 9.4 on the priority use of administrative data as source for compilations, see Art.12, §1).

A broader commitment to quality is part of Article 11 of the Law, requiring that "STATEC establishes its own Statistics Code of Practice that meets European and international requirements and standards". In fact, STATEC has adopted the CoP as its own and the objectives of STATEC's quality policy - or Quality Charter - published on its website clearly link to the CoP.

Whilst the formal and statutory commitments on quality are clear, STATEC has not yet been able to establish a full quality management infrastructure due to resource pressures. Facing the need to deliver European statistics compliant with EU requirements, STATEC's priorities have been focused on the production side, at the cost of supporting horizontal activities such as quality assessment, monitoring and improvement.

The Peer Review team noted some initiatives and activities in STATEC compliant with the indicators on quality. These initiatives were however scattered among various divisions and not fully incorporated into a strategic or institutional approach. Most sets of European statistics produced by STATEC have a standard quality report and the quality of processes is evaluated for a number of statistics, but, in general, there are no procedures developed at the level of the whole

organisation to monitor the quality of the statistical production processes or to conduct regular or specific statistical audits.

The Peer Review team did however note that good progress was being made with a project to implement the Generic Statistical Business Process Model (GSBPM) in the business statistics division. The project had delivered gains in efficiency, identifying shared processes and standardising the language of communication with information technology (IT) staff about statistics. Nevertheless, the use currently made of GSBPM is mainly limited to the description of processes, falling short of the full potential of the model as a quality evaluation and monitoring tool. If extended to other departments and shared with other producers in the NSS, the model could be used as a common framework for reviewing quality assurance practices and identifying where, across the production processes, quality problems are more likely to arise.

Beyond the individual quality projects and initiatives, STATEC currently lacks a central structure to develop harmonised and generic guidelines, policies and tools to spread quality assurance within the institution and across the NSS. As already mentioned, the absence of a quality management unit has, in some degree, been compensated for by setting up a rotating virtual unit of three staff members. However, this approach inevitably presents risks in terms of completeness, consistency and coherence in quality management procedures. In the view of the Peer Review team, the requirements of Principle 4 of the CoP for systematic and consistent overview of quality issues are still to be met.

Setting up a comprehensive quality framework would necessitate, at minimum, the nomination of a person responsible for quality management, who would progressively develop and implement activities with the aim of evaluating, monitoring and improving the quality of statistical processes and outputs, and who would be a focal point for all the stakeholders of the NSS in relation to quality issues. To achieve and further enhance compliance with Principle 4 of the CoP, **the Peer Reviewers recommend that:**

- 8. The National Institute for Statistics and Economic Studies should plan to appoint a full-time quality manager with a remit to establish a systematic approach to quality, based on international best practice; and to progress evaluation of statistical processes and outputs; and to establish an effective system of communication across the National Statistical System in relation to quality issues. (European statistics Code of Practice, Principle 4)**

Access to administrative data

The 2011 Law enforces at least three indicators of the CoP relating to data collection:

Stating that *“Within the remit stated in Article 2, STATEC has a right of access to the information, even individual information, contained in the files and databases of administrations and public services, collected as part of their administrative powers.”* Article 13 of the Law requires compliance with Principle 2 of the CoP about the mandate for data collection, and more precisely compliance with its second indicator requiring that *“The statistical authorities are allowed by law to use administrative data for statistical purposes”*.

Article 12 states that *“In choosing a method of data collection, STATEC favours the use of administrative files. It only resorts to surveys or censuses if the use of administrative files is impossible or is not likely to provide reliable and relevant statistical information.”* This statement is fully compatible with the requirement of the CoP under Principle 9 on non-excessive burden on respondents (indicator 9.4) which requires that *“Administrative sources are used whenever possible to avoid duplicating requests for information”*.

Further in Article 12 it is stated that *“In order to limit the number of surveys, the transfer and exchange of data between the components of the national statistical system are authorised in accordance with the terms and conditions determined within the Committee for Official Statistics.”*, which the Peer Review team associates with Principle 8 on appropriate statistical procedures (indicator 8.8) which requires that *“Agreements are made with owners of administrative data which set out their shared commitment to use of these data for statistical purposes.”*.

While the legal provisions appear adequate for compliance with important principles of the CoP, the tangible implementation of these provisions does not yet appear to have been completely fulfilled.

A specific example relates to tax revenue data. The relevant administration interprets its legal framework in such a way that it cannot provide microdata to STATEC, and it seems that there are consistency or interpretation problems between the two laws. Taxation authorities apparently assert that their obligations in respect of data secrecy require tighter protection than STATEC’s legal provisions on confidentiality, and the matter is unresolved.

Another example mentioned to the Peer Review team related to farm accounting data collected by the Ministry of Agriculture. The statistical unit of this Ministry, within the Rural Economy Department, can access these individual data for statistical purposes, but STATEC can only use these data after they are processed by the Rural Economy Department, under a specific cooperation agreement.

The existence of such contradictions and constraints suggests that, despite the clear terms of the 2011 Law, the right to access administrative data for the production of official statistics is not regarded as a real obligation on all parts of the Luxembourg government. Also, it suggests that official statistics in Luxembourg are not currently fully recognised as an integral and vital part of the government infrastructure.

Official statistics need to be acknowledged as essential inputs for national administrations – and the Parliament and public to whom they are accountable - to assess, compare, monitor and improve their governance systems. Administrative data available within government should therefore be accessible without restrictions for European statistical purposes to all components of the NSS. Moreover, the non-compliance of the Luxembourg government, in this respect, with its own recent national statistical legislation must be regarded as non-compliance with European standards. To have international good practice enshrined in law and then not fully to respect the legislation is unsustainable. With these considerations in mind and to achieve compliance with indicators 2.2, 8.8 and 9.4 of the CoP, **the Peer Reviewers recommend that:**

- 9. The relevant authorities should ensure full compliance with Article 13 of the 2011 statistics Law, which requires authorities to provide full access to administrative records, and in particular ensure that the National Institute for Statistics and Economic Studies has full access to tax records that it judges necessary to do its work efficiently. (European statistics Code of Practice, indicators 2.2, 8.8 and 9.4)**

4.2.3 REPUTATION AND USERS

Appointment of the Director of STATEC

The procedure for the appointment of the Director of STATEC is the same as for other top officials within the Luxembourg administration. Under the 2005 legislation governing the appointment of these officials, the Director is appointed for a renewable fixed term of seven years. However, this does not apply to the current Director who was appointed before this law came into force. According to the SAQ, the general legislation relating to civil servants indicates that the incumbency cannot be terminated for reasons relating to professional or scientific independence, and whilst this is not specific to the post of Director of STATEC, it can be seen as meeting the expectation of the CoP.

According to the SAQ, the current process is that the vacancy is published on the website of the Ministry of Public Administration. The interested persons send relevant documentation and are interviewed by the Minister. On the proposal of the competent minister, in STATEC's case this is the Minister for the Economy, the government makes the decision on the appointment. In more than 50 years of existence STATEC has only had three directors.

The 2011 Statistics Law specifies that the Director of STATEC not only has responsibility as the head of the office, but has other roles too, such as chairing the Committee for Official Statistics, representing Luxembourg to foreign, EU and international statistical authorities, etc. There is thus some formal recognition of the professional role of the Director but it is not directly linked to the appointment process.

The Peer Review team was told that there is no history of political pressures on the Director of STATEC. However, the team concluded that a more specific statement by the Luxembourg authorities, within the legislation or otherwise, about the special characteristics of the post of the Director of STATEC would help to make explicit the country's commitment to statistical good practice in line with the CoP, and in particular the obligation under Principle 1 of the CoP that the Director will be appointed on the basis of professional competence only.

The current practice of presenting the arrangements for appointing the Director without distinction from the arrangements for other top level civil servants could potentially give the wrong message to candidates and observers. The current statement that the candidates are 'interviewed by the Minister', without any qualification or caveat, also lends a suggestion of political choice to the appointment process, which would run counter to the principle of professional competence.

The Peer Review team accepted that there is no immediate challenge, or history of challenge, to the professional independence of STATEC or its Director, but took the view that independence should be safeguarded for the future by a clearer statement on the arrangements for the appointment and termination of appointment of the Director. To further enhance compliance with Principle 1 of the CoP, **the Peer Reviewers recommend that:**

- 10. The National Institute for Statistics and Economic Studies should make proposals to the relevant authorities regarding the arrangements for the appointment, and termination of appointment, of the Director to be set out more specifically and distinctly. (European statistics Code of Practice, indicator 1.8)**

Application of the European statistics Code of Practice

The 2011 Law identifies and distinguishes three roles of STATEC: as producer of official statistics and coordinator of the National Statistical System, as a body responsible for economic forecasts and as a body responsible for related research of an academic kind. The first role is common to all NSIs but the second and third are not common among NSI's and are not regarded internally within STATEC as 'statistical' functions.

In its first role, STATEC produces the majority of Luxembourg's official statistics; represents Luxembourg to foreign, EU and international statistical authorities; and ensures the coordination (harmonisation of the statistical methods, definitions and nomenclatures and application of European and international standards) of the national statistical system in consultation with the Committee for Official Statistics.

In the second role, STATEC draws up short and medium term global and sectorial economic forecasts and provides technical assistance in drawing up such forecasts.

In the third role, STATEC carries out scientific research and publishes its results.

The distinction between STATEC's roles is reflected in the different structures put in place to oversee the different responsibilities; the Committee for Official Statistics and the Supreme Council of Statistics, dealing with the production of statistics; and the Scientific Committee dealing with applied research.

Under the provisions of the 2011 Law, 'STATEC establishes its own Statistics Code of Practice'. However, STATEC subsequently decided simply to apply the European statistics Code of Practice rather than introduce one tailored to its particular circumstances. There is thus some potential tension or uncertainty between the normal coverage of the CoP (applying to most of the statistical work of STATEC by default) and the scope of STATEC's work which includes roles that are not regarded as statistical per se.

The Regulation on the Committee for Official Statistics requires the Committee to 'implement the Code of practice of the Luxembourgish statistical system'. Strictly speaking there is no such Code but the pragmatic interpretation that seems to have been adopted is that the CoP should be regarded as applying to all of the NSS (however defined) and the Peer Review team support that interpretation.

The Peer Review team formed the impression from talking to various stakeholders, that it is difficult for people outside the National Statistical System to understand the distinctions between forecasts, research and other STATEC functions. From the perspective of external stakeholders, the work of STATEC is all one thing, under one management. Formally, the CoP applies only to EU statistics work, not to other official statistics, economic forecasts or applied research activities. However, it is open to any government to adopt the CoP more generally, making appropriate interpretations and adaptations as necessary. The Peer Review team concluded that, to maintain public confidence in its European statistics functions, STATEC should explicitly acknowledge that the CoP applies to all its functions, including its forecasting and research activities but with appropriate interpretation as required in the case of forecasting and research. This should help to highlight, and draw users attention to STATEC's and the NSS's commitment to quality, impartiality and objectivity.

To further enhance compliance with Principles 4 and 6 of the CoP, the Peer Reviewers recommend that:

- 11. The National Institute for Statistics and Economic Studies should put forward proposals for the principles of the European statistics Code of Practice to be formally recognised as applying equally to all its functions including economic forecasting and research; and to other parts of the National Statistical System responsible for European statistics. The interpretation of the Code of Practice in these contexts should be agreed with the Supreme Council of Statistics. (European statistics Code of Practice, Principles 4 and 6)**

User engagement

The 2011 Law establishes the legal base for the Committee for Official Statistics to coordinate the statistical programmes of various administrations in Luxembourg and to analyse the user needs for statistics. Under the Law STATEC's statistics are required to be accessible to all users thus acknowledging the principle of impartiality in the dissemination of information. The Supreme Council of Statistics, also established by the 2011 Law with more detail in a 2013 Regulation, is a smaller committee with an external chair and mostly composed of representatives of external user interests, such as the Chamber of Commerce, Press Council and Luxembourg University. Its main role is to give its opinion on various matters, including the work and decisions of the Committee for Official Statistics, the priorities for official statistics and the implementation of the CoP. The Supreme Council can thus be seen as representing the user interest and contributing to both the openness and independence of the statistical system. The Council in its current form is relatively new but existed in a previous form for many years and, in that sense, is an established part of the statistical infrastructure.

STATEC conducted three user surveys in 2007, 2010 and 2012. The results have been analysed and partly published, but they do not appear to have had a big influence on priorities in themselves. Users can however offer their views and proposals for new statistical outputs via the STATEC website.

The Peer Review team was told by ONAs that they do not systematically collect and analyse user requirements but that users can express them informally at meetings.

STATEC publishes its own statistics and those produced by ONAs on the Statistics Portal of Luxembourg. Statistics are free of charge, with metadata attached. There is a wide range of products including some facilities for user-specified tables. The Statistics Portal of Luxembourg is supplemented with a mobile phone version and application, and social media.

Only a core of economic statistics is published according to a pre-announced release calendar, due in part to resource pressures. Non-core statistics are published as soon as the publications are ready rather than on fixed dates.

STATEC's dissemination is carefully planned with users in mind. The Peer Review team was told by journalists that STATEC is responsive to their proposals for improving or extending products to make them friendlier for re-use. However, they also noted that they sometimes find the Statistics Portal of Luxembourg confusing and difficult to navigate.

The journalists also said that they appreciate news conferences; the occasional seminars STATEC prepares for them; and the responsiveness of the information centre help line. On the other hand they are sometimes confused by revisions to forecasts and key macro-economic statistics. There is clearly some risk to STATEC's generally very good reputation if journalists regard the revisions

made as less than transparent. However the Peer Review team was content that STATEC was doing all it could to address this.

Regarding access to microdata for research, STATEC has established a process for deciding on requests for such access. For approved projects, researchers can in many cases get access to microdata on secured computers at STATEC premises or are offered tabular data produced by STATEC to the researchers' specification. However, the Peer Review team was told by some academic researchers that the procedures to access microdata can take a long time and it is not always clear why access is sometimes refused. In the case of ONAs, they get occasional requests for microdata for research purposes also but rules are less clear.

The Peer Review team noted the pressure on resources, the consequent importance of a systematic approach to priority setting, and the need to share good dissemination and communication practices across the NSS. Bearing these points in mind, it concluded that there would be value in a more systematic approach to stimulating and evaluating external requirements for statistical outputs building on the role the new Supreme Council of Statistics has been given. So to further enhance compliance with Principles 11 and 15 of the CoP, **the Peer Reviewers recommend that:**

- 12. The Supreme Council of Statistics should take the lead in defining a more transparent and efficient system covering the whole of the National Statistical System for stimulating and evaluating proposals for statistical outputs (and access to microdata) taking account of all user needs. (European statistics Code of Practice, Principles 11 and 15)**

4.3 NATIONAL STATISTICAL INSTITUTE VIEWS WHERE THEY DIVERGE FROM PEER REVIEWERS' ASSESSMENT

Recommendation 6, the way it stands, goes beyond what is legally possible from budgetary policy and from an engagement of human staff point of view. Therefore, we would like to change it in the following sense:

“6. The relevant authorities should take the necessary steps to give the National Institute for Statistics and Economic Studies maximum flexibility **that is possible within the system of public administration** in the use of financial resources to employ staff on both permanent and short-term bases and full authority to transfer budgets between functions as necessary to meet its agreed priorities and commitments. (European statistics Code of Practice, Principles 1 and 10)”

Recommendation 11 states that the Code of Practice should apply to all functions on STATEC (including economic forecasting and applied research). We think that principle 1 “professional independence” would not be appropriate in these two areas. For forecasting, the statistical law foresees that it should comply with international standards and the monitoring of applied research is to be done by a high-level independent scientific committee.

ANNEX A - PROGRAMME OF THE VISIT

AGENDA

12-16 January 2015, Luxembourg

Time	Programme	Organisation	Participants
Day 1 – Monday 12 January 2015			
09.00 – 11.45 R1.F2	PR team discussion to finalise preparations for the visit.	STATEC	Ms Simone CASALI
11.45 – 12.30 R1.E4	Preparatory meeting with the NSI coordinator team to discuss practical aspects of the visit: introduction of programme, organisational matters.	STATEC	Ms Simone CASALI, Ms Elisabeth WIDUNG, Mr Joé PEIFFER, Mr Francis NENNIG,
12.30 – 13.30	Lunch		
13.30 – 15.00 R1.E4	General information session with a description of how the national statistical system is organised. <i>Description of the National Statistical System</i> <i>Quality Management System at STATEC</i>	STATEC	Dr Serge ALLEGREZZA, Mr Nico WEYDERT, Ms Simone CASALI, Ms Elisabeth WIDUNG
15.00 – 15.30 R1.F2	PR team meeting		
15.30 – 17.00 R1.E4	The statistical law and related legislation (CoP principles 1, 2, 5 and 6) <i>Self-Assessment Questionnaire (STATEC)</i>	STATEC	Mr Nico WEYDERT, (Dr Serge ALLEGREZZA), Ms Simone CASALI, Ms Elisabeth WIDUNG
Day 2 – Tuesday 13 January 2015			
09.00 – 09.30 R1.F2	PR team meeting		
09.30 – 10.30 R1.E4	Integration / cooperation with the ESS <i>Questionnaire on cooperation / level of integration achieved by the ESS (STATEC)</i>	STATEC	Mr Serge ALLEGREZZA, Mr Nico WEYDERT, Ms Simone CASALI, Ms Elisabeth WIDUNG
10.30 – 11.00 R1.F2	PR team meeting		
11.00 – 12.30 R1.E4	Programming, planning and resources, including training (CoP principles 3, 9 and 10) <i>Self-Assessment Questionnaire (STATEC)</i>	STATEC	Dr Serge ALLEGREZZA, Mr Nico WEYDERT, Ms Simone CASALI, Ms Elisabeth WIDUNG, Ms Denise SCHROEDER, Mr Laurent BLEY
12.30 – 13.30	Lunch		
13.30 – 14.30 R16.N1	Meeting with main users – Ministries and other public/private institutions (including Central Bank as a user)	Central Bank of Luxembourg Central Bank of Luxembourg Ministry of Economy Agency for the Development of	Mr Roland NOCKELS Mr Germain STAMMET Ms Martine HILDGEN Mr Jean HOFFMANN

Time	Programme	Organisation	Participants
		Employment	Ms Isabelle KLEIN
		Ministry of Family, Integration and Greater Region; Solidarity	Ms Brigitte SCHMITZ
		Ministry of Education	Mr Jérôme LEVY
		Ministry of Finance; Treasury	Mr Charles RIES
		General Inspectorate of Social Security, Statistics, actuarial and social programming	Ms Laurence WEBER
14.30 – 15.00 R1.F2	PR team meeting		
15.00 – 15.45 R16.N1	Meeting with main users – Media	100.7 Radio RTL Radio Lëtzebuerg Lëtzebuenger Journal Tageblatt Lëtzebuenger Land Luxemburger Wort Le Jeudi	Mr Jean-Claude FRANCK (Mr Guy KAISER) Ms Claude ZEIMETZ Ms Cathérine KURZAWA Mr Christian MULLER Ms Michèle SINNER Mr Pierre SORLUT Mr Marc FASSONE
15.45 – 17.00 R1.F2	PR team meeting		
Day 3 – Wednesday 14 January 2015			
09.00 – 10.30 R1.E4	Quality (organisational structure, tools, monitoring, practical application) (CoP principles 4 and 11 to 15) <i>Self-Assessment Questionnaire (STATEC)</i>	STATEC	Mr Nico WEYDERT, Ms Simone CASALI, Ms Elisabeth WIDUNG, Ms Lucia GARGANO, Mr Georges ZANGERLÉ
	<i>Statistical Process Modeling in the Business Statistics Division</i>		
10.30 – 11.30 R1.F2	PR team meeting		
11.30 – 12.30 R1.E4	Dissemination, including users' role (CoP principles 6, 11 and 15) <i>Self-Assessment Questionnaire (STATEC)</i>	STATEC	Mr Nico WEYDERT, Ms Simone CASALI, Ms Elisabeth WIDUNG, Mr Guy ZACHARIAS
12.30 – 14.00	Lunch		
14.00 – 15.15 R16.N1	Meeting with Junior staff	STATEC	Mr Martin BECK, Mr Tom HAAS, Mr Claude LAMBORAY, Mr François PELTIER, Mr Olivier THUNUS, Ms Séverine TYDEK
15.15 – 15.45 R1.F2	PR team meeting		
15.45 – 17.00 R16.N1	Methodology, data collection, data processing and administrative data, including confidentiality (CoP principles 2,5, 7 and 8) <i>Self-Assessment Questionnaire (STATEC)</i>	STATEC	Mr Nico WEYDERT, Ms Simone CASALI, Ms Elisabeth WIDUNG, Mr John HAAS, Mr Nico WEYER, Mr Marco SCHOCKMEL, Mr Claude LAMBORAY

Time	Programme	Organisation	Participants
Day 4– Thursday 15 January 2015			
09.00 – 10.00 R1.E4	Meeting with main users – Scientific community	University of Luxembourg / CREA - Center for Research in Economics and Management University of Luxembourg/Research Unit INSIDE STATEC CREA - Center for Research in Economics and Management University of Luxembourg	Dr Arnaud BOURGAIN Dr Andreas HEINZ Dr Chiara PERONI Prof. Dr. Henri SNEESSENS
10.00 – 10.30 R1.F2	PR team meeting		
10.30 – 11.30 R1.E4	Meeting with Other National Authority <i>Light Self-Assessment Questionnaire (Ministry of Health)</i>	Ministry of Health	Mr Serge KRIPPLER
11.30 – 12.30 R1.F2	PR team meeting		
12.30 – 13.30	Lunch		
13.30 – 14.30 R1.E4	Meeting with Other National Authority <i>Light Self-Assessment Questionnaire (SER)</i>	Department of Rural Economy	Mr Jean-Paul HOFFMANN
14.30 – 15.00 R1.F2	PR team meeting		
15.00 – 16.00 R1.E4	Coordination role of the NSI <i>Questionnaire on the coordination role of NSIs (STATEC)</i>	STATEC	Dr Serge ALLEGREZZA, Mr Nico WEYDERT, Ms Simone CASALI, Ms Elisabeth WIDUNG
16.00 – 16.15 R1.E4	Clarifications, remaining or additional issues and focus areas (PR team plus national coordinator)	STATEC	Dr Serge ALLEGREZZA, Mr Nico WEYDERT, Ms Simone CASALI, Ms Elisabeth WIDUNG
16.15 – 17.00 R1.F2	PR team meeting		
Day 5– Friday 16 January 2015			
09.00 – 12.00 R1.F2	PR team meeting		
12.00 – 12.45 CES meeting room 2 nd floor	Meeting with senior management: conclusions and recommendations	STATEC	Mr Serge ALLEGREZZA, Mr Nico WEYDERT, Ms Simone CASALI, Ms Elisabeth WIDUNG, Mr John HAAS, Ms Lucia GARGANO, Mr Jérôme HURY, Ms Denise SCHROEDER, Dr Chiara PERONI, Mr Ferdy ADAM

ANNEX B - LIST OF PARTICIPANTS

	Peer reviewers
1	Mr Richard Alldritt (chair)
2	Ms Isabelle de Pourbaix
3	Mr Tomaz Smrekar
	Observer
1	Ms Kirsi Karkkainen, Task Force Peer Reviews, Eurostat
	Participants from STATEC
	Management of STATEC
1	Dr Serge Allegrezza, director
2	Mr Nico Weydert, deputy director
3	Mr Ferdy Adam, deputy head of division: Studies, Forecasts and Research
4	Ms Lucia Gargano, head of division: Business Statistics
5	Mr John Haas, head of division: Macroeconomic Statistics
6	Mr Jérôme Hury, deputy head of division: Social Statistics
7	Dr Chiara Peroni, Researcher, Research unit
8	Ms Denise Schroeder, head of division: General Services
	Peer review coordinator team of STATEC
9	Ms Simone Casali, national coordinator, quality management officer
10	Mr Francis Nennig, quality management officer
11	Mr Joé Peiffer, quality management officer
	Other participants of STATEC
12	Mr Laurent Bley, training officer
13	Mr Marco Schockmel, mathematician
14	Mr Guy Zacharias, head of unit: Dissemination and Communication
15	Mr Georges Zangerlé, head of unit: Structural Business Statistics
16	Mr Nico Weyer, head of unit: Balance of Payments
17	Ms Elisabeth Widung, executive assistant
	Junior staff of STATEC
18	Mr Martin Beck, unit National Accounts
19	Mr Tom Haas, unit Forecast and Modelling
20	Mr Claude Lamboray, unit Price statistics
21	Mr François Peltier, unit Population and Housing

22	Mr Olivier Thunus, unit National Accounts
23	Ms Séverine Tydek, unit Structural Business Statistics
	Participants from other organisations
	Main users, data providers/respondents
1	Mr Jean Hoffmann, head of EURES project, Agency for the Development of Employment
2	Mr Roland Nockels, head of statistical department, Central Bank of Luxembourg
3	Mr Germain Stammel, head of unit: external statistics, Central Bank of Luxembourg
4	Ms Laurence Weber, Premier inspecteur de la sécurité sociale, General Inspectorate of Social Security; Statistics, actuarial and social programming
5	Ms Martine Hildgen, statistics and studies, Ministry of Economy
6	Mr Jérôme Levy, head of statistical department, Ministry of Education
7	Ms Isabelle Klein, Conseiller de direction 1ère classe, Ministry of Family, Integration and Greater Region; Solidarity
8	Ms Brigitte Schmitz, Inspecteur principal 1er en rang, Ministry of Family, Integration and Greater Region; Solidarity
9	Mr Charles Ries, Administration and Budget, Ministry of Finance; Treasury
10	Dr Arnaud Bourgain, University of Luxembourg; CREA - Center for Research in Economics and Management
11	Dr Andreas Heinz, Research assistant, University of Luxembourg; Research Unit INSIDE
12	Prof. Dr. Henri Sneessens, University of Luxembourg; CREA - Center for Research in Economics and Management
13	Mr Jean-Claude Franck, Journalist, 100.7 Radio
14	Mr Marc Fassone, Journalist, Le Jeudi
15	Ms Cathérine Kurzawa, Journalist, RTL Radio Lëtzebuerg
16	Mr Christian Muller, Journalist, Tageblatt
17	Ms Michèle Sinner, Journalist, Lëtzebuenger Land
18	Mr Pierre Sorlut, Journalist, Luxemburger Wort
19	Ms Claude Zeimetz, Journalist, Lëtzebuenger Journal
	Participants of ONAs
20	Mr Serge Kripler, Doctor; head of department, Ministry of Health
21	Mr Jean-Paul Hoffmann, head of department: Economic Accounts for Agriculture, agricultural statistics, Department of Rural Economy