



Annual Report 2014

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

Eurostat Peer Review 2014

Table of contents

Foreword.....	4
Executive summary and recommendations	5
1. Introduction	9
2. Eurostat's different roles in the European Statistical System and in the European Commission .	10
3. Strengths of Eurostat in relation to its compliance with the European Statistics Code of Practice and Eurostat's coordination role within the ESS	12
3.1. Legal environment (Code indicators 1.1-1.4, 5.1, 5.3, 5.5, 5.6, 6.1- 6.4).....	12
3.2. Commitment to quality and statistical outputs (Code principles 4 and 11 to 15)	13
3.3. Methodological framework and its promotion (Code indicators 7.1, 7.2, 7.4)	14
3.4. Methodological expertise (Code indicators 7.5, 7.6, 7.7)	15
3.5. Human resources – learning and development (Code principles and indicators 3, 7.5, 7.6) ...	15
3.6. Other pertinent issues for Eurostat's attention	16
3.6.1. Resources and efficiency (Code principles and indicators 3.1, 3.2, 9.1, 9.5, 10)	16
3.6.2. Staff mobility in the light of productivity and quality (Code indicator 3.1)	17
3.6.3. Training practices and enhancing statistical literacy (Code indicator 7.6)	17
3.6.4. International relations	18
4. Issues and recommendations.....	19
4.1. Legislation underpinning the recruitment and dismissal of Eurostat's senior management	19
4.2. Implementation of the legal architecture	20
4.3. Coherence of European statistics – quality, methodology and procedures	20
4.4. Dissemination – release calendar and pre-release rules	22
4.5. Communication and users.....	22
4.6. Coordination	23
4.7. Other pertinent issues for Eurostat's attention	25
4.7.1. Engagement in cost accounting (Code indicator 3.3)	25
4.7.2. Metadata – access to micro-data - archiving (Code indicators 15.1, 15.4)	25
4.7.3. Confidentiality declarations (Code indicator 5.4).....	25
4.7.4. Revision of Regulation 223/2009.....	26
5. Peer review process in 2014 and suggestions for future peer reviews of Eurostat	26
6. Eurostat's comments	27
Annex 1 Peer review methodology for the ESS members	28
Annex 2 Programme and participants of peer review visit 28-30 April 2014	29
Annex 3 Glossary	32

European Statistical Governance Advisory Board (ESGAB)

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

Its tasks include preparing an annual report to the European Parliament and the Council on the implementation of the Code of Practice insofar as it relates to the Commission (Eurostat), including an assessment of the implementation of the Code in the European Statistical System as a whole, and advising the Commission (Eurostat) on appropriate measures to facilitate implementation of the Code, on how to communicate the Code to users and data providers, on updating of the Code and on questions related to user confidence in European statistics, if considered necessary.

ESGAB comprises seven members, and Eurostat participates as an observer. Expenses arising from the Secretariat and meetings are covered by the European Commission. ESGAB members receive no remuneration. In that respect, the Board has no operating budget.

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



Thomas Wieser
Chair



Pilar Martin-Guzman
Member



Günter Kopsch
Member



Edvard Outrata
Member



Jean-Michel Charpin
Member



Margit Epler
Member



Patricia O'Hara
Member

Foreword

I am happy to present herewith the sixth annual report of ESGAB, the European Statistical Governance Advisory Board. This year's report sits firmly in the context of the new round of peer reviews which the European Statistical System (ESS) is undergoing. Whilst the NSIs' peer review is organised as an independent externalised exercise monitored and managed by Eurostat, it was ESGAB's task to conduct the peer review of Eurostat, the results of which are set out in our annual report. ESGAB's opinions and statements on issues other than the Eurostat peer review can be found on our home page.

After the first peer review of Eurostat in 2007 and the ESGAB report issued in 2009, which focused largely on Eurostat, the second round of peer reviews provides a timely opportunity to analyse Eurostat's strengths and weaknesses in more detail covering all principles of the European Statistics Code of Practice. We have been able to do so against the background of the reforms enacted in the wake of the debt crisis in Europe. Major steps have been taken to protect statistics and statistical institutions from politicised processes and appointments. But there are signs that the value of independent and high-quality institutions has not been completely embedded throughout the ESS and the political landscape in Member States. We hope that this report will help in furthering this important objective.

ESGAB sees Eurostat as a well-run institution which has gathered strength over the past few years. It is well equipped to guide and lead the ESS into modernising European statistics on a structural and sustainable basis in order to meet the growing challenges of the future. It can do so even more effectively if the areas for improvement set out in the 16 recommendations of this report are addressed. Not all of them are in the hands of Eurostat, thus full support from the European Parliament, the Council and national parliaments is also needed. The common good would be further advanced if the ESS members themselves and the European System of Central Banks were to take a united stance not only behind the shared goal of high-quality European statistics for sound decision-making, but also on the operational and practical consequences.

This report is the last for the current members. During the six years of ESGAB's existence the questions of professional independence, resources and quality have been at the heart of its mandate. Even though these are issues which do not evolve in a rapid manner, I look forward to the discussions with the main stakeholders in order to prepare a solid base on which our successors can build their work for the next three years.

I take this opportunity to offer my sincere thanks for the good collaboration we have experienced from the ESS members, Eurostat, and other ESGAB-like bodies as well as the Parliament and the Council. My work and that of the Secretariat would not have been possible without the invaluable support and involvement of each ESGAB member. Though I am leaving ESGAB, I will retain a profound respect for the professionalism and integrity of the statistical world that I have had the chance to discover.

Thomas Wieser
ESGAB Chair

Executive summary and recommendations

In 2014 ESGAB carried out a peer review to assess Eurostat's compliance with the European Statistics Code of Practice (the Code). This exercise forms part of the ongoing ambitious peer review programme throughout the European Statistical System (ESS).

Eurostat is the statistical office of the European Union. It is responsible for ensuring quality, consistency and comparability of European statistics which are collected and compiled by the National Statistical Institutes (NSIs); the latter have very different backgrounds and vary greatly in size, administrative structure and culture. Owing to the large variety of its partners at national, European and global levels, Eurostat has several challenging roles. Like NSIs, it coordinates the implementation of commonly agreed standards throughout the system. In the ESS Eurostat is a partner who is expected to lead and manage the interests of European statistics and provide a platform for the ESS members to collaborate. Eurostat is also a Directorate-General of the European Commission, the Union's executive body representing the interests of Europe as a whole, acting as guardian of the treaties with a right of initiative for proposing legislation and overseeing the implementation of the Union's law. It is not always easy to distinguish from the outside the capacity in which Eurostat is acting, which occasionally leads to difficulties in working relations with its partners. Nevertheless, Eurostat has found a good balance between its various roles but can still do more in engaging with and consulting its partners on new initiatives at the earliest possible stage.

Compared to the first round of peer reviews carried out from 2006 to 2008 soon after the establishment of the Code, the second round is audit-inspired focusing mainly on issues where the peer review team has found a lack of compliance with the Code. The peer review this time covers all principles and indicators of the Code as well as coordination aspects. The work was carried out on the basis of an extensive self-assessment questionnaire and a three-day on-site visit in April 2014. The report summarises positive findings and makes recommendations for areas that need to improve. In addition to the main points, both sections list other pertinent issues for Eurostat's attention. Within a month from the publication of this report Eurostat will formulate improvement actions based on the recommendations, which will be published and monitored thereafter. Because Eurostat operates in a more complex environment than National Statistical Institutes and due to the specifics of ESGAB performing as a peer review team — the first exercise after the two pilot reviews in Slovakia and Iceland — minor changes to the peer review methodology were necessary. ESGAB's suggestions for a future peer review of Eurostat are set out in section 5.

The peer review team found that during the reference period Eurostat was performing well in the areas of legal environment, commitment to quality, methodology and quality of human resources. The legal instruments have significantly improved over the past five years. Regulation 223/2009 on European statistics clearly defines the statistical principles governing the development, production and dissemination of European statistics. Moreover, a proposal to revise it to further strengthen the professional independence, coordination and use of administrative data sources was made in 2012. The Commission Decision on Eurostat¹, issued in September 2012, ties in well with Regulation 223/2009 and establishes the independence of the Director-General of Eurostat. Confidentiality, objectivity and access to micro data for research purposes are also provided for in legal

¹ Decision 2012/504/EU of 17 September 2012. OJ [L 251](#) of 18.9.2012, p. 49.

acts. Eurostat plays an important role in the implementation of EU regulations and advises ESS members on their interpretation.

Eurostat is committed to high quality and its outputs have been well regarded by all the stakeholders interviewed for this review. Eurostat's role in enforcing the implementation of legally binding and commonly agreed methodologies is crucial for harmonised and comparable European statistics. Eurostat facilitates methodological innovation and has ambitious plans for reducing duplication by rationalising the purchasing of data from external sources, improving dissemination and geographic information systems. Eurostat's staff represent a good mix of domain-specific expertise provided by seconded national experts from NSIs as well as highly qualified and committed permanent staff with extensive access to vocational training. Eurostat could encourage more staff mobility so as to create a more polyvalent staff base and spread the statistical culture into other Directorates-General of the Commission.

Resources at Eurostat's disposal are declining due to the overall cuts in the public sector budgets, yet seem to be still adequate both in magnitude and in quality to meet statistical needs. It has launched initiatives for cutting costs and duplication, such as the SIMSTAT project which will also aim at improving the quality of statistics on international trade in goods. The peer review team urges Eurostat to seek more trust and willingness at political level for this project so that it might deliver on its potential. Moreover, Eurostat should commit itself firmly to developing a system of cost assessment that would facilitate decision-making on priorities.

The review has generally found Eurostat's methodological framework and procedures satisfactory though methodological metadata could be increased. Progress in facilitating researchers' access to micro-data is constrained by the very restricted access regulations in some NSIs and Eurostat should make further efforts to simplify and streamline the access modalities. Engagement with other users, especially with academia and media, could be wider and more proactive. The planned redesign of Eurostat's web pages – the main way to reach out to users – is expected to enhance dissemination and communication practices.

As to recommendations, the peer review team remains concerned about the legal provisions on recruiting and dismissing the Director-General of Eurostat. While at present the personnel in office is adequate, the internal rotation practices for the top managers are a prerogative of the European Commission and no formal guarantees can be given to ensure that e.g. the next Director-General of Eurostat will have sufficient qualifications in statistics or closely related fields. Comparability and coherence of European statistics can be further improved by making better use of framework regulations and rigorously enforcing the implementation of common standards and methodologies. At present, implementation of new methodologies is quite slow and Eurostat should step up its corrective measures. This is only feasible by enhancing coordination in the statistical system both at national and European level. The revision of Regulation 223/2009 is in the hands of the legislators and should be rigorously pursued by the incoming new Commission, Parliament legislature and the Council of the European Union. Finally, the credibility of European statistics needs to be upheld, in particular by reconsidering the current pre-release practices of Eurostat and in the European Statistical System.

List of recommendations:

Legislation underpinning the recruitment and dismissal of Eurostat's senior management

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

Implementation of the legal architecture

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

Coherence of European statistics – quality, methodology and procedures

6. Instances where the implementation of legally stipulated and agreed methodologies or tools is being significantly delayed in some Member States should be reviewed and analysed with a view to identifying and implementing necessary systemic corrective measures.
7. Harmonisation of methodologies for data processing and for the calculation of quality indicators should be rigorously pursued in cooperation with Member States.
8. Assessments should be carried out regularly and systematically to ensure that consistency checking practices take place across statistical domains in a comparable way.
9. The quality management and assurance practice should be further harmonised and streamlined. The basic common standard for user and producer orientated quality reports should be used for every statistical operation and domain. This will ensure that these reports provide similar information and that quality can be equally appraised in the different domains.

Dissemination – release calendar and pre-release rules

10. Eurostat should aim at publishing a full release calendar and at joint publication of Eurostat and NSI statistics.
11. Eurostat should fully investigate the potential impact of a full pre-release ban and ways to manage risks if a strongly limited pre-release is maintained for individual news agencies.

Communication and users

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

Coordination

13. Eurostat should support the coordination role of the NSIs in relation to the ONAs by accepting only Code-compliant data transfers from an NSI or authorised ONA. The cut-off date for unauthorised data deliveries should be widely communicated one year in advance. Should unauthorised or non-Code-compliant data transfers to Eurostat continue after the announced date, Eurostat should reject the data.
14. Eurostat must establish clear mechanisms for its coordination role within the European Commission and develop an inventory of existing statistical activities.
15. The ESS and the ESCB should focus on working pragmatically within the given division of labour and proceed with practical cooperation. It would be beneficial if the ESCB were to adopt verifiable quality assurance procedures similar to those of the ESS in order to enhance this mutual understanding.
16. A principle and corresponding indicators addressing the need to coordinate the development, production and dissemination of European statistics should be developed during the next revision of the Code of Practice.

1. Introduction

ESGAB's sixth annual report focuses on a peer review of Eurostat, the statistical office of the European Union. This report serves two purposes: firstly, ESGAB constitutes the peer review team assessing Eurostat's compliance with the European Statistics Code of Practice (the Code)² and as such the report is addressed to Eurostat; secondly, the report on the implementation of the Code is also addressed to the European Parliament and the Council in accordance with Article 2(a) of the Decision establishing ESGAB.

Following the first round³ of peer reviews of compliance with the Code, conducted from 2006 to 2008, the European Statistical System (ESS)⁴ has engaged in a new round⁵ over the period 2013-2015, which aims at enhancing the credibility of the ESS and strengthening its capacity to produce European statistics as well as reassuring stakeholders about the quality of European statistics and the trustworthiness of the system. The exercise covers all principles of the Code as well as aspects of coordination within the national statistical systems and integration of the ESS. The previous peer reviews were limited to institutional environment and dissemination (principles 1 to 6 and 15 of the Code) and coordination. It should be underlined that in the first round compliance was assessed by means of a four-level scale (fully met; largely met; partly met; and not met) for all indicators of principles 1 to 6 and 15, and improvement actions were agreed for all 15 principles of the Code. After five years of continuous development most of the improvement actions are now implemented and progress towards full compliance with the Code has been made. Therefore, rather than looking at the state of play for all principles, the report mainly focuses on issues where full compliance with the Code has not been found by the peer review team.

In 2013 pilot peer reviews were carried out in Slovakia and Iceland in order to test the methodology adopted by the ESS Committee (ESSC) in November 2012. The methodology was slightly revised in the light of this experience. While the peer reviews in other ESS member countries will continue later in 2014 and 2015, and be carried out by an external contractor,⁶ it was decided that ESGAB would carry out the peer review of Eurostat. The exercise follows as closely as possible the pilot tested methodology and the peer review calendar was slightly adapted. Two observers representing the ESSC were present during all sessions of the three-day peer review visit except ESGAB's internal discussions and the final summary session with Eurostat senior management. The peer review methodology and suggestions for future peer reviews are set out in Annex 2 and section 5.

ESGAB's review is based on self-assessment questionnaires completed by Eurostat and an on-site visit carried out from 28 to 30 April 2014 for discussions in Eurostat and with stakeholders including those from EU institutions (programme and list of participants in Annex 3). The report consists of six sections; after an introduction and a description of Eurostat's various roles, section three summarises Eurostat's strengths as to Code compliance and coordination within the ESS. Section four explores specific issues including recommendations that, in the peer reviewers' opinion, would strengthen compliance with the Code of Practice. Section five outlines lessons learned from the peer review and offers suggestions to consider for a future peer review of Eurostat. Finally, section six contains Eurostat's views where they diverge from ESGAB's assessment.

²http://epp.eurostat.ec.europa.eu/portal/page/portal/quality/documents/CoP_October_2011.pdf.

³http://epp.eurostat.ec.europa.eu/portal/page/portal/quality/code_of_practice/peer_reviews - heading first round 2006-2008.

⁴ More detailed information on the ESS: http://epp.eurostat.ec.europa.eu/portal/page/portal/ess_eurostat/introduction.

⁵ http://epp.eurostat.ec.europa.eu/portal/page/portal/quality/code_of_practice/peer_reviews - heading second round 2014-2015.

⁶ 2014/S 078-134419 <http://ted.europa.eu/udl?uri=TED:NOTICE:134419-2014:TEXT:EN:HTML>.

Within a month from the publication of this report Eurostat will formulate improvement actions based on the recommendations. These will be published with a clear link to the report and monitored thereafter.

2. Eurostat's different roles in the European Statistical System and in the European Commission

Eurostat's mission is to be the leading provider of high-quality statistics on Europe. As the statistical office of the EU, it has the responsibility for ensuring high standards of quality, consistency and comparability of statistics that have been produced in countries with very different backgrounds i.e. the European Statistical System (ESS). The ESS is defined⁷ as a partnership between Eurostat, the National Statistical Institutes (NSIs) and other national statistical authorities (ONAs) responsible in each Member State for the development, production and dissemination of European statistics. NSIs collect and process the data, except in a few cases such as statistics for land use and cover (LUCAS). Eurostat then aggregates the data to harmonise European results for publication, thus creating an interdependent working relationship.

Institutionally, Eurostat is an integral part of the European Commission⁸. It has the task of coordinating 'European' and 'other' statistics. 'European statistics' are laid down in work programmes and produced by the ESS in line with the Code of Practice. 'Other statistics' produced by the Directorates-General (DGs) are being defined in a planning exercise led by Eurostat and subject to mutual agreement between DGs and Eurostat.

Thus, Eurostat is not easily comparable to NSIs or other administrative bodies. On the one hand, its management appears relatively straightforward thanks to precise administrative and financial rules of the Commission. On the other hand, Eurostat operates in a very complex environment, with a large variety of partners at national, European and global levels. NSIs in general can be seen as different from other national administrations, such as ministries, because of their independence as professional statisticians that underpins the statistical production process. Compared to NSIs, Eurostat has additional roles to play:

In the ESS Eurostat is expected to **lead and drive** the interests of European statistics and provide a platform for ESS actors to collaborate. This gives Eurostat different functions:

- **Leadership**: initiate and develop the multi-annual and annual work programmes, speak on behalf of the ESS, develop professional and ethical standards, adapt the governance structures as needed.
- **Management**: facilitate cooperation between NSIs, cooperate with the European Central Bank (ECB) and the European System of Central Banks (ESCB) and other systems involved in official statistics, be a platform for the dissemination of good practices and innovative techniques for more comparability or less burden, coordinate official statistics within the Commission, organise the production of European statistics for specific policy purposes.

As a Directorate-General of the European Commission, Eurostat is seen in the role of

- **Guardian of the treaties with the right of initiative for legislation**: this sets Eurostat in a 'monopoly' position within the legislative process. Moreover, Eurostat is expected to oversee the application of Union law under the control of the Court of

⁷ Regulation 223/2009 on European statistics OJ [L 87](#) of 31.3.2012, p. 164.

⁸ Decision 2012/504/EU of 17 September 2012. OJ [L 251](#) of 18.9.2012, p. 49.

Justice of the European Union. As a Commission department it executes the budget and manages programmes exercising coordinating, executive and management functions.

- Oversight: developing and implementing a preventive approach to the verification of statistics such as those on government finance, by monitoring the appropriateness of source data in the Member States, identifying and monitoring risks, and enhancing quality management in general.

As a member of the professional community of statistics, Eurostat resembles to some extent the NSIs in that it has two roles:

- Technical role: organise the transmission of data required for EU policymaking, compile and disseminate European statistics, harmonise methods, ensure that commonly agreed standards are enforced, verify and validate national contributions, etc.
- Administrative role: maintain the infrastructure for ESS communication (meetings, task forces, document archives and exchanges), develop or maintain the infrastructure for ESS administration (staff exchanges, training).

Such a complexity of roles and responsibilities in different contexts is not easy to manage. It is evident that Eurostat's roles as 'guardian of the treaties' and as 'ESS partner' create tension with the NSIs since Eurostat's behaviour towards the Member States changes accordingly. For its part, Eurostat must seek a balance between fostering the partnership and, for example, initiating infringement procedures that other Commission DGs would consider as a standard course of action. A degree of complexity is added by the readiness — or not — of each party to distinguish whether Eurostat is predominantly acting as the 'Commission' or as a 'partner'.

Most friction in the relationship between Eurostat and the NSIs appears to emerge in the event of new Commission initiatives. Legislative proposals are discussed at technical level in the ESS working groups and the contents of Commission communications are described before the internal Commission proceedings start. However, as the actual draft text can be formally presented to the Member States only after a decision by the College of Commissioners, the NSIs tend to perceive Eurostat as not consulting them sufficiently early in the process. Eurostat has to find a balance between the expectations of the NSIs and its institutional obligations. If proposals are too ambitious and Eurostat is perceived to be 'leading alone', support for the initiative is hard to find. However, if the Commission's and Eurostat's proposals are not ambitious enough, not much progress can be achieved. Moreover, given the rise of a Eurosceptic mood in many Member States, proposals coming from the Commission and Eurostat may be received with varying degrees of enthusiasm or hostility by different ESS members.

The effectiveness of the working relationship between Eurostat and the NSIs as well as a good understanding of the different roles is at the heart of the ESS partnership. While this has been on the edge in the recent past with many parallel and partly unwelcome initiatives for some NSIs or their governments, such as the Vision in 2009, revision of Regulation 223/2009 with Commitments of Confidence, and Macroeconomic Imbalance Procedure (MIP) quality requirements, the jointly prepared and adopted Vision 2020 is an encouraging sign of the ESS commitment to the common cause of European statistics. The ESS Vision 2020 identifies five priority areas in which the ESS should collectively invest in the years to come: users' needs and cooperation with stakeholders, quality of European statistics, new data sources, efficient and robust statistical processes, and dissemination and communication.

Acknowledging the complex and often critical environment in which Eurostat operates, the peer review team considers Eurostat to have fared well in striking the balance between its various roles. The Commission and Eurostat must continue with sufficiently ambitious proposals in order to bring the ESS forward. However, in the light of the recent experience, the peer review team would expect Eurostat to take greater account of the wider societal environment to develop a form of cooperation within the ESS that does not lead to NSIs feeling that they are not consulted, and to engage with all its partners at the earliest possible stage.

3. Strengths of Eurostat in relation to its compliance with the European Statistics Code of Practice and Eurostat's coordination role within the ESS

This section is divided into two parts: main strengths and other pertinent issues for Eurostat's attention.

3.1. Legal environment (Code indicators 1.1-1.4, 5.1, 5.3, 5.5, 5.6, 6.1-6.4)

European Union legislation determines clearly and comprehensively the institutional environment and governance structures of Eurostat, the statistical authority of the Union. Significant improvements have been made in the course of the last five years.

Regulation 223/2009 (the Statistical Law) clearly defines the principles governing the development, production and dissemination of European statistics. Those principles are further elaborated in the Code of Practice. Eurostat's sole responsibility for deciding on processes, statistical methods, standards and procedures, and on the content and timing of statistical releases is spelled out. The quality criteria set out in the Regulation are identical to principles 11 to 15 of the Code of Practice and a full chapter has been devoted to statistical confidentiality. A recent Commission Regulation (No 557/2013 of 17 June 2013) establishes the conditions under which access to confidential data transmitted to the Commission (Eurostat) may be granted for enabling statistical analyses for scientific purposes.

The Commission Decision on Eurostat⁹ ties in with Regulation 223/2009 and establishes the independence of the Director-General of Eurostat in its Article 7. When carrying out statistical tasks, 'the Director-General shall act in an independent manner; he or she shall neither seek nor take instructions from the Union institutions or bodies, from any government of a Member State, or from any other institution, body, office or entity'.

Eurostat's coordination role in the ESS and in the European Commission is enshrined in the above legislation. Eurostat must ensure that EU regulations are correctly implemented and advises ESS members on their interpretation, as was done in the context of Regulation (EU) No 549/2013 on the European system of national and regional accounts in the European Union (ESA2010).

With the establishment of the European Statistical Governance Advisory Board (ESGAB) in 2008, the National Statistical Systems in the Member States and Eurostat agreed to be supervised by an independent body monitoring the implementation of the Code of Practice across the European Statistical System as a whole and by Eurostat.

⁹ Decision 2012/504/EU of 17 September 2012. OJ [L 251](#) of 18.9.2012, p. 49.

The privacy of data providers, the confidentiality of the information they provide and its use only for statistical purposes are clearly provided for in the Statistical Law and in Regulation 557/2013. Eurostat has assured the peer review team that they are confident that the disciplinary measures for breaches of confidentiality are robust and effective. At Eurostat's safe centre for accessing micro-data, strong physical and technical measures are in place to ensure data security and the integrity of the statistical databases that it holds. The procedures for obtaining access to confidential data by researchers and contractors have recently been updated and made more transparent. There is a permanent Working Group on Statistical Confidentiality and Sectoral Working Groups also deal with confidentiality issues, and the ESS Committee is the final decision-making body as provided for in Art. 7 of Regulation 223/2009.

Objectivity is a well-defined element of the Statistical Law and is guaranteed in the Commission Decision on Eurostat. The Protocol on Impartial Access to Eurostat Data for Users provides guidelines which are updated as necessary. The peer review team was told that high ethical and professional standards are strongly embedded in the culture of Eurostat and that no breaches of ethical standards had been observed. Procedures are well documented and in the public domain as appropriate.

3.2. Commitment to quality and statistical outputs (Code principles 4 and 11 to 15)

The responsibility of Eurostat to ensure comparability goes beyond mere reporting on the methodologies employed by the Member States. Assessment of whether correct standards and classifications have been adopted as well as consistency checking of the data provided by the countries must be carried out on a regular basis. The coordinating work done by Eurostat within the ESS has significantly increased the system's efficiency, with the introduction of some new tools and standards like the single entry point (EDAMIS) and the Statistical Data and Metadata Exchange (SDMX).

Eurostat is committed to high quality and its outputs have been very highly rated by all the stakeholders interviewed in the course of this review. Since 2007 a systematic approach to quality assessment has been in place. A recent re-organisation of Eurostat reinforced quality management by creating, in addition to the Quality Management Team, a specific unit in charge of monitoring the implementation of the Code. Quality assessment and quality reporting are carried out in most of the statistical domains by the statistical production units.

As a result, four different types of reports on quality are being produced and published by Eurostat, covering the implementation of basic concepts and most of the statistical processes carried out within the ESS:

- Summary and final reports of rolling reviews with the support of external experts in the context of the first quality assessment where more than 90% of Eurostat statistical processes were evaluated. These reports include details on the statistical process, the extent to which concepts, definitions and classifications are consistently applied within the European Statistical System and user satisfaction surveys.
- Short user-oriented quality reports focusing on the quality of the outputs. These reports are part of the Euro SDMX Metadata Structure (ESMS), which is being more and more broadly applied.
- Producer-oriented quality reports which are addressed to the producers of statistics in the national statistical systems, are more extensive and focus

primarily on the quality of the statistical production process. These reports are provided in the ESS Standard for Quality Reports Structure (ESQRS).

- A specific sub-set of the user-oriented quality reports are the so-called quality profiles, or indicator profiles for the main indicators. They consist of short descriptions providing an overview of the main quality features at a glance. These profiles are drawn up in the above-mentioned ESMS structure.

These reports and particularly those that are available on the Eurostat website enhance the credibility of statistics among the public at large by providing the users with very valuable information for the correct interpretation of figures and useful information on potential pitfalls, thus preventing the misuse of statistics. Moreover, Eurostat is currently revising the internal error reporting procedure. Special layers of quality assurance (in defining for example an ESS standard for the so-called ESS inventories) are being developed for some statistics like the excessive deficit procedure (EDP) indicators and the macroeconomic imbalance procedure (MIP) scoreboard. Eurostat aims to extend these new quality standards to other statistical domains if they are applicable.

This vast improvement process is taking place in a context of cultural change moving towards fitness-for-purpose quality levels and labelling. Also, investment in building the adapted quality requirements into the production process could lead to efficiency gains. Although these principles are shared by an increasing number of NSIs, there are still Member States that advocate caution on this issue; accepting publicly that quality requirements for some statistics are lower than for others could lead to confusion and mistrust amongst statistically less literate users. In contrast, some countries have already started a quality labelling system of their own. Therefore Eurostat needs to proceed gradually according to an appropriate timetable in each country for introducing differentiated quality levels.

3.3. Methodological framework and its promotion (Code indicators 7.1, 7.2, 7.4)

The methodological framework and procedures of European statistics are well and truly established in appropriate documents (methodological standards, guidelines, legislation where required e.g. national accounts). The system is continuously updated according to international standards, user requirements and good practices developed by National Statistical Institutes. In the interest of international comparability, Eurostat has succeeded in fixing definitions and business data classifications in legislation to guarantee their implementation across the ESS. Eurostat plays a role also in harmonising data collection and data integration.

Eurostat's important task of organising the sharing of information and fostering good practices is carried out in several ways. Eurostat's validation procedures for incoming data from the NSIs have been strengthened in the period under review and Eurostat is now standardising them where possible. Validation tools have been made available to data providers. Eurostat's metadata server RAMON provides, in a harmonised manner, the necessary information to users. It includes also the Statmanuals database, which contains most methodological manuals related to statistics

In contrast to the NSIs where much of the innovation takes place, developing ideas and producing the resulting systems in regard to methodology, in Eurostat the most sensitive area and the heaviest workload is concentrated on the enforcement of implementation of harmonised methodology across the ESS, whether concepts are laid down in legal acts or through otherwise commonly agreed standards. While good results in facilitating

methodological innovation have been achieved thanks to Eurostat's strong leadership, implementation remains the greatest concern of Eurostat staff.

The present development strategy for methodological improvement in the ESS stresses elimination or reduction of duplication throughout the ESS and the European Commission. Eurostat has launched four 'flagship projects' addressing rationalisation of purchasing data from external sources, analysis of statistical standards and databases, improvement of the dissemination of statistics produced by other Directorates-General of the Commission, and enhancement of geographic information systems.

Eurostat also ambitiously aims at reducing duplication of development work on methodology and IT among the NSIs with a view to saving resources and increasing quality both at the national and at the European level. This requires common IT development or shared IT services and processing, which in turn require sensitive new legislation and enthusiastic support across the ESS. While results may be slow to materialise in the immediate future, opening up such horizons is a mark of clear leadership on the part of Eurostat.

3.4. Methodological expertise (Code indicators 7.5, 7.6, 7.7)

Eurostat has a limited number of staff specialising in methodology, and methodological know-how is often linked to subject matter knowledge. Vocational training is available for all staff, but much of the specialised knowledge is brought in by contractual staff members or seconded national experts from the NSIs where most specialised methodologists are located.

Reliance on seconded experts seems to provide the appropriate balance of maintaining necessary expertise in Eurostat. The experience gained by the experts on their return to the home country is also beneficial for the NSIs and the arrangement has the secondary effect of helping Eurostat in its coordinating role.

Cooperation with the scientific community is ensured by Eurostat's active participation in professional international statistical organisations and conferences. Eurostat organises such conferences too e.g. in national accounts, New Techniques and Technologies for Statistics (NTTS). Not being a national institution, Eurostat does not maintain special working contacts for methodological developments and innovation with individual universities, as is common among NSIs.

3.5. Human resources – learning and development (Code principles and indicators 3, 7.5, 7.6)

In order to perform its tasks Eurostat needs a pool of highly qualified permanent staff who are familiar with the statistical culture. Permanent staff serving in Eurostat are recruited through open competitions organised by the European Personnel Selection Office. Educational requirements generally accord with the position to be occupied.

In 2001, 2008 and 2011 Eurostat has been able to include special statistical qualification requirements to meet its specific needs in addition to the general qualifications required by the Commission. This is a very positive practice, fully justified by the specific nature of the task that has been entrusted to Eurostat. Applied more frequently, the practice ought to ensure high professional skills among new recruits, as well as common grounds of understanding with statisticians from the Member States. An additional advantage is that this practice helps raise awareness of the fact that Eurostat, while remaining a DG within the Commission, is endowed with special commitments and standards that may require

specific rules, practices and staff competencies. The peer review team indeed witnessed a high degree of professional ethics and commitment amongst Eurostat staff members, constituting the backbone of a professionally confident and respected organisation.

Eurostat is also engaged in fostering statistical skills in university studies. The European Masters in Official Statistics (EMOS), an infrastructure project involving a network of EU universities and NSIs aiming at developing a programme for training and education in official statistics, could prove to be an effective tool for quality improvement and coordination of statistics within the ESS. Over time EMOS may also foster working contacts with academia (ref. point 3.4)

3.6. Other pertinent issues for Eurostat's attention

This section contains observations and issues that the peer review team looked upon in a positive light but which are not perceived as explicit strengths, or are in some way already ongoing. The peer review team has also made suggestions for further development albeit without considering them as weaknesses requiring formal recommendations:

3.6.1. Resources and efficiency (Code principles and indicators 3.1, 3.2, 9.1, 9.5, 10)

Eurostat's staff and budget seem adequate both in size and in quality to meet statistical needs as expressed in the current European Statistical Programme 2013-2017. Eurostat explained convincingly the detail of its budget procedures and is set to further improve the dialogue with stakeholders on priority setting in 2014 and 2015, based on the list of 'statistical products of the ESS'. While respecting the general decisions of the Commission aiming at reducing budget and staff, Eurostat has been able both to maintain current production levels and to have sufficient room for investing in new projects such as IT rationalisation and data validation. Minor cost savings have been obtained by doing away with some statistics, e.g. industrial new orders. According to Eurostat, the financial gains have been limited both because the volume of reductions did not allow economies of scale and because of the effort invested in convincing stakeholders. However, Eurostat should carry on assessing regularly, for all European statistics, whether some of them can be discontinued or curtailed to free up resources.

Given the different national statistical systems and resource constraints present in the ESS, harmonisation is a long-term strategy to be implemented gradually. A number of new projects such as the ESS-VIP validation project are being developed and should be implemented within the next few years. The peer review team draws attention to the risk that the demand in terms of human resources generated by the round of quality assessments under preparation might lead to some delay in the implementation of these projects. This would risk frustrating some of the stakeholders further. Also, an investment programme might be necessary for implementing the ESS Vision 2020 agreed with Member States in 2014.

The quest to 'do more with less' partly explains the launch of the SIMSTAT project that seeks to improve the quality of statistics on international trade in goods while generating efficiency gains in the production process. SIMSTAT will require legislative changes enabling an extensive exchange of microdata amongst ESS members. It is technically complex with a tight schedule and involves political risks which are not to be underestimated. After a technical feasibility study, the pilot tests should begin in spring 2015. The peer review team is impressed by the potential benefits of the ambitious project and the quality of its management. However, while the project appears feasible,

it is threatened by a lack of trust and willingness at political level. The peer review team would advise, in response to the unease, keeping SIMSTAT as simple as possible. This could be done by keeping to a minimum any changes in the IT environment of Member States and ensuring comparability of the national accounts. Further efforts are needed to convince not only the NSIs, but also the business community, of the project's benefits.

Information on Eurostat's processes, decisions and evaluations of the statistical programmes is available and of excellent quality. Only the annual activity report was found to be too formal and not precise enough in describing the statistical achievements and difficulties of the period. Similar reports produced by NSIs are often of excellent quality, widely circulated and read by most stakeholders in the field of statistics. Eurostat argued that this unsatisfactory situation was due to the precise template of the Commission that has to be respected. The peer review team was reassured that the annual ESS report was being centred on the statistical achievements and projects and on giving extensive information at both European and national levels.

3.6.2. Staff mobility in the light of productivity and quality (Code indicator 3.1)

The information at the peer review team's disposal points to a high level of stability among the statutory staff. More significantly, when asked about their plans for the five years to come, the more junior respondents all described personal professional prospects identical or very close to their present situation. The peer review team understands that some degree of stability is necessary to maintain the technical capacity of Eurostat. However, benefits stemming from more staff rotation are twofold:

- diversification of staff competence profiles giving Eurostat greater capacity to detect useful innovations generated in National Statistical Institutes and academia. This in turn could benefit the European Statistical System as a whole and increase its efficiency;
- spreading the statistical culture among other DGs of the Commission, which could ultimately be beneficial for the DGs and persons concerned, as well as for Eurostat.

In practical terms, mobility periods of variable duration could take place within the different departments of Eurostat, in other Directorates-General of the Commission, other EU institutions or the private sector. Staff who later return to Eurostat, in particular for management positions, would strengthen its competency profile.

3.6.3. Training practices and enhancing statistical literacy (Code indicator 7.6)

While specific statistical qualifications are not strictly necessary for a significant proportion of Eurostat staff involved in administration and cross-cutting tasks, the peer review team advises Eurostat to consider compulsory basic statistical training for non-statisticians to equip them with a good understanding of their working environment. For more specialised profiles Eurostat offers continuous vocational training programmes that are greatly appreciated, especially by the junior staff. EMOS – when feasible – could also contribute to the vocational training programmes. The training provided by Eurostat is open to all staff of the Commission. Staff from Eurostat and from NSIs and ONAs of EU Member States, EFTA countries, candidate countries and potential candidate countries can also attend courses provided by the European Statistical Training Programme (ESTP).

However, none of these programmes aim at increasing the statistical literacy of specific groups of stakeholders, especially those of the media or policymakers, in order to enhance the correct use and interpretation of the indicators and other statistics. Also, offering more detailed training courses for stakeholders such as journalists would contribute to enhancing the statistical literacy of these groups of users.

3.6.4. International relations

Eurostat participates in the global statistical system by playing an important role in international organisations or through bilateral relations with OECD countries outside the EU. Eurostat has put in place a coordination mechanism to enable the EU to speak with one voice at the main international fora, such as the United Nations Statistical Commission. Eurostat is a member of the Committee for the Coordination of Statistical Activities (CCSA), the UN body that coordinates statistical activities by international organisations. The peer review team was told that a good level of cooperation owes much to the proactive personalities involved, a point to be kept in mind with regard to future recruitments in Eurostat. The international partners would also appreciate being consulted as early as possible especially when legislative projects, new standards or modernisation initiatives are being developed.

4. Issues and recommendations

This section is divided into two parts: main recommendations, and other pertinent issues for Eurostat's attention.

4.1. Legislation underpinning the recruitment and dismissal of Eurostat's senior management

The Code of Practice indicator 1.8 states that 'the appointment of the heads of the National Statistical Institutes and Eurostat and ... is based on professional competence only' and that 'the reasons on the basis of which the incumbency can be terminated are specified in the legal framework'. However, the provisions laid down in Regulation 223/2009, the Commission Decision on Eurostat and the Working Arrangements between the Commissioner and Eurostat remain largely silent on the issue of recruitment and dismissal of the Director-General of Eurostat. Only the Decision on Eurostat covers this aspect in a recital (No 6). However, it refers to the EU staff regulations and is not sufficiently precise in light of the Code of Practice.

The amendment of Regulation 223/2009 proposed by the Commission only includes a new article on the heads of NSIs. While the 'Compilation document on Senior Officials Policy' establishes a general rule that posts must be published, the Commission may as well transfer officials directly without any open and external publication. Indeed, the Commission applies an internal policy of rotating top managers every five to seven years. When such internal rotation principles are applied, it needs to also be ensured that this leads to the appointment of Directors-General with a high level of professional qualifications in the field of statistics, or closely related fields.

Eurostat has stated that the recruitment and dismissal procedures were discussed intensively in the course of preparing the Commission Decision on Eurostat. The result was that staff regulations and the overall position of Eurostat as a Commission DG determine the boundary line. Eurostat's managers nevertheless assume that the recruitment procedures of the Commission — according to the principle of the staff regulations that professional criteria should guide the selection of staff, and for statistics the description of the tasks of DG Eurostat in the Decision on Eurostat — already mean that posts are filled by professionally highly qualified persons. Also, an additional suggestion in the legislative negotiation process for the amendment of Regulation 223/2009 addresses the position of Eurostat's Director-General in a satisfactory manner.

In light of the above, **the peer review team wishes to point out that the personnel constellation at present is very positive.** However, the question of whether the existing legal and institutional arrangements are sufficient to guarantee the appointment of professionals of the highest calibre in the future remains open. It is also necessary to ensure that the recruitment process for the positions of Deputy Director-General and Directors of Eurostat guarantees selection of candidates with excellent professional expertise.

Recommendations on Code indicators 1.2, 1.8

1. **Arrangements for future appointments of Directors-General of Eurostat should be specified in law, and based on open competition.**
2. **Key criteria for selection of a Director-General of Eurostat should be his/her professional reputation in the international statistical community and his/her management capacities.**

- 3. Legislation should specify reasons for an early dismissal of the Director-General of Eurostat. These should not include reasons which compromise his/her professional or scientific independence.**
- 4. The recruitment and dismissal of Eurostat's senior management, other than the Director-General, should be public and transparent with strong emphasis on statistical qualifications.**

4.2. Implementation of the legal architecture

The report on the 2007 peer review of Eurostat recommended that legal acts of the European Parliament and the Council be limited to framework regulations, in which especially the requested output (the 'What') is laid down. This framework layer is decided by the European Parliament and the Council. The sources, standards, methods and procedures (the 'How') belong to the delegated and implementing acts which involve the ESS Committee and national representatives. ESS agreements serve to complement legal acts whenever a high degree of technical detail is necessary, or are agreements in their own right. Such a 'legislative architecture' was adopted by the ESS Committee in 2013 and should allow the statisticians to have sole responsibility for deciding on methods, standards and procedures as required by the Code.

Eurostat informed the peer review team that the implementation of the legislative architecture was being slowed down by the debate between the Commission and Member States on whether delegated or implementing acts should be used according to the provisions of the Treaty of Lisbon describing the conditions for the use of one category as opposed to the other. Many of the 'How' elements are still dealt with at the framework level, which renders the legislative process inefficient and lengthy.

The peer review team would like to make clear that its task entails assessment of Eurostat's compliance with the Code of Practice, and that is the basis for its support of the implementing acts. A position with regard to the judicial debate is beyond the team's mandate and competence. While both the delegated and implementing acts are drawn up by Eurostat in close collaboration with the Member States, the peer review team nevertheless supports the use of implementing acts as they are adopted following a comitology procedure, thus guaranteeing the sole responsibility of the heads of Eurostat and the National Statistical Institutes for deciding on statistical sources, standards, methods and procedures in accordance with the Code of Practice and also with Article 2 of Regulation 223/2009.

Recommendation on Code indicators 1.1, 1.3, 1.4

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

4.3. Coherence of European statistics – quality, methodology and procedures

Comparability of statistical data across countries is, according to most stakeholders, a major issue in the EU. The peer review team heard some concerns about harmonisation of statistics within the ESS, whereas in business and social statistics a lot of work seems to be under way. While the concern is not usually raised as criticism of Eurostat, it seems that more attention should be given to further progress in this area.

For consistency assessment of data provided by the ESS members, a number of comparisons between data sources and checking are reported to be carried out by Eurostat. However, these assessments appear to be mostly domain-oriented and they do not seem to be implemented in a systematic or regular way. Also, better coordination among some of the units in Eurostat has been suggested by a number of stakeholders.

In order to ensure the best possible levels of comparability, Eurostat has to guarantee not only that common standards and definitions are being used, but also that the methodologies and quality indicators employed throughout the processing of data are harmonised. Furthermore, the new methodologies and tools need to be implemented across the whole ESS, otherwise the development resources would be wasted. The staff involved consider the slow implementation of new developments as a major obstacle to their effectiveness. From the NSI perspective the peer review team was told about a lack of effective pressure from Eurostat to implement the new methodologies developed in cooperation with many NSIs. Tolerance of non-implementing partners may slow down or stop the process of implementation altogether.

The content and level of detail of the ESS quality reports vary across statistical domains which need different levels of information on quality. This is due to several factors like the reporting that the domain has to prepare; the complexity of the statistical production process; the 'importance' or 'visibility' of the statistics, i.e. their use for political decisions and monitoring of political targets; the 'maturity' of the domain in question, etc. Some of the reports include comprehensive information on survey design, frames, sampling and non-sampling errors and other crucial issues, while others provide rather perfunctory quality assessments. Within the framework of the ESS rationalisation and streamlining quality reporting, a minimum set of information which should be provided by all statistical domains has been identified. In addition, the existing reporting structures have been aligned so that maximum re-use of information as well as better comparability of the different reports can be guaranteed. The measures seek to build on efforts which are already invested in the overall quality reporting exercise by focusing on re-using the available information. While these measures are not meant to place an extra burden on the national compilers, at a time when resources are scarce and many new initiatives are being prepared, production of so many different types of quality assessment reports is a time and energy-consuming exercise. The peer review team thinks it would be worthwhile reflecting on the actual value added to the system by each of them.

Recommendations on Code indicators 4.1, 4.2, 4.3 and principles 7-8

- 6. Instances of cases where the implementation of legally stipulated and agreed methodologies or tools is being significantly delayed in some Member States should be reviewed and analysed with a view to identifying and implementing necessary systemic corrective measures.**
- 7. Harmonisation of methodologies for data processing and for the calculation of quality indicators should be rigorously pursued in cooperation with Member States.**
- 8. Assessments should be carried out regularly and systematically to ensure that consistency checking practices take place across statistical domains in a comparable way.**
- 9. The quality management and assurance practice should be further harmonised and streamlined. The basic common standard for user and producer orientated quality reports should be used for every statistical operation and domain. This will ensure that these reports provide similar information and that quality can be equally appraised in the different domains.**

4.4. Dissemination – release calendar and pre-release rules

Eurostat publishes release dates and times for Euroindicators only. The peer review team was told that uncertainty about the delivery of data from Member States means that it is difficult to commit to definitive advance publication dates for other statistics. Moreover, there are different practices for data release. However, setting a definitive date for publication would incentivise Member States to provide the data on time.

Equality of access for all users is a key principle of impartiality and objectivity. According to Articles 2 and 18 of Regulation 223/2009, and Article 6 of the Commission Decision on Eurostat, equality of access to European statistics for all users must be ensured without exception. In practice, however, in the case of the most important statistical indicators, Eurostat grants pre-release access to a number of stakeholders within and outside the Commission. The detailed conditions for pre-release within the Commission are covered by various Memoranda of Understanding and the Protocol on Impartial Access sets out the conditions for all users.

The peer review team is very conscious of the risks associated with pre-release access, particularly in the case of sensitive data. In its last report ESGAB stressed these risks, stating: ‘Today, pre-release and interpretation of certain data can have instant political, economic or financial impacts, such as sudden shifts in financial markets, with costly consequences.’ The currently applicable penalties for breaches do not appear to be prohibitive, and are probably unenforceable in certain cases (e.g. very senior officials or politicians).

The peer review team considers that there is a strong case for a full ban on pre-release from a statistical perspective. However, on reflection the peer review team has found the arguments put forward by representatives of the media, notably the news agencies, worth considering. They present themselves as channels for dissemination of data, rather than final consumers, arguing that they need the raw data in advance as they work in situations where the impact of an error can be catastrophic. It may be the case that strictly limited pre-release might be vital to the stability and functioning of financial markets. The peer review team would prefer a complete ban on pre-release to politicians and civil servants of any rank, except possibly for the news agencies once the potential impact of such an action has been carefully assessed. The peer review team recommends fuller investigation of this issue before a decision is taken to restrict pre-release completely, even in the case of sensitive data.

Recommendations on Code indicators 6.5, 6.7

- 10. Eurostat should aim at publishing a full release calendar and at joint publication of Eurostat and NSI statistics.**
- 11. Eurostat should fully investigate the potential impact of a full pre-release ban and ways to manage risks if a strongly limited pre-release is maintained for individual news agencies.**

4.5. Communication and users

Many stakeholders have suggested that Eurostat should widen its engagement with users, particularly the academic community and the press. Researchers advocate deeper and better structured organisation of cooperation between Eurostat and the scientific community. While statistics themselves need to be communicated objectively, media representatives would welcome readily available material to put the numbers into perspective for their readers. Eurostat could also enhance communication of statistics on

international trade in goods that are not often subject to specific press releases. For instance, statistics on NUTS3 level data are potentially interesting to a wider audience and could be more regularly communicated.

The Eurostat website is the main interface with users where datasets, general information and traditional publications¹⁰ are made available. While generally satisfied, those consulted also point to the limitations and the need for better functionality and presentation of the web space. The peer review team is aware that Eurostat is currently revamping its website and would suggest including a news section that is separate from the statistical releases. The new Eurostat website should have broad functionality and make maximum use of infographics and other user-friendly modes of data/statistical presentation.

Given the increasing use and importance of statistics in media reporting, and in order to reach different target groups (from interested citizens to expert users), communication could be improved by, for instance, rethinking the way press releases are presented, enhancing the use of visual tools and organising seminars or training for journalists.

Recommendation on Code principle 15

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

4.6. Coordination

Eurostat's coordination role in the ESS is specified in Regulation 223/2009: NSIs are meant to be Eurostat's main contact points for the development, production and dissemination of statistics. In most countries European statistics are also produced by other national authorities (ONAs), which send data directly to Eurostat or via their NSI. In the context of exchanging best practices and improving efficiency, contacts between Eurostat and ONAs can and should take place, provided that the process is transparent and that good internal coordination at national level takes place. While NSIs are not directly accountable for the quality of statistics produced by ONAs, they are expected to ensure that the statistics are compiled in compliance with the Code of Practice.

At present Eurostat undertakes a significant amount of harmonisation work on data transmitted to it by those beyond the direct influence of NSIs; this underlines the need for more effort to be invested in Code of Practice compliance beyond the NSIs themselves. ESGAB therefore called for a clear and strong coordination role for NSIs in line with the requirements of the ESS in its 2013 annual report. The peer review team recognises the ongoing efforts to classify the ONAs, paving the way for improving their coordination, but has not seen new evidence of major improvement as yet. Significant limits to NSIs' coordination capacity will remain until a clear and strong role for coordinating their National Statistical Systems is legally established. Implementation of such an approach with the national partners could be part of a Commitment on Confidence, Memorandum of Understanding or other type of agreement used for organising the relationship between the NSI and other national producers.

The Commission Decision on Eurostat¹¹ strengthened its coordination role within the Commission. Eurostat has signed Memoranda of Understanding or Service Level

¹⁰ Provisional calendar of forthcoming publications:

http://epp.eurostat.ec.europa.eu/portal/page/portal/release_calendars/publications

¹¹ Commission Decision of 17 September 2012 on Eurostat (2012/504/EU), Recitals (11), (14), (15); Art 2 (3), Art 5.2., Art 6.4, Art 8.2 (b) and (c).

Agreements with its key users and created a formal interdepartmental group on the coordination of statistics, bringing together all DGs with an interest in statistics. A first pilot inventory of statistical activities is ongoing. Dialogues with stakeholders were organised prior to the preparation of the draft European Statistical Programme 2013-2017 with the participation of Commission DGs, heads of NSIs and Eurostat. The Directorates-General of the Commission, the European Central Bank and the European Statistical Advisory Committee have been consulted on their needs for European statistics in the reference period. In addition, special stakeholder dialogues with several Commission DGs, the ECON Committee of the European Parliament and ESS representatives at top management level have been organised to address future statistical needs. An input to the discussions on user needs comes from the European Statistical Advisory Committee, comprising 24 members who represent users, respondents and other stakeholders of European statistics. While transparency is much improved, the nature of cooperation between Eurostat and other Commission DGs is not clear to other stakeholders in the ESS. NSIs see the Commission DGs as predominant in determining the priorities and content of statistical programmes.

European statistics are also produced in parallel by the European System of Central Banks (ESCB). A Memorandum of Understanding between the ESS and the ESCB defines cooperation between the two systems. ESCB statistics are produced within the quality framework of a public commitment on European statistics. The commitment is for the most part consistent with the European Statistics Code of Practice, but lacks a transparent review process. Given the different institutional settings of both systems, governance issues have been high on the agenda. After long discussions, the ESS and the ESCB appear to have found agreement on how to cooperate in the area of statistics within the framework of the Treaty and the day-to-day working relationships at European and national level seem to be functional.

Finally, at present a principle and indicators for coordination are not included in the Code while a well-coordinated ESS is evidently needed. The Code should give Eurostat and NSIs tangible tools for managing coordination issues in the form of a principle and indicators.

Recommendations

- 13. Eurostat should support the coordination role of the NSIs in relation to the ONAs by accepting only Code-compliant data transfers from an NSI or authorised ONA. The cut-off date for unauthorised data deliveries should be widely communicated one year in advance. Should unauthorised or non-Code-compliant data transfers to Eurostat continue after the announced date, Eurostat should reject the data.**
- 14. Eurostat must establish clear mechanisms for its coordination role within the European Commission and develop an inventory of existing statistical activities.**
- 15. The ESS and the ESCB should focus on working pragmatically within the given division of labour and proceed with practical cooperation. It would be beneficial if the ESCB were to adopt verifiable quality assurance procedures similar to those of the ESS in order to enhance this mutual understanding.**
- 16. A principle and corresponding indicators addressing the need to coordinate the development, production and dissemination of European statistics should be drawn up during the next revision of the Code of Practice.**

4.7. Other pertinent issues for Eurostat's attention

This section contains observations or issues that the peer review team took note of but on which it did not issue explicit recommendations as Eurostat may not be solely responsible for the desired outcome or is already in the process of identifying or implementing improvement actions. The peer review team nevertheless wishes to raise the following points to be taken into account in the ongoing work as far as possible and practicable.

4.7.1. Engagement in cost assessment (Code indicator 3.3)

The peer review team notes that while some ESS members have built good cost assessment systems, most other NSIs and Eurostat are not assessing for the costs of their products. While the peer review team was told that Eurostat is currently carrying out a pilot project for cost estimates, the lack of information on costs remains a serious impediment to taking rational decisions on priorities for the European Statistical System. As to the benefits, the peer review team shares Eurostat's concern about the difficulty of finding an appropriate methodology to evaluate the benefits of statistical products. Even though the peer review team understands that most costs are borne by NSIs, and that, for a given statistical product, national costs may differ by a wide margin, it looks forward to further efforts in this regard.

4.7.2. Metadata — access to micro-data — archiving (Code indicators 15.1, 15.4)

In the course of the interviews held with stakeholders it was generally agreed that the methodological framework and procedures implemented by Eurostat are satisfactory. Still, some suggestions for improvement were made, specifically concerning the increase of metadata on the methodology used when ESS members provide data. More concretely, a detailed specification of the survey design employed by the country and description of the methodology used in the calculation of GDP deflators in the National Accounts would be welcome. The peer review team would also urge that the national metadata collections be converted into the ESS standards as speedily as is feasible.

The process of accessing micro-data for research purposes is a key issue for users. Among the biggest concerns are limitations on access (e.g. lack of remote access), complex procedures and the length of time involved. Eurostat has explained that their capacity to address these issues is constrained by very restricted access regulations of some NSIs. They can only 'move as fast as the whole train' so the issue is ESS-wide. There is a need to move from risk avoidance to risk management, and engagement with NSIs on these issues is ongoing. Meanwhile, the ESS is planning to improve remote access to micro-data by providing 'safe centres,' which are physical spaces in each NSI, where users can access micro-data for research purposes.

Eurostat has reported that the process of IT upgrading and rationalisation to integrate domain production databases is currently under way and that this will facilitate an archiving policy and production and dissemination procedures for statistics and metadata.

4.7.3. Confidentiality declarations (Code indicator 5.4)

All staff working with confidential data are bound by Commission staff regulations to respect confidentiality. In addition, since January 2013, Eurostat staff dealing with highly market sensitive functions have to sign separate statements of confidentiality. Also, staff other than officials working for Eurostat already sign a specific confidentiality commitment before they

can have access to data protected by statistical confidentiality. It is desirable that Eurostat set the standard for NSIs in this regard. Eurostat informed the peer review team that they are also considering requiring all staff to sign a special confidentiality declaration separate from the provisions in general Commission Staff Regulations. In addition, there is a need to make provision for a declaration of confidentiality for those from outside Eurostat travelling to Member States on ESS-related matters.

4.7.4. Revision of Regulation 223/2009

In its 2013 annual report ESGAB strongly supported the Commission proposal for an amendment of Regulation 223/2009, in particular underlining the importance of the Commitments on Confidence. However, during the legislative negotiation process it has become clear that such commitments are not acceptable to the Member States. The peer review team regrets this lost opportunity to commit Member States' political authorities to fully respecting the Code of Practice, in particular the principle of professional independence.

The peer review team would welcome continued efforts by the Commission, and in particular Eurostat, to achieve as much as possible the aims of the original proposal, and adding an article on the recruitment and dismissal of the Director-General of Eurostat.

5. Peer review process in 2014 and suggestions for future peer reviews of Eurostat

When conducting the peer review, the methodology set out in Annex 2 was followed as closely as possible. Given Eurostat's specificities, different roles, and impact in the ESS, the team paid particular attention to distinguishing the peer review of Eurostat from assessing the ESS itself. Moreover, the stakeholder sessions were strengthened by additional meetings with:

- Mr Algirdas Šemeta, Commissioner for Taxation, Customs, Statistics, Audit and Anti-Fraud and Ms Catherine Day, Secretary-General of the European Commission, on 18 March 2014;
- Ms Sharon Bowles, Member of the European Parliament, Chairperson of Committee on Economic and Monetary Affairs, on 25 June 2014.

The peer review is carried out by ESGAB members without compensation, in addition to their full-time jobs and other activities. The peer review visit in Luxembourg and Brussels was shortened to three days instead of five as preparations had already been made in earlier meetings. Also, report drafting periods were extended and streamlined to tie in with ESGAB's annual reporting cycle to the Parliament and the Council. The peer review team found the exercise challenging and rewarding. For a future peer review of Eurostat the peer review team would suggest:

- not striving for full parallel with the exercise at national level. For example, as Eurostat's data collection is limited it could be removed altogether, and more attention could be devoted to the data provision by Eurostat's partners at EU level;
- ensuring that the focus is on peer reviewing Eurostat and not the ESS;

- maintaining the cluster approach of the Code principles, which allows highlighting of cross-cutting issues and removal of overlaps. It also produces a natural division of tasks within the peer review team;
- allocating more time to the peer review visit, which could allow priority areas to be examined in greater depth. Depending on the next peer review team's preferences, meetings with the Commission and the Parliament (Council/EFC partners to be added if they are not included in other ways) could also be arranged after having met Eurostat senior management and other stakeholders;
- preparing more fully for the peer review visit by:
 - clearer documentation of the audit inspired approach,
 - ensuring observers' access to the self-assessment questionnaire,
 - shared chairing style of the sessions, e.g. on time slots used for introductions and question setting.

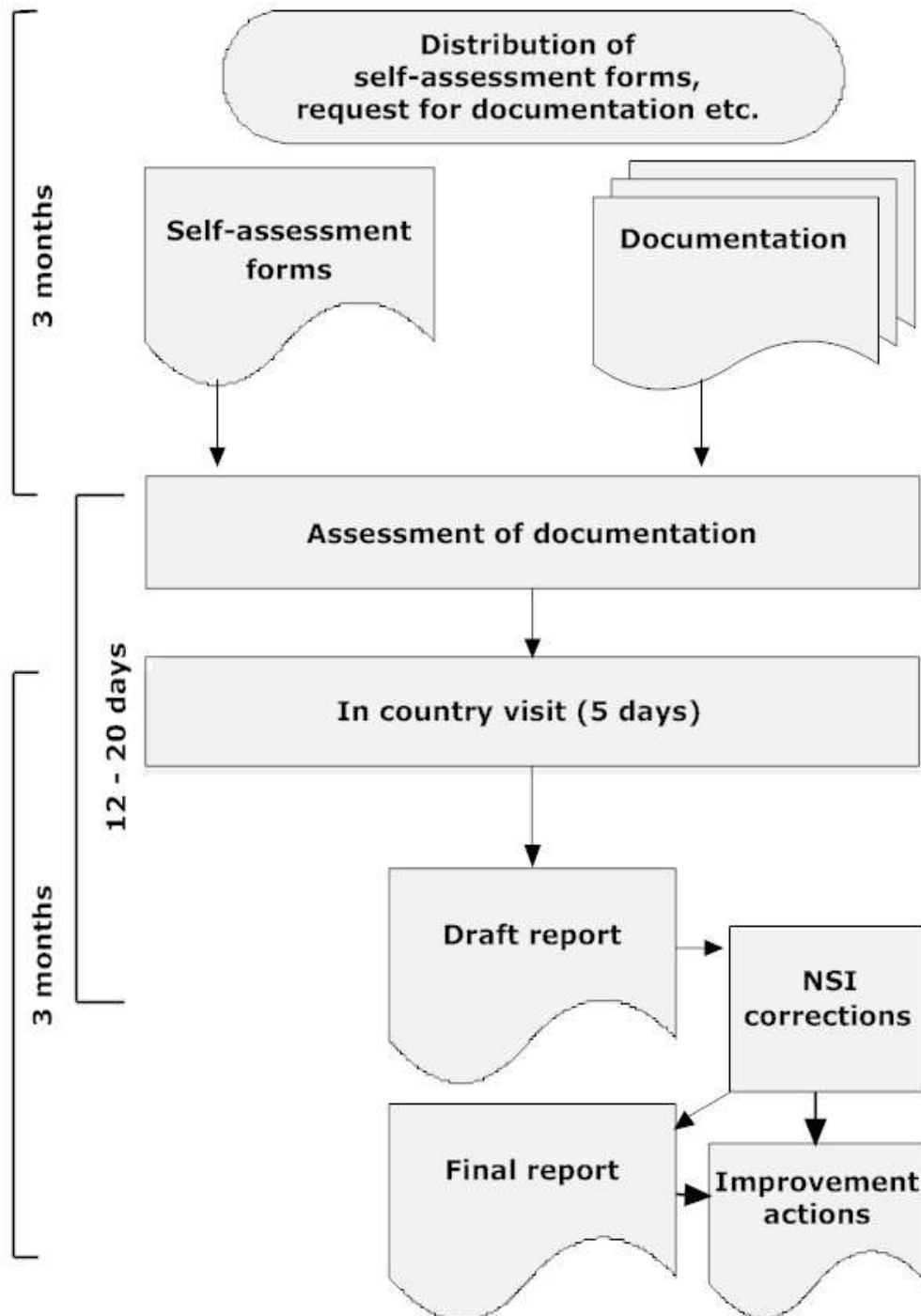
6. Eurostat's comments

Eurostat's diverging view on recommendations 1 – 4

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

The conditions for any dismissal of Commission officials – including Directors-General and other senior management – are set out in Article 5 of the staff regulations. The staff regulations, in combination with the Commission Decision on Eurostat, correspond to the Code of Practice indicator on having the conditions for dismissal specified in a legal framework. Recommendation 3 is thus without subject.

Peer review methodology for the ESS members



Link to the Guide for Peer Reviewers:

http://epp.eurostat.ec.europa.eu/portal/page/portal/quality/documents/6_Guide_for_peer_reviewers.pdf

Eurostat Peer Review 28-30 April 2014 on-site visit in Luxembourg and Brussels Programme and participants in addition to ESGAB members and ESSC observers¹

Monday, 28 April 2014 – LUXEMBOURG	Participants
9.00 Welcome and introduction of programme, organisational matters	Walter Radermacher, DG Marie Bohatá, DDG Mariana Kotzeva Advisor Hors Class, Acting director B Pieter Everaers, Director A resources Jean-Pierre Poncelet, assistant to DG
9:30.-11.00 The statistical law and related legislation (CoP principles 1, 2, 5 and 6) Chair: Gunter Kopsch	Walter Radermacher, DG Marie Bohatá, DDG Pieter Everaers, Director A resources Helena Ottosson, A5 – legal affairs Antonio Baigorri, Task Force peer reviews Jean-Pierre Poncelet, assistant to DG
11.15-12.45 Programming, planning and resources (CoP principles 3, 9 and 10) Chair: Jean-Michel Charpin	Walter Radermacher, DG Marie Bohatá, DDG Pieter Everaers, Director A resources Thana Chrissanthaki, Task Force integrated planning Annika Näslund, A2 human resources Véronique Wasbauer, A4 financial Jean-Pierre Poncelet, assistant to DG
13.45-15.30 Quality (organisational structure, tools, monitoring (CoP principles 4 and 11 to 15) Chair: Pilar Martin-Guzmán	Walter Radermacher, DG Marie Bohatá, DDG Ales Capek, Task Force MIP Zsuzsanna Kovacs, D4 quality Martina Hahn, G1 business statistics Jean-Pierre Poncelet, assistant to DG
15.45-17.30 Methodology, Data collection, Data processing and administrative data (CoP principles 2, 7 and 8) Chair: Edvard Outrata	Mariana Kotzeva, Advisor Hors Class, Acting director B Pedro Díaz Muñoz, Director E sectoral and regional statistics Anne Clemenceau F3 labour market Eduardo Barredo Capelot, Director F, acting Director D Martina Hahn, G1 business statistics Gallo Gueye, C1 national accounts John Verrinder, D3 EDP Jean-Pierre Poncelet, assistant to DG
17.30-18.30 Coordination in the ESS Chair: Margit Epler	Walter Radermacher, DG Marie Bohatá, DDG Mariana Kotzeva Advisor Hors Class, Acting director B Pieter Everaers, Director A resources Cristina Pereira De Sá, A1 ESS governance Thana Chrissanthaki, Task Force integrated planning Jean-Pierre Poncelet, assistant to DG
18.30-20.00 ESGAB internal discussion	

¹ ESGAB: Thomas Wieser (Chair), Patricia O'Hara, Edvard Outrata, Pilar Martin-Guzman, Jean-Michel Charpin, Margit Epler, Günter Kopsch. ESSC observers: Nico Weydert (STATEC) and Stephan Moens (Statistics Belgium)

**Eurostat Peer Review 28-30 April 2014 on-site visit in Luxembourg and Brussels
Programme and participants in addition to ESGAB members and ESSC observers¹**

Tuesday, 29 April 2014 – LUXEMBOURG	Participants														
<p>8.30-10.00 Dissemination and confidentiality (CoP principles 5, 6 and 15) Chair: Patricia O'Hara</p>	<p>Walter Radermacher, DG Marie Bohatá, DDG Pieter Everaers, Director A resources Mariana Kotzeva, Advisor Hors Class, Acting director B Helena Ottosson, A5 legal Roberto Barcellan, B1 Methodology and corporate architecture Philippe Bautier, B4 dissemination Bettina Knauth, DG.02 communication Alexandra Bujnowska, B1 – confidentiality, access to microdata</p>														
<p>10.00-10.45 Meeting with junior staff</p>	<p>Staff members up to 5 years of experience</p> <table border="0"> <tr> <td>Ferenc Galik (A3)</td> <td>Susanne Taillemite (A4)</td> </tr> <tr> <td>Per Christensen (A5)</td> <td>Artur Queiroz (B3)</td> </tr> <tr> <td>Mihaela Vacarasu (B3)</td> <td>Mariela Chukanska (C2)</td> </tr> <tr> <td>Marcin Bujnowski (C3)</td> <td>Vidar Lund (E3)</td> </tr> <tr> <td>Gorja Bartsch (E4)</td> <td>Sammy Lauritsen (F3)</td> </tr> <tr> <td>Levente Szekely (G1)</td> <td>Zsolt Volfinger (G1)</td> </tr> <tr> <td>Javier Alcántara (Ypsilon)</td> <td></td> </tr> </table>	Ferenc Galik (A3)	Susanne Taillemite (A4)	Per Christensen (A5)	Artur Queiroz (B3)	Mihaela Vacarasu (B3)	Mariela Chukanska (C2)	Marcin Bujnowski (C3)	Vidar Lund (E3)	Gorja Bartsch (E4)	Sammy Lauritsen (F3)	Levente Szekely (G1)	Zsolt Volfinger (G1)	Javier Alcántara (Ypsilon)	
Ferenc Galik (A3)	Susanne Taillemite (A4)														
Per Christensen (A5)	Artur Queiroz (B3)														
Mihaela Vacarasu (B3)	Mariela Chukanska (C2)														
Marcin Bujnowski (C3)	Vidar Lund (E3)														
Gorja Bartsch (E4)	Sammy Lauritsen (F3)														
Levente Szekely (G1)	Zsolt Volfinger (G1)														
Javier Alcántara (Ypsilon)															
BRUSSELS															
<p>14.15-15.45 NSIs</p>	<p>Stefan Lundgren, PG Chair, Director General Sweden Andreas Georgiou, Presidency, Director General Greece Konrad Pesendorfer, ex-PG Chair, Director General Austria Aija Zigure, Director General Latvia Andres Oopkaup, Director General Estonia Gabriella Vukovich, Director General Hungary</p>														
<p>16.00-17.30 Other users of European statistics: ESAC, scientific community</p>	<p><u>ESAC:</u> Denise Lievesley, former ESAC Chair (King's College), Head of School of Social Science and Public Policy Ulrike Oschischnig, ESAC member (UEAPME), Head of Department (Austrian economic Chamber) Agnieszka Piasna, ESAC member (ETUC), Researcher (ETUI)</p> <p><u>Scientific community:</u> Roxane Silberman, Scientific Coordinator of the 7th FP Data Without Boundaries; Secretary-General of the National Data Committee in Humanities and Social Sciences of the Reseau Quetelet Risto Lehtonen, Helsinki University Eric Marlier, CEPS Luxembourg (social and economic research) Ralf Münnich, University of Trier, Chair of Economic and Social Statistics (Economics Department)</p>														
<p>17.30-18.30 Media</p>	<table border="0"> <tr> <td>D. Fechtner, Börsen Zeitung</td> <td>Jones Hayden, Bloomberg</td> </tr> <tr> <td>Matina Stevis, Dow Jones</td> <td>Jan Strupczewski, Reuter</td> </tr> </table>	D. Fechtner, Börsen Zeitung	Jones Hayden, Bloomberg	Matina Stevis, Dow Jones	Jan Strupczewski, Reuter										
D. Fechtner, Börsen Zeitung	Jones Hayden, Bloomberg														
Matina Stevis, Dow Jones	Jan Strupczewski, Reuter														
<p>18.30-20.00 ESGAB internal discussion</p>															

**Eurostat Peer Review 28-30 April 2014 on-site visit in Luxembourg and Brussels
Programme and participants in addition to ESGAB members and ESSC observers¹**

Wednesday, 30 April 2014 – BRUSSELS	Participants
<p>9.00-11.00 Meeting with DGs and other users from public authorities</p>	<p><u>Commission:</u> Joost Korte, AGRI, Deputy Director General for Directorates C, D and E Tassos Haniotis, AGRI, Director for Economic Analysis, Perspectives and Evaluation, Lucio Pench, ECFIN, public finance statistics Elena Flores, ECFIN, Other statistics Georg Fischer, EMPL, Director for Analysis, Evaluation, External Relations Ludger Odenthal, ENTR, SME policy development and Small Business Act Konstantin Pashev, ENTR, Head of Unit Economic Analysis and Impact Assessment Nicholas Martyn, REGIO, Deputy Director General for Policy, Performance and Compliance Lewis Dijkstra, REGIO, Economic analysis Wolfgang Burtscher, RTD, Deputy Director-General Richard Deiss, Analysis and monitoring of national research policies David Wilkinson, JRC, Director Scientific Policy and Stakeholder Relations Encarnacion Luque-Perez, JRC, Knowledge Management, Evaluation and Dissemination of Scientific Results <u>European Central Bank (ECB)</u> Werner Bier, Deputy Director General Statistics Neale Kennedy, Deputy Head of Division in the Directorate General Economics Catherine Ahsbahs, Division of Statistics <u>CoR + EESC</u> Thomas Wobben, Director Horizontal Policies and Networks Daniele Berno, Committee of Regions, Unit E1- Forward planning, Studies and Academic networks Michael Smyth Economic and Social Committee Member EESC (also ESAC member) Alexander Alexandrov, EESC, Assistant to Mr Smyth</p>
<p>11.15-12.15 International Organisations</p>	<p>Bergljot Barkbu, International Monetary Fund (IMF), senior economist and deputy resident representative to the EU Theo Thomas, World Bank, Macroeconomist Matija Laco, World Bank, Macroeconomist Paul Schreyer, OECD-Organization for Economic Cooperation and Development, Deputy Director Lidia Bratanova, UNECE-United Nations Economic Commission for Europe, Director, Statistical Division</p>
<p>13.15–13.45 Observer feedback</p>	
<p>13.45-16.45 ESGAB internal discussion</p>	
<p>17.00-19.00 Meeting with senior management: conclusions and recommendations</p>	<p>Walter Radermacher, DG Marie Bohatá, DDG Pieter Everaers, Director A resources Mariana Kotzeva, Advisor Hors Class, Acting director B Eduardo Barredo Capelot, Director F, acting Director D Pedro Díaz Muñoz, Director E sectoral and regional statistics Maria Helena Figueira, Director G, business statistics Jean-Pierre Poncelet, assistant to DG</p>

Glossary

European Statistics Code of Practice (the Code)

The European Statistics Code of Practice¹² sets the standards for developing, producing and disseminating European statistics. It builds upon a common definition of quality in statistics used in the European Statistical System (ESS, composed of national statistical authorities and Eurostat). The Code is a self-regulatory instrument containing 15 principles. They address the institutional environment under which national and EU statistical authorities operate as well as the production and dissemination of European statistics. A set of indicators of good practice for each of the 15 principles helps to implement the Code.

European Statistical Governance Advisory Board (ESGAB)

ESGAB¹³ provides an independent overview of the implementation of the Code of Practice. It aims at enhancing professional independence, integrity and accountability of the European Statistical System, key elements of the Code, as well as enhancing the quality of European statistics.

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

European Statistical System (ESS)

The European Statistical System¹⁴ (ESS) is a partnership between the European Union's statistical authority, which is the Commission (Eurostat), and the national statistical institutes (NSIs) and other national authorities (ONAs) responsible in each Member State for the development, production and dissemination of European statistics.

Eurostat

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

¹² Code of Practice: http://epp.eurostat.ec.europa.eu/portal/page/portal/quality/code_of_practice

¹³ ESGAB home page: <http://ec.europa.eu/esgab>

¹⁴ ESS: http://epp.eurostat.ec.europa.eu/portal/page/portal/ess_eurostat/introduction