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**REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND  
THE COUNCIL**

**ON THE MID-TERM EVALUATION OF THE COMMUNITY STATISTICAL  
PROGRAMME 2008-2012**

# REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL

## ON THE MID-TERM EVALUATION OF THE COMMUNITY STATISTICAL PROGRAMME 2008-2012

### 1. INTRODUCTION

Decision No 1578/2007/EC of the European Parliament and of the Council on the Community Statistical Programme 2008 to 2012 (CSP) was adopted<sup>1</sup> on 11 December 2007. It is underpinned by the policy priorities of prosperity, competitiveness, innovation and growth, solidarity and human development, economic, social and regional cohesion, sustainable development and demographic challenges and further enlargement of the European Union (EU).

This document constitutes the interim report required by Article 6 of the Decision and is based on Eurostat's internal reporting mechanisms for annual work programmes and on a consultant's report covering some specific elements. Section 2 summarises the CSP's main achievements, section 3 looks ahead to the second half of the CSP and section 4 deals with specific elements that have to be addressed in the report. Section 5 presents recommendations for the future.

### 2. MAIN ACHIEVEMENTS OF THE PROGRAMME

The focus here is on the first two years of the programme.

#### Summary

The CSP contains around 130 objectives, most of them multiannual and requiring steady implementation over the entire programme period. For each Title<sup>2</sup> of the programme, many of the objectives (around 90 %) are on track and are likely to be achieved by the end of 2012 although resource constraints in the ESS may render this more difficult than expected. Some important objectives had already been met by the end of 2009 (establishment of the European Statistical Governance Advisory Board (ESGAB), adoption of an energy statistics regulation, a more user-friendly Eurostat website). Objectives for which work has yet to begin include the development of indicators for analysing the performance of logistics and intermodal transport, the implementation of NACE rev2 in national accounts and the development of a methodology for assessing the quality of regional data.

In addition, the European Statistical System (ESS) demonstrated its capacity to deal with the statistical consequences of the financial crisis in the areas of macroeconomic and social statistics. Decisions on the statistical treatment of government

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<sup>1</sup> OJ L 344, 28.12.2007

<sup>2</sup> According to the Treaties.

interventions were issued and appropriate economic and labour market indicators were provided. The existing statistical indicators are being reviewed and several projects aiming to provide additional indicators for policymakers by making better use of existing data are in progress. Given that fewer resources will be available, an even stronger effort to harmonise methodology, concepts and definitions in many areas and to improve standardisation will be needed to meet all the objectives of the CSP by the end of 2012.

## **Cross-cutting Issues**

### ***The role of statistics in European integration***

Based on the new Regulation on the Business Register work on creating a Community register of multinational enterprise groups progressed well with the validation of datasets on 5 000 such groups. A draft regulation on the exchange of confidential data between Eurostat and the European System of Central Banks was prepared with a view to enhancing register quality. Other notable activities include greater efforts to standardise data transmission tools and metadata, further development of integrated IT tools for the production systems, conceptual work on the new European System of National Accounts (ESA) and the successful implementation of NACE rev2 in many statistical domains. A new governance structure for statistical confidentiality and a process for providing feedback on relevant research projects to the ESS were established.

### ***Relations with stakeholders***

#### ***The ESS***

A first report on the ESS's compliance with the European Statistics Code of Practice (CoP) was published in 2008, implementation has continued throughout the ESS since then and the ESGAB, established to provide an independent view of the ESS in this regard, supports regular compliance measurement and follow-up of improvement actions. The European Statistical Training Programme is now being developed annually as part of a long-term strategy.

#### ***Cooperation with users***

Dialogue with users was reinforced through conferences on national accounts and price statistics and by establishing and rendering operational the new user consultation body (European Statistical Advisory Committee), initiating dialogues with other stakeholders and hearings inside the Commission.

#### ***Technical cooperation with third countries and cooperation with international organisations***

The profile of the ESS and European standards on the global stage was raised through regular consultation and coordination.

### ***Instruments***

#### ***Better regulation and the balance of costs and benefits***

Activities in this regard revealed that neither burden nor costs are measured by all Member States (MS) in a systematic or homogeneous way for all statistical fields. Proposals for simplifying and recasting legislation in energy, transport, migration, Intrastat, Structural Business Statistics (SBS) and agriculture were adopted in 2008 and 2009 in the ongoing drive to reduce the burden on respondents. As further mechanical simplification of statistical requirements would disturb the smooth provision of good quality data to users, Eurostat set about modernising statistical production processes while additionally reviewing / reprioritising the statistical programme.

#### *Compliance monitoring*

Regular compliance monitoring for enhancing the quality of Community statistics was implemented within the limitations of the current framework.

#### *Increased ability to respond to users' needs*

Several projects were launched e.g. in connection with the modernisation of enterprise and trade statistics (MEETS), to combine different statistical sources and to differentiate requirements for contributions to European totals (SBS recast). The use of ad-hoc modules was extended in the area of social statistics (e.g. on health, disability, migrants, transition from school to work), seeking to increase the responsiveness to new user needs.

#### *Financial support for the programme period*

In order to simplify grant-management procedures Eurostat launched several initiatives such as the development of Framework Partnership Grant Agreements, examination of flat rates in grants and simplification of procedures for ESS networks but further efforts will be needed.

#### *Utilising partners' expertise for Community purposes*

New types of collaborative networks were developed to share expertise and channel knowledge and resources in the ESS (ESSnets). They encompass project work performed by some MS, with the results being made available for the entire ESS. This instrument for better cooperation in the ESS is being intensively used in several domains and has already yielded good results.

#### *Dissemination*

The revamped Eurostat website went online in April 2009 with improved access, navigation facilities and extraction of data and a revised reference database is being finalised to enhance functionalities for managing data and metadata. The success of various other initiatives such as Statistics Explained and flagship publications is demonstrated by the increasing number of downloads.

### **Cross-sectional Activities**

Structural Indicators (SI) were further developed and used to analyse the national reform programmes under the monitoring schemes for the Lisbon strategy. Quality profiles and improved dissemination channels were developed for both SI and

Sustainable Development Indicators (SDI). The latter were used for updating the EU sustainable development strategy and its monitoring report in 2009, and a feasibility study seeking to extend them with well-being indicators was finalised.

On the enlargement front, assistance was given to candidate countries and potential candidates to modernise and strengthen their statistical systems and improve the availability of good-quality statistical data. Specific steps were taken to regularly publish data to support the negotiation process and for the international monitoring of population censuses.

Discussions on complementing macroeconomic indicators such as GDP with indicators reflecting the social and environmental aspects of progress led to adoption of the Communication ‘GDP and beyond – measuring progress in a changing world’.<sup>3</sup>

### Statistical Domains per Title

***Free Movement of Goods:*** New legislation was developed for Intrastat and Extrastat aimed at reducing burden on respondents and, for Extrastat, at coping with potential data losses when the required statistical data are not available from customs declarations. Ways to reduce asymmetries in mirror trade flows were investigated and consistency between trade in goods and Balance of Payment (BoP) statistics was improved through regular monitoring and issuing appropriate recommendations.

***Agriculture:*** Substantial support was provided to MS and legislation guaranteeing the implementation of an agriculture census covering the 2009-2010 period was adopted. A strategy to improve land use statistics was developed and efforts made to meet the statistical information needs for the Commission’s maritime policy. Legislative measures were taken in agro-environmental statistics and for reducing burden in the area of animal and crop statistics.

***Free Movement of Persons, Services and Capital:*** Data were collected for the first time in the field of Statistics on *Foreign Affiliates* and legislation on quality reporting was adopted. The methodology for statistics on residence permits was developed and implementing measures were adopted.

***Justice, Freedom and Security:*** Implementing measures on annual migration statistics were prepared. An ad-hoc module on the labour market integration of migrants was conducted. Annual publication of statistics on crime and criminal justice started in 2007 and 17 pilots to test the questionnaire for a 2013 EU security survey (victimisation survey) were carried out.

***Transport:*** Data were continuously provided for all modes of transport and the legal basis was consolidated. In relation to transport safety a Memorandum of Understanding with other data producers was initiated.

***Economic and Monetary Policy:*** In *national accounts* Eurostat contributed to the review of the UN System of National Accounts (SNA) that was finalised in 2009. In parallel the ESA is being updated and its transmission programme is under

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<sup>3</sup> COM (2009) 433 of 20.08.2009

discussion. Planning to ensure coordinated implementation of the revised ESA and the new IMF BoP Manual commenced. The verification of *own resource statistics* received close attention and data for budgetary and fiscal surveillance in the context of the *excessive deficit procedure* were provided while at the same time work on improving the methodological framework and the comparability of data continued. The extraordinary situation in relation to Greek debt and deficit figures posed a particular resource-intensive challenge to Eurostat in analysing the situation and designing countermeasures. EU aggregates of the *BoP* financial account were published for the first time in 2009. For *short-term statistics* a report on the implementation of the regulation was published highlighting best practices and quality aspects of the data. Further efforts were made to improve the coverage, length of series and timeliness of the Principal European Economic Indicators. In *price statistics* methodological work continued for the Harmonised Index of Consumer Prices and compliance monitoring activities covered additional countries. Progress was made in the collection of more detailed price statistics. Starting from 2008 purchasing power parities are being produced in line with the new regulation. The project on *sector accounts* is an example of providing new statistics based on the integration of existing data.

**Employment:** Several ad-hoc modules for the labour force survey (LFS) were implemented. The legal basis for future ad-hoc modules and the regulation on quarterly job vacancy statistics were adopted. A comprehensive quality review of the LFS was undertaken. The results of the 2006 Structure of Earnings Survey were disseminated, including to the research community.

**Common Commercial Policy:** Progress was made in harmonising data from different but interlinked statistical areas such as trade statistics, BoP statistics and national accounts.

**Social Policy, Education, Vocational Training and Youth:** In 2009, in the wake of the crisis, social statistics were analysed with a view to filling information gaps. Comparable information on social protection and social inclusion became available. The project on core variables in social surveys is leading to better integration of concepts and definitions across areas. For statistics on *education and lifelong learning* progress was made with results on adult education and continuing vocational training being published. A wide range of data on *youth* was disseminated through the EU Youth Report 2009. An overview of all gender-related statistics was prepared and specific data in this respect were produced. The regulation on the population and housing census was adopted and implementing measures were prepared. General and regional population projections were provided for corresponding policy purposes.

**Public Health:** A Framework Regulation on public health and health and safety at work was adopted, implementing measures were prepared and data on health care, causes of death, accidents at work and occupational diseases were published. A European Health Interview survey was implemented in 2008.

**Consumer Protection:** A panorama publication on consumers in Europe as well as a pocketbook on food from farm to fork were published. As regards food safety, data on food and feed control and monitoring activities were disseminated.

**Industry:** Development work in *business statistics* focused on globalisation and entrepreneurship indicators with several studies and test calculations carried out. The MEETS programme was adopted and subsequent annual work programmes were approved. The *information society* regulation was amended and data were made available for Europe's Digital Competitiveness report. For *tourism statistics* several policy-oriented publications were issued and the legal basis was revised. The project on tourism satellite accounts focused on further harmonisation. The regulation on *energy statistics* was adopted in 2008 and data were collected accordingly. Methodology work focused inter alia on measurement of energy efficiency and renewable energy.

**Economic and Social Cohesion:** Following the revision of the NUTS territorial classification in 2008, all regional data were converted and a project to collect a wide range of NUTS level 3 data was started. A new round of data collection for the Urban Audit was launched.

**Research and Technological Development:** Several surveys on Community innovation, career path of doctorate holders and research and development were implemented, their methodology and quality were improved and data access was widened. For methodology the appropriate external and internal governance structures became operational. Cooperative projects for data integration, statistical disclosure control and model-based approaches were launched and a strategy for widening access to micro-data was agreed.

**Environment:** The European strategy for environmental economic accounts was revised and a legal proposal adopted. Work on aggregate indicators on resource efficiency and environmental impacts has been stepped up and activities on waste, recycling, water and soil statistics are progressing. Eurostat contributed to the deliberations on statistics relating to climate change, established related action plans and provided valuable support in the preparation of the annual greenhouse gas inventory of the EU.

**Development Cooperation:** Cooperation focused on promoting donor coordination and advocacy for statistics, particularly with respect to National Strategies for Development. A Guide to Statistics in EC Development Cooperation was produced to support statistical project design in developing countries.

**Economic, financial and technical cooperation with third countries:** A wide range of technical advice and support for the European Neighbourhood countries was provided and data resulting from cooperation projects were published.

## **Use of Human and Financial Resources**

There was a slight increase in human resources in 2008 due mainly to the enlargement but as from 2009 the Commission policy of zero growth in resources will be followed and addressed by strategic projects entailing forward planning and career development.

Budgetary commitments for programme implementation amounted to roughly €66 million in 2008 (Eurostat credits accounted for €48 million) and €80 million in 2009

(€54 million for Eurostat credits), with an increasing share of the budget provided to Eurostat replacing sub-delegated budgets from other Commission services.

### **3. KEY ELEMENTS FOR THE SECOND HALF OF THE CSP**

Having regard to the functioning of the ESS (Cracow/Hague Action Plan) a Regulation on European statistics<sup>4</sup> was adopted in 2009. It provides a stable and transparent legal environment assuring independence, integrity and accountability of the ESS members. In particular, it sets out principles enabling all the ESS members to produce and disseminate statistics more efficiently, lays down the structure of the ESS, provides a coordinating role in the statistical system for Eurostat at European level and for the National Statistical Institutes at national level, institutionalises collaborative networks and strengthens requirements for output quality. Further development and implementation of the CoP in the ESS is equally vital for improving quality and trust in European statistics.

Furthermore, a Communication on the production method of EU statistics – a vision for the next decade was adopted by the Commission in August 2009<sup>5</sup> and welcomed by the ECOFIN Council in November 2009<sup>6</sup>. The main thrust is to improve the efficiency of statistical production by changing the production method. Permanent adaptation of the portfolio of its products and services through innovation and new developments ought to ensure that the ESS can continue to play an appropriate role in supporting EU policymaking and is able to satisfy users' expectations in the future. The vision is based on the development of instruments using information and communication technologies as well as on a holistic approach and will imply a move away from traditional stovepipe models towards an integrated production model as described in the recently developed joint implementation strategy.

Besides, a new ESS governance structure covers advanced models and forms of ESS cooperation such as director groups for all statistical domains, sponsorship groups for individual, time-limited projects of a strategic nature and collaborative networks to facilitate technical developments and transfer of knowledge within the ESS. A reform of the programming and planning process is under way.

In order to bring the Greek statistical system into line with the EU requirements and ESS standards, the ESS will assist the Hellenic Statistical Authority in rebuilding the statistical system so that it is able to produce reliable statistical data, and this assistance will absorb a great deal of resources in the ESS.

Finally, the process of subjecting all fields to a cost-effectiveness analysis has begun (e.g. development of summary information sheets, cost and burden measurement) but further efforts will be needed.

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<sup>4</sup> Council Regulation (EC) No 223/2009 of 11.03.2009

<sup>5</sup> COM (2009) 404 final of 10.08.2009

<sup>6</sup> 2972<sup>nd</sup> Council meeting, Economic and financial affairs, 10.11.2009

#### **4. SPECIFIC ASPECTS OF REPORTING**

##### *Competitive effects on SMEs due to reduction of administrative burden*

The effects on SMEs' competitiveness were evaluated through estimation of burden reduction on this group of enterprises by reviewing the most burdensome statistical legislation for businesses, namely Intrastat, SBS and Prodcom. Some €200-250 million can be ploughed back into business activities of SMEs if the changes in EU legislation such as limiting the number of surveyed statistical products, increasing the thresholds for enterprises to report Intrastat data and eliminating certain variables reported in SBS are integrated into MS' practices.

##### *Financial burden-sharing between the EU and MS budgets*

Financial burden-sharing is defined as the share of budgets spent by the EU and the MS respectively to produce statistics covered by the CSP. Most of the financing provided by the EU supports investment and capacity building for new initiatives in the MS, which does not normally include statistical activities based on legal acts. The financial burden of implementing the CSP relates primarily to producing statistical information in National Statistical Institutes and is consequently to a large extent based on the contribution of the MS. The fact that between 60 % and 90 % of the MS' statistical work programmes relates to EU work programmes implies that there is a considerable degree of synergy between European and national statistical work programmes. If more precise estimations are to be produced, an appropriate information system on the costs borne by the EU and MS needs to be established.

##### *Data for unbiased analysis of social and economic impacts*

Eurostat regularly monitors user needs, including those of policymakers for purposes of monitoring and reviewing policies. User satisfaction is measured through regular surveys and by other means. Accordingly, the ESS provides the datasets necessary for unbiased and objective analysis of social and economic impacts.

#### **5. RECOMMENDATIONS**

##### **Follow-up of previous recommendations**

The recommendations from the previous evaluation are taken up by introducing mechanisms that will make it possible to link the CSP objectives with the annual work programmes in the planning and reporting processes, thus improving the monitoring of programme implementation. The recommendation to balance demands and resources has helped to shape the Communication on a vision for the next decade.

##### **Definition of new needs for statistical information**

New, more complex and timely data needs for policy purposes are likely to arise all the time, e.g. in connection with the Communication on GDP and beyond, the Commission's report on the measurement of economic performance and social progress ('Stiglitz-Sen-Fitoussi report'), the need for more geo-referenced data, data on disability, indicators on consumer markets and in particular for monitoring

detailed product prices on a yearly basis and the Europe 2020 strategy. In order to meet these needs a more integrated approach using multiple and combined data sources together with harmonisation of methodology, concepts and definitions will be required by the ESS.

### **Strengthen partnership in the ESS**

Developments in the ESS will lead to further reorientation of the CSP towards meeting future challenges. Adaptation of the annual planning process and programmes will be needed as well as evaluation of the objectives in the CSP. The setting up of more and different integrated cooperation models together with the MS will require greater interaction, increased use of ESS networks and sharing of tools for greater efficiency of the system.

### **Cost-burden analysis and re-prioritisation**

Reporting on these aspects is required by the CSP. The results of existing cost and burden measurements need to be considered and further reflection is required on how to obtain homogeneous information on cost and burden from all MS as well as on the use made of statistics. A conceptual approach to reprioritisation of activities should be developed based on available summary information sheets per legal act and a determined effort to implement it should be made.

### **Availability of resources for implementing the programme**

An appropriate balance between the objectives as set out in the CSP and the vision and the current deteriorating resource situation in many Member States' statistical offices should be considered at the level of the ESS. A strategic reflection on the objectives for the second half of the programme and additional reassessment of user needs is required at the level of the ESS aiming at setting strategic priorities and making statistics production more efficient.