

# ESGAB ANNUAL REPORT 2016

Eighth Annual Report by the  
**European Statistical  
Governance Advisory Board**  
to the European Parliament  
and the Council on the implementation  
of the European Statistics  
Code of Practice by Eurostat and  
the European Statistical System  
as a whole



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Luxembourg: Publications Office of the European Union, 2016

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PDF:	KS-GS-16-001-EN-N	doi: 10.2785/398887	ISBN 978-92-79-60684-7	ISSN 2443-8065
Print	KS-GS-16-001-EN-C	doi:10.2785/285634	ISBN 978-92-79-60685-4	ISSN 2443-8057

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*Printed by the Publication Office in Luxembourg*

PRINTED ON ELEMENTAL CHLORINE-FREE BLEACHED PAPER (ECF)

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# EUROPEAN STATISTICAL GOVERNANCE ADVISORY BOARD (ESGAB)



First row up, left to right:  
Martti Hetemäki (Chair),  
Pilar Martín-Guzmán,  
Enrico Giovannini,

Second row:  
Patricia O'Hara,  
Marius Profiroiu,  
Günter Kopsch,

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

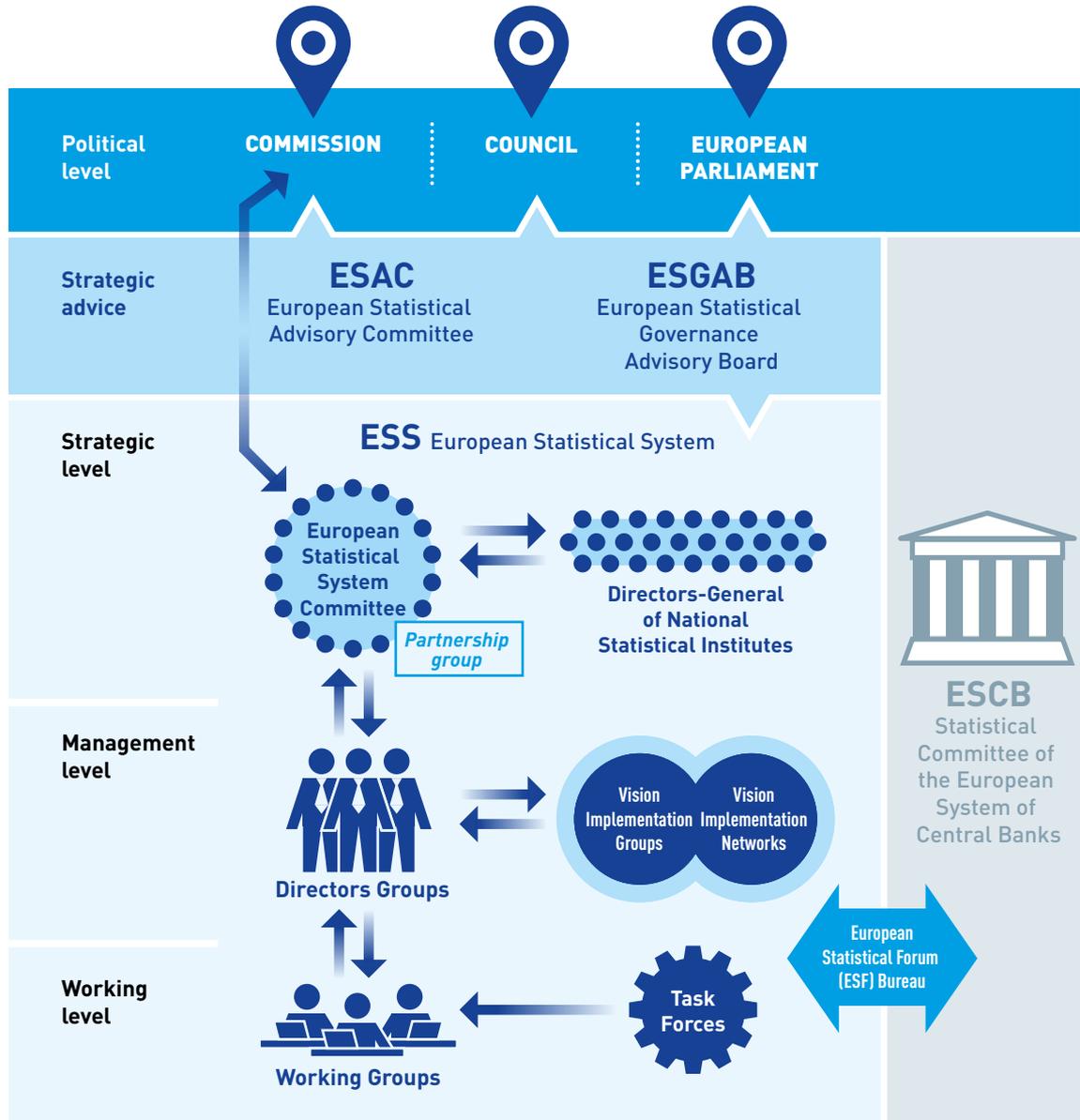
Its tasks include preparing an annual report to the Parliament and the Council on the implementation of the Code of Practice insofar as it relates to the Commission (Eurostat), including an assessment of implementation in

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

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

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

## STATISTICAL GOVERNANCE STRUCTURE



# FOREWORD

In this year's annual report, the European Statistical Governance Advisory Board pays particular attention to two issues — the challenges faced by the European Statistical System regarding the use of multiple data sources and the coordination of the range of national authorities responsible for producing European statistics.

Firstly, multiple data sources and in particular “big data” present exciting opportunities for statistics. Vast amounts of detailed information are now being gathered in areas such as financial transactions, on-line activities, communication and location. Yet seizing such opportunities will require changes in the way statistical authorities gather and process data. These changes do not come without risks, for example, in terms of data quality, impartiality and trust. While the European Statistics Code of Practice continues to provide the guiding principles for good statistical governance within the ESS, the time is now right to examine how the Code could be appropriately updated to provide additional guidance on the use of non-traditional data sources.

Secondly, in 2015 the revision of the Regulation on European Statistics<sup>1</sup> brought a number of important changes to the way the ESS functions

in relation to professional independence, to procedures for the recruitment and appointment of heads of National Statistical Institutes, statistical heads of Other National Authorities producing European statistics and the Director-General of Eurostat, to “Commitments on Confidence in Statistics” by Member States and the Commission, and to the access, use and integration of administrative records. New provisions on the coordination of European statistics came into force, which place additional responsibilities on Eurostat, National Statistical Institutes and other national authorities producing European statistics. While some Member States have clear institutional structures which facilitate the coordination of statistical activities at national, regional and local levels, for some other Member States the arrangements are less well defined. In such cases, ESGAB recommends the introduction of appropriate control mechanisms that ensure that the responsibilities for the development, production and dissemination of European statistics are clearly established at each institutional level.

Martti Hetemäki  
ESGAB Chair

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<sup>1</sup> Amended Regulation (EC) No 223/2009:  
<http://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1467644023215&uri=CELEX:02009R0223-20150608>.

# EXECUTIVE SUMMARY AND RECOMMENDATIONS

One of the major challenges now facing the European Statistical System (ESS) is how data from a range of different sources can be incorporated into official statistics, which are traditionally collected from representative statistical surveys or compiled from administrative data. With statistical outputs increasingly the result of combining data from different sources, sometimes involving data imputation and model-based estimations, a new conceptual framework for quality is needed to assess how the use of multiple data sources impacts on data comparability.

With regard to the use of big data, National Statistical Institutes (NSIs) do not have the same control over the way the data are defined and gathered compared with official statistics. As a result, caution will be required when using big data for informing policy-making. In addition, the working arrangements between NSIs and different types of big data providers will need to

be clearly defined, together with the procedures for ensuring the quality of the data used for European statistics.

Furthermore, big data have brought an explosion of information available for the statistical community to analyse and interpret. Special skills are required to ensure that the ESS can appropriately exploit the analytical opportunities which this new information provides. These skills need to be identified and staff then trained or recruited appropriately. Several activities involving ESS partners are under way in this area, including the European Statistical Training Programme and the European Master in Official Statistics.

Work is also under way to monitor users' satisfaction and trust in European statistics — vital when European statistics are an integral part of evidence-based policy-making. For trust to be maintained, there needs to be continued

investment in both staff and the statistical infrastructure to ensure compliance with the European Statistics Code of Practice. The new Commitments on Confidence in Statistics, which Member States are expected to provide by June 2017, present an important opportunity for Member States to demonstrate their commitment to further implementing the Code of Practice and to enhancing public trust in European Statistics.

In 2013-2015 the second round of ESS peer reviews was conducted and its premise was that compliance with the Code of Practice had been largely achieved. Therefore the peer reviews sought to identify remaining challenges to compliance and to further enhance implementation of the Code. Another key objective of the peer reviews was to increase trust in European statistics, by demonstrating that the ESS is committed to complying with the Code.

In general, there is good compliance with the Code within the ESS. In Eurostat, progress has been made with ESGAB's recommendations to limit access to European statistics before their official publication, support the coordination role of NSIs, explore the use of new data sources such as big data, and improve information on the costs of producing European statistics. However, ESGAB considers that more work is still required to make the value of official statistics more apparent to main stakeholders and to address ESGAB's previous recommendations in 2014 and 2015 regarding the recruitment and dismissal of Eurostat's senior management.

On this last point, in August 2016 ESGAB wrote to the European Commissioner responsible for Eurostat, Marianne Thyssen, in order to stress the importance of having an open recruitment procedure for the appointment of the next Director-General of Eurostat (Annex 4). By addressing ESGAB's recommendations, the European Commission would strengthen

professional independence in Eurostat and would send an important positive signal to all members of the European Statistical System.

Regarding the compliance with the Code of Practice across the national statistical authorities of the ESS, they operate on sound legal bases and enjoy a high level of trust. A greater level of standardisation and harmonisation of processes has been observed and the efforts towards increased quality can be said to have brought positive results. Nevertheless, a number of challenges remain, in particular as regards the implementation of peer review recommendations that require the participation of the relevant national governments. These concern the improvement of rules and practices regarding the appointment and dismissal of Heads of NSIs and Other National Authorities; the comprehensive definition in legislation and the full application of the principle of professional independence; an increase of financial and human resources for many NSIs; the provision of NSIs with a flexible and undeniable mandate to use administrative data and to be involved in the design of administrative data systems; and last but not least, the strengthening of the coordination role of the NSIs. ESGAB will carefully monitor progress in these areas in the course of the coming years. There are also a number of lessons learnt from the last peer review exercise which should be addressed in future peer review exercises and our report mentions some of these.

In February 2016, the ESS Committee stated it was comfortable with the current principles of the Code of Practice and conveyed its preference for stability while the system is implementing the amended Regulation (EC) No 223/2009. However, ESGAB wishes to underline the importance of the continuous updating and modernisation of the Code to ensure its relevance. Therefore, this report highlights again the importance of revising the Code to address the challenges faced by the statistical community.

## 2016 RECOMMENDATIONS

**2016/1** The next revision of the Code of Practice should include a reference to multiple data sources and the implications for data quality and the cost of statistical production.

**2016/2** To ensure adherence to Principle 14 of the Code (Coherence and Comparability), Eurostat should assess the impact that the use of multiple data sources has on data comparability, particularly the impact of modelling techniques and estimates on both the production of statistics and dissemination in the form of new information services and “on demand” analysis.

**2016/3** The next revision of the Code of Practice should address the ethical concerns associated with the use of “big data”. The Code should include at least a Principle and appropriate indicators to address the relationship between NSIs and private data providers, setting out clearly the appropriate characteristics of big data providers, and the assurance of data quality.

**2016/4** Future peer reviews should ensure that assessments of compliance with the Code of Practice are accompanied by an assessment of the extent to which National Statistical Institutes foster trust in the European statistics they produce.

**2016/5** In order to further increase trust in official statistics, National Statistical Institutes and Eurostat should actively engage with civil society to promote the value of official statistics as a public good and an indispensable policy tool. They should also consider appropriate demonstration of the Code of Practice Indicator 1.7, which requires statistical authorities to comment publicly on criticisms and misuses of statistics, defending them where necessary.

**2016/6** Member States’ governments should establish Commitments on Confidence in Statistics to ensure trust in European statistics and implementation of the Code. The annual reporting on the Code of Practice and Commitments on Confidence should be coordinated to avoid unnecessary reporting burden on Eurostat and the Member States.

**2016/7** ESS members should step up their efforts to revise the respective statistical legislation so that transparent appointment and dismissal procedures for Heads of National Statistical Institutes and Other National Authorities are specified in law.

**2016/8** The forthcoming recruitment procedure for the new Director-General of Eurostat should be based on an open call for candidates. The selection criteria, explicitly stated in the vacancy notice, should include very good knowledge and experience in the fields relevant to Eurostat’s mission. The Commission should ensure that candidates’ professional competences in the field of statistics are assessed independently.

**2016/9** ESS members should create information and communication campaigns to make the value of official statistics as a public good more apparent.

**2016/10** Comparable information on the cost of producing European statistics is essential in an environment where resources are increasingly constrained. ESS countries should ensure that they contribute to the projects under way to develop and improve data on the costs of statistical production at a national level and for specific European statistical products, and that they facilitate this information-gathering from their internal cost accounting systems.

**2016/11** Member States in the process of aligning their legislation to amended Regulation (EC) No 223/2009 should include precise and specific provisions addressing the requirements under Article 17a(2) relating to the use of administrative records for European statistics, in order to facilitate and improve the further use of those records for producing European statistics.

**2016/12** Member States should produce situation reports on compliance with Article 17a(2) of amended Regulation (EC) No 223/2009 concerning the extent to which NSIs are consulted and involved in the design, development and discontinuation of administrative records used for the production of European statistics.

**2016/13** There are still a number of Member States without either a coordinating mechanism provided by legislation or the coordinating responsibility of the NSI clearly established in their legal framework. In such cases the national statistical legislation should be updated in this respect, including precise provisions on this issue.

**2016/14** Eurostat should consider the introduction of specific ESS training and awareness-raising events focusing on the legal and practical obligations of Other National Authorities with regard to European statistics and their coordination within the national statistical system.

**2016/15** The next peer review exercise should include clear guidance on how to involve and support Other National Authorities in the process.

**2016/16** In order to further improve the quality of European statistics produced by Other National Authorities and compliance with the Code of Practice, Other National Authorities should be integrated into a comprehensive national quality audit system facilitated by the NSI and including training on quality management, quality assurance, quality reporting and systematic quality audits.

# INTRODUCTION

This year's report focuses on the challenges faced within the European Statistical System as a whole and the progress made by Eurostat, National Statistical Institutes (NSIs) and Other National Authorities (ONAs) in improving compliance with the European Statistics Code of Practice.

Chapter 1 starts with the challenge of using big data as a source for official statistics and describes several initiatives currently under way to test the feasibility of using such data. The diversification of sources for official statistics and the sheer amount of data that are now becoming available pose significant challenges to the ESS in terms of ensuring data quality and the necessary levels of analytical skills. At the same time, demand for statistics continues to increase, in response to initiatives such as the UN Sustainable Development Goals, important policy issues such as migration, rapid changes in the structure of European economies, and social conditions of people and communities. While trust among institutional users of European statistics is high, increasing trust among citizens and ensuring that official statistics remain reliable for evidence-based decision-making require adequate and sustainable investment over time, and in various fields. For example, the new national Commitments on Confidence in Statistics required under amended Regulation

(EC) No 223/2009 will provide an important opportunity for Member States to describe how trust in official statistics will be ensured<sup>2</sup>.

Chapter 2 reports on progress with the implementation of the Code of Practice, beginning with Eurostat's response to last year's ESGAB recommendations and a description of the DIGICOM project to modernise the dissemination of European statistics. This is followed by an overview of the key issues arising from the recent peer reviews of ESS national members, with a particular focus on a new project looking at the costs of statistical production and on the importance of good coordination of providers of European statistics within national statistical systems.

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<sup>2</sup> See Article 11 of amended Regulation (EC) No 223/2009: <http://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1467644023215&uri=CELEX:02009R0223-20150608>.

# 1. CHALLENGES FACED BY THE EUROPEAN STATISTICAL SYSTEM

## 1.1. MULTIPLE DATA SOURCES

In recent years, the growth of the digital economy has made available vast amounts of information from diverse sources, leading to an ever-increasing demand for more relevant and timely data and raising the prominence of “big data”<sup>3</sup> on the agenda of official statistics. The growth of the digital economy has also stimulated debate on how reliably the economy is being measured in terms of productivity and consumer prices<sup>4</sup>. The availability and use of what is sometimes referred to as “un-designed data” coming from multiple sources, either public or private, can potentially address issues of declining response rates and response burden, as well as the expectations of users regarding timeliness, reliability and relevance. The increased use of multiple data sources can also facilitate a reallocation of limited budgetary resources to address new statistical needs.

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<sup>3</sup> ESGAB recognises that the expression “big data” is not easy to define and may mean different realities for different readers. Nevertheless, its meaning as “large volumes of unstructured data not necessarily collected for statistical purposes” is relatively widely acknowledged and therefore will be used here.

<sup>4</sup> See Professor Sir Charles Bean’s Independent Review of UK Economic Statistics ([https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/507081/2904936\\_Bean\\_Review\\_Web\\_Accessible.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/507081/2904936_Bean_Review_Web_Accessible.pdf)).

Work involving multiple data sources has already started on many fronts, often in an atmosphere of experimentation. For example, under the Vienna Memorandum<sup>5</sup> adopted by the ESS Committee in 2016, Member States agreed to develop and promote a multi-source approach to statistics on income, consumption and wealth, involving surveys, registers, administrative sources, big data and model-based techniques. More work is necessary to extend the multi-source approach to other statistical domains, to increase collaboration between official statistics, academics and the private sector, and to address important quality and comparability issues.

### Quality and comparability issues

Quality in official statistics has many dimensions. To be credible and trustworthy, statistical outputs must be methodologically rigorous and conceptually sound. In the ESS they must be produced in an institution that complies with the Code of Practice and be formally accepted by the highest authorities as complying with all requirements, as overseen by ESGAB. In 2016, members of the ESS Committee underlined their commitment to quality and statistical excellence in the ESS Quality Declaration (Box 1).

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<sup>5</sup> Adopted by the ESS Committee on 28 September 2016.

## **BOX 1** Quality Declaration of the European Statistical System (September 2016)

The European Statistical System is a partnership in which Eurostat and the national statistical authorities of each EU Member State and EFTA country cooperate. Together, our mission is to provide independent high quality statistical information at European, national and regional levels and to make this information available to everyone for decision-making, research and debate. The programme and priorities of European statistics are discussed and agreed by ESS members with the final decisions taken in a democratic manner according to European legislative procedures.

We operate under a strict legal regime<sup>6</sup> supplemented by a robust, world-class and self-regulatory quality framework, the backbone of which is the European Statistics Code of Practice<sup>7</sup>. Our compliance with the Code of Practice is periodically assessed by means of review mechanisms and strict follow-up of the improvement actions<sup>8</sup> identified.

We see quality as the basis of our competitive advantage in a world experiencing a growing trend of instant information which often lacks the necessary proof of quality. Our work is governed by professional independence, impartial treatment of all our users, objectivity, reliability, statistical confidentiality and cost-effectiveness. The development, production and dissemination of our statistics are based on sound methodologies, the best international standards and appropriate procedures that are well documented in a transparent manner. Our principles of quality are: relevance, accuracy, timeliness and punctuality, accessibility and clarity, as well as comparability and coherence.

We consistently strive to minimise the burden on our respondents, cultivate good cooperation with data providers and cooperate closely with stakeholder groups including the scientific communities.

We are committed to statistical excellence by systematically identifying our strengths and weaknesses, as well as related risks which we duly take into account by the continuous development of our common quality framework. By continuously modernising, innovating and compiling new indicators, we not only improve the quality of our products and services, but also attempt to anticipate emerging phenomena and needs with our users.

Director Generals / Presidents of the National Statistical Institutes and Eurostat.

<sup>6</sup> Treaty on the Functioning of the European Union: <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:C:2012:326:FULL&from=EN> and Regulation [EC] No 223/2009 on European statistics as amended by Regulation [EU] 2015/759: <http://eur-lex.europa.eu/legal-content/en/TXT/PDF/?uri=CELEX:02009R0223-20150608&from=EN>.

<sup>7</sup> European Statistics Code of Practice: <http://ec.europa.eu/eurostat/documents/3859598/5921861/KS-32-11-955-EN.PDF/5fa1ebc6-90bb-43fa-888f-dde032471e15> and Quality Assurance Framework of the ESS: <http://ec.europa.eu/eurostat/documents/64157/4392716/ESS-QAF-V1-2final.pdf/bbf5970c-1adf-46c8-afc3-58ce177a0646>.

<sup>8</sup> First and second round of ESS peer reviews: <http://ec.europa.eu/eurostat/web/quality/first-round-of-peer-reviews> & <http://ec.europa.eu/eurostat/web/quality/peer-reviews>.

The use of multiple data sources raises particularly important issues regarding the quality and comparability of data. Principle 14 of the Code emphasises that coherence and comparability of European statistics over time and across regions and countries are important quality features of statistics, especially taking into account the policy and administrative uses of European statistics. The use of administrative

data provides particular challenges as these data are based on national conditions and their quality may vary, as is also the case for big data.

A lack of comparability seriously diminishes the usefulness and value of European statistics. To increase comparability in the ESS, both input and output harmonisation techniques are used. Statistical surveys can be designed to maximise

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input harmonisation — and there are examples<sup>9</sup> of European surveys which can be regarded as models and benchmarks — however pure input harmonisation is rare. Output harmonisation is based on agreed concepts and definitions of variables and classifications, which are subject to ESS legislation or agreements. Nevertheless, there are often trade-offs between comparability and other quality dimensions because each NSI has its own data collection and processing arrangements. In practice, a pragmatic approach is taken and European statistics rely on a blend of both input and output harmonisation.

Decisions taken during the data processing stage and when making estimations may further reduce comparability and thus compromise quality. As a consequence, the use of multiple data sources is leading to a new paradigm for statistical production — based on the integration of multiple data sources and the use of innovative tools and methods — in which model-based and algorithm-based estimates are more prominent. However, differences in model-based estimations due to a lack of harmonised tools can also impact on quality and especially comparability. An improved quality conceptual framework is therefore needed to assess the comparability impacts of using modelling techniques for data analysis and statistical information services. To underpin this work, methodological skills need to be enhanced and studies need to be undertaken to identify the different sources of error and the appropriate methodological responses.

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<sup>9</sup> European Social Survey, Survey of Health Ageing and Retirement in Europe, the Programme for the International Assessment of Adult Competencies

## 2016 RECOMMENDATIONS

**2016/1** The next revision of the Code of Practice should include a reference to multiple data sources and the implications for data quality and the cost of statistical production.

**2016/2** To ensure adherence to Principle 14 of the Code (Coherence and Comparability), Eurostat should assess the impact that the use of multiple data sources has on data comparability, particularly the impact of modelling techniques and estimates on both the production of statistics and dissemination in the form of new information services and “on demand” analysis.

### 1.2. IMPLICATIONS OF THE USE OF “BIG DATA”

The many new data sources for information on persons, households and businesses (which include financial institutions, retail chains, emergency services, transport providers, travel and accommodation websites, social media websites or mobile phone operators) as well as data from sensors, satellites, etc. were not originally developed for statistical or research purposes. They are a by-product of the application of digital technology either to the development of consumer products and services or to the monitoring of environmental and social phenomena. Thus, the use of such big data sources for the production of official statistics requires advanced methodological processing, especially when merging big data and traditional data.

In this new environment, statisticians have to start from the available data, rather than from designing a methodologically coherent framework to collect and process data. As

a result, the traditional research process of operationalising theoretical concepts, selecting certain measurement techniques and defining variables to be measured, turns on its head. It becomes a process of providing a rationale for the use of available variables from un-designed data as valid measures of societal phenomena. This represents a shift from deductive to inductive reasoning and necessarily leads to a different production and communication process for official statistics.

However, these new data sources are owned and controlled by a range of “stakeholders”, both public and private, and are generated for a variety of purposes. They vary in their provenance and lineage, the treatment of data protection and confidentiality, and in many other respects. Moreover, and this is what is making several statistical offices prudent in the use of these new data sources, there is no way to oblige private data collectors to make long-term commitments about the continuity of their “big data” collections. It could thus happen that, after a serious investment by a statistical office in the reuse of data collected from a private source, the company disappears or changes its business model, discontinuing the data collection.

Although it seems unrealistic and impractical to expect the Code to strictly apply to private data providers, it would be feasible to exercise some “moral persuasion” and to push them to increase the transparency of the procedures used to gather and manage the data, as well as to provide guarantees about the confidential treatment of some sensitive information. As these quality controls have to be exercised and guaranteed indirectly at the point of use by NSIs, a way to proceed could be through mutually-beneficial signed agreements with private data providers. This would help to avoid the risk of reputational damage to NSIs who produce statistics based on privately-owned data.

From a quality perspective, the challenge that comes with the big data approach is to ensure the validity and value of the statistical information that is generated. This will require

appropriate adjustments to the current quality frameworks, and ESGAB therefore welcomes the commitment of the ESS Committee via the Vienna Memorandum to elaborate a quality assessment framework for multi-source statistics. The assessment of quality will need to allow for the possibility of absence of any control over the original data collection and transparency with regard to the characteristics of data providers and the quality of their data. The use of ex-post validation of the data to existing theories should also be taken into account, such as empirical research to prove the correlation between distributions based on existing statistics and those stemming from new data sources.

Several initiatives are now already under way in the ESS, involving the use of different big data sources and the development of statistical products based on big data (Box 2). ESGAB welcomes these initiatives and looks forward to the subsequent development of appropriate guidelines and strategies for using big data for official statistics.

### **Ethical review of the production of official statistics in relation to big data**

The Code of Practice is the reference point for the ethical considerations of using big data, where data ownership, privacy and reputation are more complex than with traditional data, and where public perception about these issues can impact on the image of official statistics. In particular, the use of household and individual data that become available as by-products of administrative or commercial services raises significant data protection and privacy concerns. In this context ESGAB is aware that Eurostat has commissioned an ethical review of the production of official statistics in relation to big data and the implications for the Code. The review will (i) identify possible new core values and principles that would be necessary to include in the Code of Practice to cover big data sources; (ii) identify possible revisions to the Code indicators to cover big data sources; and (iii) discuss whether there is a need to further strengthen the independence of NSIs so that adherence to the Principles

of the Code can be guaranteed in light of the introduction of big data sources.

The results of the ethical review will be key inputs into a discussion about how the Code should be revised to ensure that it reflects appropriate statistical standards in the modern digital economy, while also specifying the methodological and privacy safeguards that should be in place. ESGAB will return to this issue in next year's report.

## 2016 RECOMMENDATION

**2016/3** The next revision of the Code of Practice should address the ethical concerns associated with the use of "big data". The Code should include at least a Principle and appropriate indicators to address the relationship between NSIs and private data providers, setting out clearly the appropriate characteristics of big data providers, and the assurance of data quality.

### **BOX 2** "Big data" initiatives in the ESS

The big data activities of the ESS follow the Big Data Action Plan and Roadmap that was endorsed by the ESS Committee in September 2014<sup>10</sup>. An ESSnet<sup>11</sup> big data project started work involving a number of pilots in February 2016 and runs until May 2018.

The pilots investigate selected big data sources for their potential of producing European Statistics. A consortium of 22 partners (20 NSIs and 2 other organisations) under the lead of the Dutch national statistical office (CBS), signed a framework partnership agreement for this purpose in November 2015<sup>12</sup>. The selected data sources are enterprise websites, smart electricity meters, the Automatic Identification System for vessel tracking and mobile communication data.

Web-scraping techniques are used to extract information from websites of enterprises to test the feasibility of producing statistical estimates in the domain of job vacancies. For this purpose a mix of sources consisting of job portals, job adverts on enterprise websites and data from third party sources are examined.

Another group of NSIs is investigating whether web-scraping, text mining and inference techniques can be used to gather, process and improve general information about enterprises. This pilot intends to demonstrate whether business registers can be improved by using web-scraping techniques (kind of activity, key financial variables, and structure of enterprises) and to assess the

feasibility of producing statistical output using predicted data in combination with other sources, in particular estimates produced in the context of information society statistics.

The work package on smart meters is examining the potential of smart electricity meters deployed in buildings to generate estimates on energy consumption and to contribute to other statistical domains, such as housing statistics, household costs or environment statistics. Ships exceeding a certain size and tonnage are automatically transmitting real-time measurement data of their positions together with other characteristics that are used for maritime safety purposes. The pilot is studying the potential of these measurements for statistical purposes, such as maritime transport or environment statistics (emissions).

The work package on mobile communication data intends to investigate possibilities for accessing these kinds of data and studying their use for different statistical domains like population or tourism statistics.

In addition to these source-oriented pilots there are two work packages focussing on statistical products. The first of these concentrates on the use of big data sources and related techniques together with other sources to produce early estimates, e.g. on the consumer confidence index or on turnover indices. The second work package examines issues of utilising multiple sources to produce statistical outputs in multiple domains. There is a work package that involves using a wiki to provide resources for internal and external communication on big data developments, and a work package collating information on horizontal issues, specifically on methodology, quality, metadata, and IT infrastructures, which will form the basis for handbooks and guidelines on big data.

<sup>10</sup> [https://ec.europa.eu/eurostat/cros/content/ess-big-data-action-plan-and-roadmap-10\\_en](https://ec.europa.eu/eurostat/cros/content/ess-big-data-action-plan-and-roadmap-10_en)

<sup>11</sup> An ESSnet project is a network of several ESS organisations aimed at providing results that will be beneficial to the whole ESS – see [https://ec.europa.eu/eurostat/cros/page/essnet\\_en](https://ec.europa.eu/eurostat/cros/page/essnet_en)

<sup>12</sup> [https://webgate.ec.europa.eu/fpfis/mwikis/essnetbigdata/index.php/Main\\_Page](https://webgate.ec.europa.eu/fpfis/mwikis/essnetbigdata/index.php/Main_Page)

### 1.3. PROFESSIONAL CAPACITY

The on-going “data revolution” results in vast amounts of data, but how much of the data is real information is less clear. Special skills and capabilities are increasingly required to understand and interrogate data (data analytics) and to respond to the challenges faced by official statistics, such as the implementation of the ESS “Vision 2020” strategy<sup>13</sup>. ESGAB believes that the ESS needs to build up its professional capacity in accordance with the Code of Practice, which requires adequate tools and expertise in place to ensure the application of sound statistical methodologies<sup>14</sup>.

This can be achieved through the recruitment of the necessary skill profiles if they are already available in the current workforce, although statistical authorities face strong competition from the private technology sector. It can also be achieved through collaboration with academia, to adapt training programmes so that they take into account the need for specific analytical skills and are attractive to potential students. The strengthening of professional capacity is an area where Eurostat is well-placed to take the lead in the ESS and work is already ongoing in the areas of skill profiles, skill gaps and new training programmes.

#### Identifying skill profiles and skill gaps

Discussions within the ESS have identified a lack of skills as a key risk to the implementation of Vision 2020. To mitigate this risk it is important to define the necessary skills profile for implementing Vision 2020 and to identify the current gaps in that profile at both the European

and national level. Eurostat has proposed an approach to defining such a skills profile based on several international standards and experiences.

According to this approach, the key skills needed to realise Vision 2020 cover five areas: leadership and change management; relationships and engagement; data acquisition and information extraction; technology; and statistical process management. Further work is required to assess the gap between these required key skills and the existing skills in the current workforce. ESGAB welcomes these initiatives to improve the recruitment of suitably-qualified staff and looks forward to the results, which will be an important input into the development of skill-building strategies in the ESS.

#### New training programmes —

#### The European Master in Official Statistics

The European Master in Official Statistics (EMOS) is a joint project of universities and data producers in Europe. The main objective of the EMOS is to develop a network of Master programmes providing postgraduate education in the area of official statistics at the European level. The programme includes Master theses on relevant topics related to official statistics, such as big data, integrated data sources and data visualisation. The curriculum also includes internships in an NSI or a statistical department of an ONA, national central bank or international organisation. Following two calls for interest, over 20 universities will now offer EMOS labelled Master programmes. The first graduates from EMOS Master programmes will be ready for the labour market in spring 2017 while most programmes labelled in May 2016 will start in the following semester. The EMOS network provides the opportunity for further networking activities such as workshops, open days, summer schools and thematic webinars. ESGAB looks forward to the evaluation of the EMOS project in 2017-18.

<sup>13</sup> The ESS “Vision 2020” is the common strategic response of the ESS to the challenges facing official statistics and was adopted by the ESS Committee in May 2014 (see <http://ec.europa.eu/eurostat/web/ess/about-us/ess-vision-2020>).

<sup>14</sup> Principle 7: “Sound methodology underpins quality statistics. This requires adequate tools, procedures and expertise”.

## New training courses — The European Statistical Training Programme (ESTP)

In an attempt to better reflect the changing landscape of European statistics, Eurostat has introduced several new courses to the ESTP programme in 2016<sup>15</sup>. The four new courses dedicated to big data aim at enhancing the awareness of existing big data sources and the theoretical and practical knowledge related to the statistical tools currently being used in big data. With a training approach strongly focused on hands-on work, the courses put a particular emphasis on the application of big data in statistical production. In addition to the big data training, new courses such as “Can a statistician become a data scientist” or “Statistical matching and record linkage” demonstrate innovative techniques and applications of data sets, helping to identify the skills needed for statisticians working in NSIs to effectively test the use of big data and other non-traditional sources of data for the production of official statistics.

This ongoing work on improving skill profiles, addressing skill gaps and training is an important first step in building up professional capacity in the ESS. The work should influence further initiatives in this area that focus on future skill needs, such as training on how to evaluate the quality of statistics from different sources. In addition, ESGAB looks forward to the introduction of more networking activities, similar to those already incorporated into the EMOS programme, which exploit the diversity of skills and knowledge across the EU.

## 1.4. MAINTAINING AND INCREASING TRUST IN EUROPEAN STATISTICS

The utilisation of multiple data sources has the potential to make available a great deal of detailed and timely data for policy-makers, public officials (e.g. planners) and citizens. If official statisticians are unable to compete with other providers in terms of the desired level of accuracy/quality, they run the risk of being seen as less relevant. This could have serious implications both for credibility and funding of official statistics. It is necessary therefore for NSIs to engage with new providers and academics involved in data analytics so as to maintain their prominence and expand their products and tools for visualisation. However, moving closer to the data market place is not without risks — trust takes a long time to earn and can be quickly lost. This underlines the importance of capturing and communicating the value and integrity of official statistics which is in turn based on maintaining and monitoring quality, and strengthening and updating governance and institutional standards.

In the light of the spring 2015 Eurobarometer survey<sup>16</sup>, which found that 50% of EU citizens tend to distrust official statistics, more work is needed in Member States to better understand the public perception of official statistics at a national level. This should be supported by appropriate demonstration of the Code of Practice Indicator 1.7<sup>17</sup>, which requires statistical authorities to comment publicly on criticisms and misuses of statistics, defending them where necessary.

Among users of European statistics, the situation is more positive. The 2015 Eurostat

<sup>15</sup> <http://ec.europa.eu/eurostat/web/european-statistical-system/training-programme-estp>.

<sup>16</sup> [http://ec.europa.eu/public\\_opinion/archives/eb/eb83/eb83\\_stat\\_en.pdf](http://ec.europa.eu/public_opinion/archives/eb/eb83/eb83_stat_en.pdf).

<sup>17</sup> Indicator 1.7: “The National Statistical Institute and Eurostat and, where appropriate, other statistical authorities, comment publicly on statistical issues, including criticisms and misuses of statistics as far as considered suitable”.

User Satisfaction Survey indicated that there is a high level of trust in European Statistics, with just 3% of users indicating that they distrust them. Accepting that these users (government, organisations, academics, business etc.) are unlikely to use material that they don't trust, it is nevertheless heartening that these user surveys have shown high rates of trust over time. Eurostat has committed to exploring this issue further in the 2016 survey and this is to be welcomed.

One of the objectives of the peer reviews 2013-2015 was the enhancement of external trust in the ESS and European statistics. However, reflection on the process suggested that while it could be argued that the fact that the NSIs subjected themselves to a rigorous scrutiny process could inspire confidence, by the same token, identified weaknesses could backfire on them and raise doubts about quality. This risk could be mitigated by a more explicit focus on fostering a culture of information and communication with civil society about the value of official statistics as a public good and an indispensable policy tool.

Official statistics are an essential element for evidence-based decision making and an integral part of a modern state infrastructure that needs continuous investment. It is therefore vital that decision makers adequately resource Eurostat and the NSIs so that they can accomplish their mission of producing high quality statistics. Just like in previous years, ESGAB thus strongly recommends that sustainable funding for European statistics be ensured throughout the system.

### **BOX 3 Post-truth politics**

The misuse of statistics in political debate can seriously undermine public confidence in official statistics. While it has always been possible to present statistics in a misleading way, the vast numbers of institutions, agencies and experts now producing data mean that statistical “facts” can be provided on an array of issues, with varying degrees of quality and sometimes with conflicting messages. “Post-truth” politics, where the underlying political sentiment is more influential than the credibility of the statistics used to support it, pose a real threat to trust in official statistics<sup>18,19</sup>. Under the Code of Practice, statistical authorities have a clear role to play in ensuring that official statistics are properly presented in political debate.

### **Commitments on Confidence in Statistics**

The amended Regulation (EC) No 223/2009 contains a new Article 11(3)-(5) according to which each Member State and the Commission are expected to establish “Commitments on Confidence in Statistics” (CoCs) before June 2017 “in order to ensure public trust in European statistics and progress in the implementation of the statistical principles contained in the [Code]”. In the absence of a publication of a CoC, Member States must submit to the Commission and make public a progress report on the implementation of the Code and, where applicable, on the efforts undertaken towards the establishment of a CoC.

ESGAB would like to stress that it is crucial that national governments establish CoCs to show unequivocally their commitment to the enhancement of public trust in European statistics.

<sup>18</sup> See The Economist, 10 September 2016, “Art of the lie”, (<http://www.economist.com/news/leaders/21706525-politicians-have-always-lied-does-it-matter-if-they-leave-truth-behind-entirely-art>).

<sup>19</sup> William Davies, 24 August 2016 “The Age of Post-Truth Politics”, (<http://www.nytimes.com/2016/08/24/opinion/campaign-stops-the-age-of-post-truth-politics.html>).

The structure and form of the CoCs is not specified in the amended Regulation (EC) No 223/2009 and it is up to the individual Member States to define the structure they wish to use within the scope of Article 11(3). So far one Member State and the Commission<sup>20</sup> have provided such a commitment. According to Article 11(5) it will be ESGAB's task to regularly

monitor the Commission's CoC. Once the CoCs have been established by the Member States it follows from Article 11(4) that it will be Eurostat's task to regularly monitor the CoCs on the basis of annual reports sent by Member States. In order not to impose an additional reporting burden on the Member States, Eurostat should coordinate the reporting on the Code and on the CoCs.

## 2016 RECOMMENDATIONS

**2016/4** Future peer reviews should ensure that assessments of compliance with the Code of Practice are accompanied by an assessment of the extent to which National Statistical Institutes foster trust in the European statistics they produce.

**2016/5** In order to further increase trust in official statistics, National Statistical Institutes and Eurostat should actively engage with civil society to promote the value of official statistics as a public good and an indispensable policy tool. They should also consider appropriate demonstration of the

Code of Practice Indicator 1.7, which requires statistical authorities to comment publicly on criticisms and misuses of statistics, defending them where necessary.

**2016/6** Member States' governments should establish Commitments on Confidence in Statistics to ensure trust in European statistics and implementation of the Code. The annual reporting on the Code of Practice and Commitments on Confidence should be coordinated to avoid unnecessary reporting burden on Eurostat and the Member States.

<sup>20</sup> Commission Decision 2012/504/EU of 17 September 2012 on Eurostat.

# 2. OVERVIEW OF IMPLEMENTATION OF THE CODE OF PRACTICE

## 2.1. EUROSTAT

ESGAB carried out the peer review of Eurostat in 2014 and the first report on progress with the peer review improvement actions was issued by Eurostat in May 2015. In the light of the progress made and discussions with Eurostat on planned developments, ESGAB identified 17 recommendations in the ESGAB Annual Report 2015, covering compliance with the Code of Practice and future challenges for the ESS. Eurostat's response to the 17 recommendations, provided in March 2016, can be found in Annex 1. The implementation of Eurostat's improvement actions is monitored annually.

### Appointment and dismissal procedure for Eurostat's Director-General — Diverging views

In its 2014 peer review report of Eurostat<sup>21</sup>, ESGAB recommended *inter alia* that legislation underpinning the recruitment and dismissal of Eurostat's senior management should be improved to reach full compliance with Principle 1 of the European Statistics Code of Practice (peer review recommendations 2014/1-4). Eurostat's implementation plan did not include improvement actions for these recommendations because Eurostat expressed a divergent view, arguing that the existing legislation, staff regulations and guidelines of the Commission correspond to the requirements set out in the Code of Practice.

ESGAB did not accept Eurostat's divergent view. In particular ESGAB rejected the notion "that the competence of a future Director-General of Eurostat, NSI or ONA should

<sup>21</sup> <http://ec.europa.eu/eurostat/web/quality/peer-reviews>.

continue to be assessed by the appointing authority, be it at national or Union level”<sup>22</sup>. Following the revision of Regulation (EC) No 223/2009, which includes for the first time an article on Eurostat’s Director-General, ESGAB again made recommendations concerning the recruitment and dismissal of the Director-General of Eurostat in its Annual Report 2015 (recommendations 2015/1, and 2015/3-4).

With these recommendations ESGAB calls for an independent assessment of candidates’ professional competences; consultation with ESGAB in the course of the recruitment process; very good knowledge and experience in fields relevant to Eurostat’s mission as selection criteria for future Eurostat Directors-General; and the specification in legislation on European statistics of the reasons for dismissing the Director-General of Eurostat which should not compromise his/her professional independence. Regrettably, Eurostat expressed a divergent view also to these recommendations in 2015 and did not propose improvement actions.

Despite these facts, ESGAB expects that the recruitment of the successor to Eurostat’s present Director-General in 2016/2017 will be through an open competition; that the selection criteria will include very good knowledge and experience in fields relevant to Eurostat’s mission; and that candidates’ professional competences in the field of statistics will be independently assessed. With this, the Commission would set a clear example in the ESS for complying with Principle 1 of the Code of Practice when recruiting and appointing a new Director-General of Eurostat.

In August 2016, ESGAB wrote to the European Commissioner responsible for Eurostat, Marianne Thyssen, stressing the importance

of having an open recruitment procedure for the appointment of the next Director-General of Eurostat. A copy of this letter is provided in Annex 4.

### Follow-up of the other 2015 recommendations

ESGAB recommendations 2014/6 to 2014/9 referred to different aspects of statistical quality (legally agreed and harmonised methodologies, checking practices, quality management and assurance). According to Eurostat’s plan, the actions to implement these recommendations should be finalised by the end of 2017 and 2018 respectively. In its 2015 report, ESGAB again raised Eurostat’s attention to the importance of quality — enhancing trust is underpinned by high quality products. In response to recommendation 2015/9, Eurostat prepared the ESS Quality Declaration, which was recently endorsed by the ESS Committee (see Box 1). ESGAB looks forward to further actions proposed by Eurostat in the context of the improvement of the current quality framework (recommendation 2015/14 on the need to accommodate developments and challenges in European statistics), particularly following the creation of the High Level Group on Quality .

In 2014 ESGAB urged Eurostat to support the coordination role of the NSIs in relation to the ONAs (recommendation 2014/13). In response to this, Eurostat has put in place several actions aimed at streamlining the delivery of data via eDAMIS<sup>23</sup>; at exchanging views and best practices on coordinating mechanisms at national level (Task Force on Implementation of Amended Regulation (EC) No 223/2009); and at harmonising the responsibilities of

<sup>22</sup> ESGAB Annual Report 2015, page 14.

<sup>23</sup> Electronic Data files Administration and Management Information System (eDAMIS) — a single entry point for data transmission.

national transmission coordinators (namely via discussions with the ESSC Partnership Group). In 2015 ESGAB again stressed the importance of adequate coordination mechanisms, in particular in the context of decentralised statistical systems or the ones in the process of regionalisation (recommendations 2015/15 to 2015/17). In its implementation plan, apart from continuation of the actions already proposed in 2014, Eurostat commits itself to:

- support Member States' establishment of Commitment on Confidence;
- raise awareness with national counterparts about the availability of training in the context of the European Statistical Training Programme (ESTP) and the need to provide sufficient resources for training; and
- work closely with concerned Member States to gather information on their situation.

While acknowledging that amended Regulation (EC) No 223/2009 is directly applicable in Member States, which are responsible for its application, ESGAB reminds Eurostat about the importance of supporting countries in their efforts in this respect.

ESGAB welcomes the actions proposed by Eurostat and the ESS as a whole to address the challenges of implementing the Code of Practice in regionalised and decentralised statistical systems (recommendations 2015/15 – 2015/17). As ESGAB has repeatedly stressed, the risks ensuing from the regionalisation process cannot be overstated and should be adequately addressed, for example by appropriate training for those Member States in the process of regionalisation. Continued vigilance is required by all stakeholders to ensure that regionalisation and decentralisation is supported by clear

mandates for coordinating and monitoring the implementation of the Code. Eurostat has a key role to play in the monitoring of compliance with the Code in regionalised and decentralised statistical systems.

As in the 2014 report, the 2015 report referred to reducing the frequency and number of statistics subject to pre-release access, making the pre-release rules more easily accessible to the public and monitoring pre-release access in a transparent manner (recommendations 2015/5 – 2015/7). To implement these recommendations, Eurostat has put in place several actions such as:

- systematically reviewing pre-release rules and analysing practices to identify further improvements;
- making more visible on the Eurostat website a text summarising the pre-release policy and a link to the Protocol on impartial access to Eurostat data for users<sup>24</sup>; and
- continuing the annual monitoring of the application of the Protocol on impartial access to Eurostat data for users.

All the deadlines for implementation of these actions are in 2016. ESGAB is pleased to see Eurostat's commitment to implementing its recommendations concerning limiting access to European statistics before their official publication and, where there is an absolute need for pre-release access to be given, that this fact is publicly explained. These steps will further increase trust in statistics and stress the leadership role of Eurostat by setting an example in the ESS in this respect. ESGAB expects that by the end of 2016 these

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<sup>24</sup> [http://ec.europa.eu/eurostat/web/products-eurostat-news/-/IMPARTIAL\\_ACCESS\\_2014\\_JAN](http://ec.europa.eu/eurostat/web/products-eurostat-news/-/IMPARTIAL_ACCESS_2014_JAN).

recommendations can be considered as complied with, as promised by Eurostat.

To address recommendation ESGAB 2015/11 on the need to measure trust in official statistics, Eurostat states that it already asks annually, in the context of its general user satisfaction survey, if users trust its statistics. Eurostat also states its intention to ask Member States to add a similar question in their respective questionnaires if this is not already the case. While ESGAB appreciates the action proposed to address recommendation 2015/11, the Board believes that it would not be sufficient to significantly improve the situation and that some pro-active action would also be needed. In the Board's opinion, trust in official statistics depends not only on impeccably following methods and procedures but also on informing stakeholders and users about them in a clear manner, so that they understand not only how the figures come about but also what they mean in their context. This gives users the power to transform statistics into knowledge. In addition, this should be complemented by appropriate communication on the value of official statistics. In the light of earlier comments on trust in section 1.4, ESGAB urges Eurostat to step up its efforts to make the value of official statistics more apparent to main stakeholders and society in general, so that they are recognised as a valuable public good.

If European statistics are to remain relevant, careful attention must be paid to the evolving needs of users, as underlined in Principle 11 of the Code<sup>25</sup>. In order to enhance the capacity of the ESS to be agile and responsive to users' requirements, Eurostat launched the DIGICOM project at the end of 2015 (see

Box 4). The project will contribute to building capacities, skills and networking in the ESS in the areas concerned and to improving the general recognition of European statistics. ESGAB appreciates this and other initiatives to modernise the system and improve its capacities, and urges Eurostat to increase its efforts in this respect.

Progress has been made in relation to the use of big data (recommendation 2015/13) and further details are provided earlier in this report under Chapter 1 (see Box 2). With regard to the improvement of cost accounting systems and estimates of the costs of producing European statistics (recommendation 2015/10), Eurostat is taking part in an ESS project that will include Eurostat data on human and financial resources (see Box 4 later in this chapter).

Finally, in previous reports ESGAB has already raised the European Statistical System's attention to the need to keep up with the changing landscape of European statistics by recommending a revision of the Code of Practice. In its 2015 report, recommendation 2015/14 reiterates this need. The Board is aware of some resistance from the ESS Committee to commence such a revision while actions towards implementation of amended Regulation (EC) No 223/2009 are being deployed. However, it is ESGAB's conviction that both aspects are not mutually exclusive and, on the contrary, they complement each other. This is therefore the right moment to launch such a process to adapt the Code to the quickly changing world and Eurostat should take the lead in that respect.

<sup>25</sup> Principle 11: "European Statistics meet the needs of users".

## **BOX 4 DIGICOM — Users at the forefront**

The project for Digital communication, User analytics and Innovative products (DIGICOM) is one of the eight projects from the ESS Vision 2020 portfolio. It addresses two out of five key areas of the ESS Vision 2020: “focus on users” and “improving dissemination and communication”. The project aims to modernise the communication and dissemination of European statistics and this will be achieved by exploring and developing innovative dissemination products and services based on experiences and needs within the ESS.

DIGICOM consists of four Work Packages that will run in parallel in 2016-2019:

- User analysis
- Innovative and shareable products and tools
- Open data dissemination
- Communication and promotion.

### ***Work Package 1, User analysis***

The “User Analysis” work package comprises three elements: user profiling, an ESS social network and user surveys. The user profiling exercise will consist of analysing information on users of European statistics, identifying commonalities in the needs of different user types and grouping them accordingly. The user groups established will be used to recruit for user research (e.g. surveys, focus groups, usability testing) and to produce targeted content.

### ***Work Package 2, Innovative and shareable products and tools***

The “Innovative and shareable products and tools” work package focusses on developing content that is easily shareable and customisable. This work package aims to further improve the visual dissemination of European statistics by promoting the exchange of best practices, supporting regular training of ESS experts, developing common guidelines and sharing visualisation tools.

### ***Work Package 3, Open data dissemination***

The ultimate objective of the “Open Data Dissemination” work package is to facilitate automated access to European aggregate data for heavy users or redisseminators and to improve access to microdata. The first activities concern stocktaking and inventories, to find out the state of play regarding open data and data consumption.

### ***Work Package 4, Communication and promotion***

The “Communication and promotion” work package aims at elaborating and implementing a communication and promotion strategy whereby the value of official European statistics is underlined. This is done in combination with outreach activities (e.g. hackathons) to raise the visibility of European statistics, and the development of a strategy on statistical literacy.

### ***Progress so far***

The first deliverable of the DIGICOM project is the ESS inventory of shareable practices. Its objective was to identify tools and methods that could be reused within the ESS in areas such as user satisfaction, user needs assessment, statistical literacy and communication strategies. The inventory is based on the replies received to a questionnaire that was distributed to NSIs in March 2016.

### Follow-up of remaining recommendations from the Eurostat Peer Review in 2014

Six recommendations arising from ESGAB's Peer Review of Eurostat in 2014 have not been referred to so far in this report — work on these

has either been completed or is still ongoing. For the actions that are still ongoing, ESGAB will continue to monitor progress until their completion. A summary of the recommendations and their status is provided in the table below:

## ESGAB 2014 RECOMMENDATIONS

	Description	Status
2014/5	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.	Ongoing — the Framework Regulation for Integrating Business Statistics is under discussion with NSIs in the European Statistical System Committee. The proposed Framework Regulation for the production of European statistics on persons and households (Integrated European Social Statistics — IESS) has been adopted by the European Commission.
2014/10	Eurostat should aim at publishing a full release calendar and a joint publication of Eurostat and NSI statistics.	Partly completed — the weekly release calendar now comprises all news releases and a joint publication of Eurostat and NSI statistics was piloted in 2015-2016 with 16 NSIs.
2014/12	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.	Ongoing* — improvements achieved include contact with media outlets; links to data sets in all news releases; removal of footnotes in news releases; a brochure on European Statistics for European Policies; video for World Statistics Day; and questions on visualisation tools in the 2015 User Satisfaction Survey.
2014/14	Eurostat must establish clear mechanisms for its coordination role within the European Commission and develop an inventory of existing statistical activities.	Completed — a proposal for a structured approach to increase the transparency of coordination mechanisms has been discussed by Eurostat Directors and the inventory of statistical activities has been produced.
2014/15	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.	Ongoing — a joint ESS-ESCB quality assessment report on macroeconomic imbalance procedure statistics has been produced; and national quality reports on balance of payments and international investment position statistics have been prepared by Member States.

\* The two improvement actions identified by Eurostat for this recommendation have been completed. However, ESGAB considers these two improvement actions to be the first steps to implementing the recommendation (ESGAB Annual Report 2015, p. 17). Therefore the status has been labelled here as “ongoing”.

## 2.2. ESS NATIONAL MEMBERS

At the time of writing ESGAB's Annual Report 2015 the second round of peer reviews was still ongoing. ESGAB could therefore make only a preliminary and very short assessment of the exercise's results. On the basis of all peer review reports and the corresponding improvement measures now available, ESGAB provides here an overview on the most important issues identified by the peer review teams<sup>26</sup>. Altogether the results of the peer reviews have shown a high level of compliance with the Code of Practice by the ESS national members. This is thanks in part to the outcome of the first round of peer reviews in the years 2006 – 2008 and the careful implementation of the resulting improvement actions.

### Appointment and dismissal procedures

The procedures for appointing and dismissing the heads of NSIs and of other statistical authorities are pivotal in ensuring the integrity and professional independence in national statistical systems (NSSs). Without transparency and openness in the procedures, there is the danger that appointments and dismissals could be unfairly discriminatory or politically motivated, damaging the credibility and reputation of national statistics. Indicator 1.8 of the Code of Practice refers specifically to such appointments and dismissals, stating that appointments should be based on professional competence only, and that dismissals should be underpinned by a legal framework<sup>27</sup>.

The recommendations from the peer reviews with regard to professional independence focussed mostly on the need for NSIs to improve existing compliance with the Code of Practice. However, the amended Regulation (EC) No 223/2009 has now introduced stricter rules in this area. In particular, Article 5a(4) states:

“Member States shall ensure that the procedures for the recruitment and appointment of Heads of NSIs and, where appropriate, statistical Heads of ONAs producing European statistics are transparent and based only on professional criteria. These procedures shall ensure that the principle of equal opportunities is respected, in particular with regard to gender. The reasons for dismissal of Heads of NSIs or their transfer to another position shall not compromise statistical independence”.

Given that the peer reviews had identified a number of issues relating to the recruitment and appointment of Heads of NSIs and ONAs, a Task Force established by the ESS Committee in 2015 looked into this issue in more detail. The Task Force reported that the appointment of Heads of NSIs and ONAs is not always regulated in the statistical law of the Member State or in other legislative acts. In some Member States provisions are established only in ordinances, or even settled by mere administrative practices. While most of the Member States have established an open and transparent competition procedure for the appointment of Heads of NSIs, this is not yet the case for all. Direct appointments by the government are still the norm in some of them, thus setting some restrictions to the application of the principle of equal opportunities.

<sup>26</sup> <http://ec.europa.eu/eurostat/web/quality/peer-reviews>.

<sup>27</sup> Indicator 1.8: “The appointment of the heads of the National Statistical Institutes and Eurostat and, where appropriate, of other statistical authorities, is based on professional competence only. The reasons on the basis of which the incumbency can be terminated are specified in the legal framework. These cannot include reasons compromising professional or scientific independence”.

On the other hand, practically all Member States specify that the appointment should be made on the basis of professional criteria, academic degree and career record or management expertise. However, these requirements are in some cases rather vague. When the current Code of Practice is next updated, a more precise wording of Indicator 1.8 will be required.

A fixed term of office for the Head of NSIs, generally with a limited renewability, is established in most Member States but not in all of them. Moreover, not all countries enumerate in their regulations possible reasons for dismissal, which obviously leaves a door open for political interference.

The Task Force reported that the situation is considerably more problematic in ONAs. In many cases, the Heads of ONAs producing European statistics are the directors of departments within national ministries assuming many different responsibilities, and in these cases the appointment rules conform to those of the corresponding ministry, or the general rules for the appointment of public servants, which do not necessarily comply with the norms established by the statistical legislation.

ESGAB will continue to monitor the progress in Member States with regard to the implementation of Article 5a(4) and urges ESS members to step up their efforts to revise the respective statistical legislation so that transparent appointment and dismissal procedures are specified in law.

### Professional independence / Impartiality and objectivity

Good governance of NSSs requires that heads of NSIs and of other statistical authorities have the sole responsibility for decisions on statistical methods, standards and procedures, and on the content and timing of statistical releases. This

is specified in Indicator 1.4 of the Code<sup>28</sup> and reinforced under Article 5a2(a) of the amended Regulation (EC) No 223/2009. Thus the Heads of the NSIs have a key role as the guardians of the professional independence of the NSS. However, in a large number of statistical laws such a definition of professional independence has not been laid down comprehensively, and peer reviewers therefore recommended amendments to the laws.

Professional independence requires compliance with Principle 1 of the Code of Practice<sup>29</sup>, namely that Ministries or similar entities producing European statistics should have statistical units clearly differentiated from the units carrying out other activities within the organisation, and clearly identified as such. It is important that the production of statistics should be undertaken by specific staff, adequately qualified and trained. Moreover, it is also most advisable that the statistical unit should be located in defined premises, conveniently separated from the other units within the organisation. Sufficient protection of the statistical databases should be implemented in order to comply with Indicator 5.5 of the Code of Practice<sup>30</sup>.

Impartiality and objectivity with regard to European statistics are addressed by Principle 6 of the Code<sup>31</sup>, and peer reviewers made a number of recommendations to some countries to further

<sup>28</sup> Indicator 1.4: "The heads of the National Statistical Institutes and of Eurostat and, where appropriate, the heads of other statistical authorities have the sole responsibility for deciding on statistical methods, standards and procedures, and on the content and timing of statistical releases".

<sup>29</sup> Principle 1: "Professional Independence – Professional independence of statistical authorities from other policy, regulatory or administrative departments and bodies, as well as from private sector operators, ensures the credibility of European Statistics".

<sup>30</sup> Indicator 5.5: "Physical, technological and organisational provisions are in place to protect the security and integrity of statistical databases".

<sup>31</sup> Principle 6: "Statistical authorities develop, produce and disseminate European Statistics respecting scientific independence and in an objective, professional and transparent manner in which all users are treated equitably".

strengthen the cooperation with stakeholders. From a governance perspective these included the establishment of a Statistical Council and the review of responsibilities and membership of existing Councils. From a dissemination perspective; the recommendations concerned the implementation of a comprehensive release calendar for all official statistics and further restriction, or even abolishment, of privileged pre-release access.

Compliance with the principles of professional independence and of impartiality and objectivity is of the highest importance for the reputation of official statistics and the peer review recommendations have ESGAB's strong support. In many cases, improvements in these areas cannot be implemented by the national statistical authorities alone, and require the help of relevant national authorities. ESGAB therefore encourages Member States to ensure the appropriate coordination mechanisms are in place to facilitate the required progress.

### Resources / Cost effectiveness

Ensuring sustainable funding for the ESS is essential if the statistical community wants to defend a principle of excellence for European statistics. From the beginning of its work in 2009 ESGAB has been voicing its concern about the steady reduction of resources available for the production, dissemination and development of European statistics at a time of rising demand for reliable statistics. Furthermore, ESGAB expressed repeatedly its view that a fundamental part of the response to an increasing demand for statistics in the face of decreasing resources must be an improvement of efficiency, through a systemic change in the ways statistics are produced.

Peer review reports confirm ESGAB's concerns about declining resources. Peer reviewers point out that in many NSIs budget and staff resources may not prove adequate to fulfil all statutory functions. In a large number of countries an increase of financial and human resources is urgently needed. Peer review recommendations include: in a few cases the need for an increase in the salary level; the upgrading of the human resources development strategy; the recruitment of experts with special skills; and the review and improvement of the training programme.

Recommendations for the improvement of cost-effectiveness can be found in many peer review reports. These include, for example, encouraging all businesses to provide data online; implementing electronic data collection in household surveys; adopting a statistical process model; strengthening the use of standardised methods, procedures and applications; and making wider use of administrative data.

ESGAB is conscious that the public sector is constantly challenged to improve its performance in an increasingly resource-constrained environment. However, the system will only be credible in this endeavour if it can show how much statistics cost. As a result, in its 2015 Annual Report, ESGAB recommended that ESS members improve the information available on the cost of producing European statistics. Two important projects are now under way in the ESS to examine the costs associated with statistical production, including costs for specific statistical products (Box 5). ESGAB welcomes these initiatives to facilitate the development of comparable costs in the future. The outcome of such work will be crucial for allocating appropriate resources, setting priorities and ensuring cost transparency.

## BOX 5 Two ESS projects to examine the costs associated with statistical production

In its 2015 Annual Report, ESGAB recommended that “ESS members (in particular NSIs and Eurostat) should improve cost-accounting systems and provide early estimates of the costs of producing European statistics, in order to ensure adequate comparability and coverage. The estimates should be used for a benchmarking exercise covering statistical systems at international level”. In response to this recommendation, two projects are now under way in the ESS.

The first focuses on the overall costs of producing European statistics. A survey to assess the costs of statistical production in all Member States and EFTA countries was launched in May 2015. The survey aimed at better assessing the resources used for the production of official statistics in NSIs and ONAs, covering the period 2010-2014. The results identified gaps in the survey methodology, particularly with regard to data coverage. As a consequence, a second survey launched in 2016 invites NSIs to review the figures on costs and full-time equivalents (FTEs) for the production of official statistics for 2012-2014 and to add the information for 2015. In order to have a complete picture of the cost of production of official statistics in the ESS, Eurostat data on human and financial resources will also be included.

The second project under way aims to produce an estimation of the human and financial costs for the ESS at the level of European statistical products, including the costs associated with ONAs. The project started with a testing phase on eight statistical products: housing price indices, animal production–meat, regional environment, earnings, income and living conditions, short term business statistics–construction, tourism industry–accommodations, and trade in goods by enterprise. As expected the biggest challenges during the testing phase consisted of identifying the European cost elements and inclusion of the ONAs. In addition different cost accounting structures in NSIs meant that information on costs by statistical product was not always easy to extract in all reporting NSIs. A second phase covering 25 statistical products started in June 2016. All ESS countries will be invited to submit their best possible estimates on total costs and on FTEs for the selected statistical products for the year 2015. Smooth coordination between NSIs and ONAs will be a fundamental element of the project’s success.

### Quality

The Code of Practice contains a specific principle that stipulates a commitment to quality<sup>32</sup>. It is certainly not disputed that all statistical authorities in the ESS have the clear intention to produce European statistics of high quality, and significant progress has been made in the course of the last decade. However, it is important that clear procedures are in place to regularly monitor and improve the quality of the statistical

production process. Peer review reports show that further investment in this area is still needed.

For some NSIs it is recommended that a quality management system should be established or that their existing system should be broadened. The following recommendations are explicitly mentioned in peer review reports: publishing a quality policy statement; establishing a quality coordinator; improving quality guidelines; standardising and upgrading the content and completeness of quality reports; improving the documentation of processes;

<sup>32</sup> Principle 4: “Statistical authorities are committed to quality. They systematically and regularly identify strengths and weaknesses to continuously improve process and product quality”.

implementing or improving systematic quality audits; and fostering participation of external reviewers.

As human resources in statistical authorities come under increasing strain, there is a risk that the further improvements needed in the quality of European statistics will be hindered. Adequate and sustainable resourcing of quality teams in statistical authorities should therefore remain a high priority.

### Accessing administrative data

Administrative data are an important source of detailed statistical information and they are often considered as an alternative to more costly survey-based techniques or used in combination with other data sources, as discussed earlier in this report under multiple data sources. Better use of administrative data will ease the respondents' burden of statistical reporting requirements. In combination with better communication of the value of statistics and of their — mostly indirect — benefits for society, the social esteem for statistics will rise. However, administrative data do not necessarily meet statistical requirements in full. The Code of Practice states<sup>33</sup> that when administrative data are used for European statistics, the definitions and concepts on which they are based should be a good approximation to those required for statistical purposes. It is therefore important that statistical authorities are involved in the design of relevant administrative data and that agreements are in place between the administrative and statistical authorities to ensure the appropriate quality and use of the data.

The most important peer review recommendations in the field of methodology

and procedures refer to the broader use of administrative data. In particular, NSIs should be provided with a flexible and undeniable mandate to use administrative data; NSIs should be involved in the design of administrative data systems; and NSIs should be consulted in case of any changes of administrative data sources.

In addition to the standards set by the Code, the amendment to Regulation (EC) No 223/2009 establishes in Article 17a(1) that:

“In order to reduce the burden on respondents, the NSIs, other national authorities as referred to in Article 4, and the Commission (Eurostat) shall have the right to access and use, promptly and free of charge, all administrative records and to integrate those administrative records with statistics, to the extent necessary for the development, production and dissemination of European statistics, which are determined in the European Statistical Programme in accordance with Article 1.”

and in Article 17a(2):

“The NSIs and the Commission (Eurostat) shall be consulted on, and involved in, the initial design, subsequent development and discontinuation of administrative records built up and maintained by other bodies, thus facilitating the further use of those records for the

<sup>33</sup> Principle 8: “Appropriate statistical procedures, implemented from data collection to data validation, underpin quality statistics”.

purpose of producing European statistics. They shall be involved in the standardisation activities concerning administrative records that are relevant for the production of European statistics.”

As stated in the peer review reports, the requirements of Article 17a(1) are generally well fulfilled in the ESS. However, the Task Force established to discuss issues relating to the implementation of the amended Regulation (EC) No 223/2009 and to exchange best practices, noted that although a large majority of Member States have legislation in place for access to administrative data, there are difficulties with enforcing the law.

Regarding Article 17a(2), some peer review reports report that the administrative unit producing the records may decide unilaterally to change standards, or even to discontinue the production of these records without consulting or warning the NSI, thereby hindering the production of the statistics contrary to Indicator 9.4<sup>34</sup> of the Code. It would be useful to open a consultation procedure with the Member States and to produce a situation report on the effective compliance concerning this point within the ESS. Furthermore, in those countries that are in the process of aligning their legislation to amended Regulation (EC) No 223/2009, very precise and specific provisions should be included to allow better utilisation of administrative data.

## Coordination of the National Statistical System

In pursuing an overall objective of increasing the trustworthiness and credibility of European statistics an important aspect is to ensure consistently high quality statistics at all levels of production. While the coordinating responsibility of the NSIs has always existed under Regulation (EC) No 223/2009, the amendment of May 2015 expanded the content of Article 5(1) to clarify the scope of the coordinating responsibility of NSIs:

“The national statistical authority designated by each Member State as the body having the responsibility for coordinating all activities at national level for the development, production and dissemination of European statistics, which are determined in the European statistical programme in accordance with Article 1, (the NSI) shall act in this regard as the sole contact point for the Commission (Eurostat) on statistical matters.

The coordinating responsibility of the NSI shall cover all other national authorities responsible for the development, production and dissemination of European statistics, which are determined in the European statistical programme in accordance with Article 1. The NSI shall, in particular, be responsible at the national

<sup>34</sup> Indicator 9.4: “Administrative sources are used whenever possible to avoid duplicating requests for information”.

level for coordinating statistical programming and reporting, quality monitoring, methodology, data transmission and communication on ESS statistical actions. To the extent that some of those European statistics may be compiled by National Central Banks (NCBs) in their capacity as members of the European System of Central Banks (ESCB), the NSIs and the NCBs shall cooperate closely in accordance with national arrangements with a view to ensuring the production of complete and coherent European statistics, while ensuring the necessary cooperation between the ESS and the ESCB as set out in Article 9”.

The revision to Article 5 of Regulation (EC) No 223/2009 is a significant step forward in the process of coordination and will facilitate the transmission of European statistics through the NSI dissemination channels.

Currently the Code of Practice does not include a principle dealing explicitly with coordination of the NSSs. This has been a concern for ESGAB, which, in previous reports, has recommended the inclusion of such a principle in a revised Code. As it is, the coordination frameworks for NSSs differ greatly among the Member states. A few of them have a Statistical Authority, as recommended in the revised Regulation. In some others, statistical legislation identifies coordinating mechanisms,

such as High Statistical Councils. However, there are still a number of Member States without either a coordinating mechanism provided by legislation or the coordinating responsibility of the NSI clearly established in their legal framework. An updating of the statistical legislation, including precise provisions on this issue, would be most advisable.

As regards the cooperation between the NSIs and the National Central Banks, the arrangements for quality assurance of statistics underlying the macroeconomic imbalance procedure have been clarified in a draft memorandum of understanding, which at the time of writing is in the consultation phase. ESGAB welcomes the progress that has been made in this area to further improve the completeness and coherence of European statistics.

### The specific case of Other National Authorities (ONAs)

Given the variety of entities producing statistics in different Member States, in 2014 the ESS Committee<sup>35</sup> confirmed the criteria to designate an entity as an ONA, together with details of the consequences for the ONA. It was agreed that all entities (or their clearly identifiable organisational parts) which fulfil the following criteria should be designated as ONAs by Member States:

- they exercise public authority based on national law (regardless of their legal form); and
- they have clearly been given the responsibility at the national level for the production of a specific and identifiable part of European

<sup>35</sup> 21st Meeting of the ESSC, 14-15 May 2014, “Other National Authorities (ONAs) – practical considerations”.

statistics (with a clear link to sectoral legislation, the European statistical programme, annual work programme or a list of ESS statistical products).

In addition, ONAs may also have the production of statistics included among their tasks in the respective basic act (e.g. constitutive legal act, statute, mandate or mission statement).

Once designated as an ONA, an entity becomes a partner in the ESS, committed to compliance with the Code of Practice and eligible for receiving EU grants without a call for tender. As discussed earlier under appointment and dismissal procedures, the Heads of ONAs should be recruited and appointed in a transparent way, based on professional criteria, and NSIs are responsible for coordinating activities of ONAs relating to European statistics. The list of ONAs is published on the Eurostat website<sup>36</sup> and reveals considerable differences across the ESS regarding individual country practices.

ESGAB regards the participation of some ONAs in each country during the last round of peer reviews as a very positive and significant step, in light of ESGAB's concerns about the coordination of ONAs by NSIs in its 2014 Annual Report<sup>37</sup>. Their involvement has helped to reinforce the role and obligations of ONAs described above, although peer review reports very often show that there is still wide room for improvement. In particular, ESGAB would like to emphasise that the dissemination of European statistics produced by ONAs through the press office of the Ministry to which the ONA belongs is not in compliance with Indicator

1.6 of the Code of Practice<sup>38</sup>. Instead, statistical units in ONAs should be endowed with their own press office for the dissemination of statistical data. When this is not the case, an alternative procedure complying with Indicator 1.6, such as using the NSI press office for the dissemination of the ONA statistical products, should be considered. Furthermore, to ensure the quality of European statistics produced by ONAs and to improve compliance with the Code of Practice, more needs to be done with regard to training on quality management; quality assurance and quality reporting for ONAs; and the promotion of systematic quality audits in ONAs. This should be achieved by integrating ONAs into a comprehensive national quality audit system, facilitated by the NSI.

While there was a general consensus that ONA involvement in peer reviews is essential, their interest in taking part varied from being initially-reluctant to highly-motivated. Also, the way in which ONAs featured in the final country peer review reports was heterogeneous. It is certainly important that any future peer review exercise should be system-based, covering the whole NSS (and therefore, also ONAs). However, the different options for ONA involvement are still unclear at this stage.

<sup>36</sup> <http://ec.europa.eu/eurostat/web/european-statistical-system/overview>.

<sup>37</sup> see ESGAB Annual Report 2014, section 4.6 "Coordination"

<sup>38</sup> Indicator 1.6: "Statistical releases are clearly distinguished and issued separately from political/policy statements".

## 2016 RECOMMENDATIONS

**2016/7** ESS members should step up their efforts to revise the respective statistical legislation so that transparent appointment and dismissal procedures for Heads of National Statistical Institutes and Other National Authorities are specified in law.

**2016/8** The forthcoming recruitment procedure for the new Director-General of Eurostat should be based on an open call for candidates. The selection criteria, explicitly stated in the vacancy notice, should include very good knowledge and experience in the fields relevant to Eurostat's mission. The Commission should ensure that candidates' professional competences in the field of statistics are assessed independently.

**2016/9** ESS members should create information and communication campaigns to make the value of official statistics as a public good more apparent.

**2016/10** Comparable information on the cost of producing European statistics is essential in an environment where resources are increasingly constrained. ESS countries should ensure that they contribute to the projects under way to develop and improve data on the costs of statistical production at a national level and for specific European statistical products, and that they facilitate this information-gathering from their internal cost accounting systems.

**2016/11** Member States in the process of aligning their legislation to the amended Regulation (EC) No 223/2009 should include precise and specific provisions addressing the requirements under Article 17a(2) relating to the use of administrative records for European statistics, in order to facilitate the further use of those records for producing European statistics.

**2016/12** Member States should produce situation reports on compliance with Article 17a(2) of the amended Regulation (EC) No 223/2009 concerning the extent to which NSIs are consulted and involved in the design, development and discontinuation of administrative records used for the production of European statistics.

**2016/13** There are still a number of Member States without either a coordinating mechanism provided by legislation or the coordinating responsibility of the NSI clearly established in their legal framework. In such cases the national statistical legislation should be updated in this respect, including precise provisions on this issue.

**2016/14** Eurostat should consider the introduction of specific ESS training and awareness-raising events focusing on the legal and practical obligations of Other National Authorities with regard to European statistics and their coordination within the national statistical system.

**2016/15** The next peer review exercise should include clear guidance on how to involve Other National Authorities in the process.

**2016/16** In order to further improve the quality of European statistics produced by Other National Authorities and compliance with the Code of Practice, Other National Authorities should be integrated into a comprehensive national quality audit system facilitated by the NSI and including training on quality management, quality assurance, quality reporting and systematic quality audits.

## Annex 1: 2015 ESGAB recommendations and Eurostat's improvement actions in response to the recommendations

### EUROSTAT'S COMPLIANCE WITH THE CODE OF PRACTICE — FOLLOW-UP OF 2014 PEER REVIEW

#### Recommendation 2015/1

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

#### CURRENT SITUATION:

Eurostat Directors-General as well as all other senior managers of the Commission 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. The indicator of the Code related to professional competence is not defined therein. The assessment of competence remains with the appointing authority alone. Strong indicators for assessing the competence of Eurostat

future Directors-General are established in the Commission Decision on Eurostat (2012/504/EC). ESGAB's tasks are defined in Decision No 235/2008/EC of the European Parliament and of the Council and does not include involvement in the recruitment of the Director-General of Eurostat.

#### IMPROVEMENT ACTION:

As Eurostat has a divergent view on the recommendation no improvement action is proposed.

#### TIMELINE:

N.A.

#### Recommendation 2015/2

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

#### CURRENT SITUATION:

Clear definition for indicators of professional competence in the CoP — The action is being launched by Eurostat.

**IMPROVEMENT ACTION 2015/2:**

The definition for indicators of professional competence in the ES Code of Practice will be reviewed and clarified, as appropriate, under the guidance of the ESS high-level group on quality.

**TIMELINE:**

Before end 2018

### Recommendation 2015/3

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

**CURRENT SITUATION:**

Eurostat Directors-General as well as all other senior managers of the Commission 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. The indicator of the Code related to professional competence is not defined therein. The essential requirement for appointing the Director-General, according to the Code, is his or her professional competence. The indicator related to professional competence is not defined in the Code, in particular not by any reference to statistical qualifications as more relevant than other qualifications. Strong indicators for assessing the competence of Eurostat future Directors-General are established in the Commission Decision on Eurostat (2012/504/EC). The assessment of competence remains with the appointing authority alone.

**IMPROVEMENT ACTION:**

As Eurostat has a divergent view on the recommendation no improvement action is proposed.

**TIMELINE:**

N.A.

### Recommendation 2015/4

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

**CURRENT SITUATION:**

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.

**IMPROVEMENT ACTION:**

As Eurostat has a divergent view on the recommendation no improvement action is proposed.

**TIMELINE:**

N.A.

### Recommendation 2015/5

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

**CURRENT SITUATION:**

Pre-release rules are described in sections 2 and 3 the Protocol on impartial access to Eurostat data for users.

**IMPROVEMENT ACTION 2015/5:**

Pre-release rules will be systematically reviewed and practices analysed in order to identify further possible reduction of such cases.

**TIMELINE:**

12/2016

**Recommendation 2015/6**

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

**CURRENT SITUATION:**

Pre-release rules are described in sections 2 and 3 the Protocol on impartial access to Eurostat data for users. The protocol is available at Eurostat website under "About Eurostat — Policies — Quality- European Statistics Code of Practice — Implementation in Eurostat".

**IMPROVEMENT ACTION 2016/6:**

A text summarising the pre-release policy (including beneficiaries of pre-releases) and a link to the protocol on impartial access to Eurostat data for users will be published more visibly at the Eurostat website under "Newsrelease calendars".

**TIMELINE:**

06/2016

**Recommendation 2015/7**

Pre-release access should be monitored transparently and publicly.

**CURRENT SITUATION:**

Pre-release rules are described in sections 2 and 3 the Protocol on impartial access to Eurostat data for users. Eurostat Directors are annually informed of its application."

**IMPROVEMENT ACTION 2015/7:**

The annual monitoring of the application of the Protocol on impartial access to Eurostat data for users will continue. The text indicated in the improvement action of recommendation 2015/6 will mention this monitoring.

**TIMELINE:**

06/2016

## CHALLENGES FOR THE ESS: DATA REVOLUTION, RESOURCE CONSTRAINTS AND REGIONALISATION

**Recommendation 2015/8**

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

**CURRENT SITUATION:**

Following the departure of Mr Andreas Georgiou (previous President of ELSTAT) at the end of his mandate on 2 August 2015, an international selection panel of experts (ESTAT had also designated a representative) was set up to select his successor. Mr Athanassios Thanopoulos was unanimously proposed by the panel and on 1 March was appointed by the Minister of Finance.

Eurostat closely monitors the situation in ELSTAT in accordance with the principles of the CoP and the Joint Overall Statistics Greece Action Plan (JOSGAP).

Eurostat also discussed with the new President of ELSTAT and the SecGen the organisation of a Conference in Greece in autumn 2016 in order to enhance visibility of ELSTAT and the principles of independence and believes this will benefit the perceptions and the support to ELSTAT staff.

**IMPROVEMENT ACTIONS 2015/8:**

Continue monitoring the situation in Greece and around ELSTAT through the quarterly reporting via JOSGAP.

Consider organising a conference on “Rebuilding trust in statistics” with the involvement of high level EC/EU officials.

**TIMELINE:**

JOSGAP monitoring every quarter.  
Conference to be organised by end 2016 (if the political situation allows for it).

**Recommendation 2015/9**

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

**CURRENT SITUATION:**

A lot of actions are already undertaken by ESS members to promote greater awareness about and recognition of official statistics (e.g. implementation of the ESS Vision 2020). Nevertheless, some further specific actions may be envisaged to improve the current situation.

**IMPROVEMENT ACTIONS 2015/9:**

1. Support the initiative by the European Statistical Advisory Committee to launch a European Statistics Day on the 20<sup>th</sup> of October to keep official statistics on the agenda across

Europe during the five year gap between the World Statistics Days.

2. Prepare a draft ESS Quality Declaration and propose the outline, including possible building blocks of a branding campaign; present the ESS Quality Declaration to the ESS Committee for endorsement.

**TIMELINE:**

End 2016

**Recommendation 2015/10**

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

**CURRENT SITUATION:**

1. First set of products identified.
2. Link between products and EDAMIS flows established.
3. In the ESS Resource Director Group in December three countries presented their experiences.

**IMPROVEMENT ACTIONS 2015/10.1 TO 2015/10.3:**

1. To test the methodology for the cost assessment of European statistics in the ESS by launching a test phase on selected statistical products.
2. To launch a cost assessment exercise covering all European statistics in the ESS.
3. To share experience between the NSIs on their cost accounting systems.

**TIMELINE:**

1. 3rd quarter of 2016
2. 4th quarter 2016
3. end of 2017

## Recommendation 2015/11

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

### CURRENT SITUATION:

Eurostat asks each year, in its general user satisfaction survey, if users trust the statistics produced by Eurostat.

### IMPROVEMENT ACTION 2015/11:

Eurostat will propose to the ESSC to add a similar question on trust in the user satisfaction surveys organised by the Member States, for those that do not ask such question yet.

### TIMELINE:

12/2016

## Recommendation 2015/12

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

### CURRENT SITUATION:

The ESP 2013-2017 needs to be extended and amended for including new statistical outputs to align the statistical production with the 10 political priorities, complemented by major initiatives to reduce burden on respondents and costs on NSIs (European approach to statistics and investment in the infrastructure and new sources).

### IMPROVEMENT ACTION 2015/12:

Make a proposal of ESP extension with a substantial budget increase.

### TIMELINE:

End 2016

## Recommendation 2015/13

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

### CURRENT SITUATION:

1. The ESSnet on Big Data demonstrates strong ESS leadership in exploring and using big data for official statistics; the pilot projects will explore several of the new data sources and will be the subject of specific grant agreements during the period 2016-2018. The operational work is complemented by a specific Methodological Framework contract on Big Data and Macroeconomic Nowcasting, as well as by a dedicated study covering ethics, legislation, communication and the development of a training strategy. A wide range of data science ESTP courses is included in the 2016 catalogue together with contribution to related international events.
2. The European Master in Official Statistics (EMOS) curriculum already includes such topics as big data, integrated sources, data visualisation. Notably, the EMOS learning outcomes were further developed by the EMOS Board in 2015 while taking new skills and competences into account. The ESTP annual programme for 2016, developed under the new Framework Contracts, includes an extensive training offer on data science.

**IMPROVEMENT ACTIONS 2015/13.1 TO 2015/13.4**

1. Organise a dedicated networking seminar to launch the process of expanding the work carried out to meet the need for specific new methods for new data beyond Big Data towards the promotion of Data Science.
2. Launching of specific Methodological Framework Contract in the field of Data Integration with particular attention to Data Virtualisation.
3. Support the development of the professional capacity in the ESS by including dedicated training modules in the 2017 ESTP.
4. The evaluation of the EMOS project including the curriculum is foreseen in 2017, thus providing an opportunity to further align the curriculum with emerging learning needs.

**TIMELINE:**

1. Before end 2016
2. Before end 2016
3. 12/2016
4. 12/2017

**Recommendation 2015/14**

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

**CURRENT SITUATION:**

Commence revision of the CoP — The action is being launched by Eurostat.

**IMPROVEMENT ACTION 2015/14:**

The mandate of ESS high-level group on quality is expected to be adopted in 2016.

**TIMELINE:**

Before end 2016

**Recommendation 2015/15**

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

**CURRENT SITUATION:**

The amended Regulation 223/2009 requires National Statistical Institutes (NSIs) to ensure national coordination of Other National Authorities (ONAs) responsible for the development, production and dissemination of European Statistics. However, some NSIs — especially in countries where European statistics are produced by many different entities — may find it challenging to ensure efficient and effective coordination of all ONAs due to complex decision-taking procedures and reporting lines.

**IMPROVEMENT ACTIONS 2015/15.1 TO 2015/15.4:**

1. Eurostat to clarify the scope of European statistics and establish a catalogue of statistical products to support the identification of ONAs.
2. NSIs to provide a complete overview of their national statistical systems.
3. Mandate of the national Transmission Coordinators (TCOs) to be revised with a view to providing harmonised elements.
4. Eurostat to support member states' establishment of Commitments on Confidence or, in the absence of such a Commitment, of progress reports on the implementation of the Code of Practice, as regards the aspects of the Code which are relevant for NSIs' mandate and coordinating role.

**TIMELINE:**

1. 31/12/2016
2. 30/06/2017
3. 31/12/2016
4. 09/06/2017

**Recommendation 2015/16**

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

**CURRENT SITUATION:**

The current training offer for the ESS includes training on quality management including the Code of Practice, which is open both to NSIs and regional offices. Moreover, all training material is available via the European Statistical Training Programme (ESTP) interest group on CIRCABC, which can be used to complement national and/or regional training programmes. Moreover, the curriculum of the European Master in Official Statistical (EMOS) includes the subjects of ESS governance and the Code of Practice.

**IMPROVEMENT ACTIONS 2015/16.1 AND 2015/16.2:**

1. Eurostat to remind the National Contact Points in the National Statistical Institutes of the Member States about the available ESTP training offer and existing training material.
2. Eurostat to raise awareness in one of the next meetings of the ESS WG on Quality in Statistics on the need for governments and NSIs in the transition phase of regionalisation to provide sufficient resources for training and awareness-raising on the ES Code of Practice.

**TIMELINE:**

1. 31/12/2016
2. 31/12/2016

**Recommendation 2015/17**

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

**CURRENT SITUATION:**

Regionalisation process: monitoring and evaluation of Code compliance — The action is being launched by Eurostat.

**IMPROVEMENT ACTIONS 2015/17:**

In order for Eurostat to reinforce its capacity to monitor and evaluation Code compliance in regionalised and decentralised statistical systems, Eurostat will:

- Gather information on the Member States which are concerned by the recommendation, i.e. which have regionalised and decentralised systems;
- Enquire about quality assurance mechanisms between regional and national levels in the Member States concerned.

**TIMELINE:**

Before end 2017

## Annex 2: Glossary

### European Statistics Code of Practice (ESCoP, “the Code”)

The European Statistics Code of Practice<sup>39</sup> sets the standards for developing, producing and disseminating European statistics. It builds on a common definition of quality in statistics used in the European Statistical System, composed of national statistical authorities and Eurostat. The Code is a self-regulatory instrument containing 15 Principles which address the institutional environment in which national and EU statistical authorities operate, and the production and dissemination of European statistics (Annex 3). Its implementation is supported by a set of indicators of good practice for each Principle.

### European Statistical Governance Advisory Board (ESGAB, “the Board”)

ESGAB<sup>40</sup> provides an independent overview of the implementation of the Code of Practice. It seeks to enhance the professional independence, integrity and accountability of the European Statistical System key elements of the Code, and the quality of European statistics. ESGAB has seven members. Its tasks include the preparation of an annual report to the European Parliament and the Council on the implementation of the Code by Eurostat and the European Statistical System as a whole. ESGAB also advises the Commission (Eurostat) on appropriate measures to facilitate implementation.

<sup>39</sup> <http://ec.europa.eu/eurostat/web/quality/european-statistics-code-of-practice>.

<sup>40</sup> <http://ec.europa.eu/esgab>.

### European Statistical System (ESS)

The European Statistical System<sup>41</sup> is a partnership between the European Union’s statistical authority, i.e. the Commission (Eurostat), the National Statistical Institutes (NSIs) and other national authorities (ONAs) responsible in each Member State for the development, production and dissemination of European statistics.

### European Statistical System Committee (ESSC)

The European Statistical System Committee is the highest authority for the ESS. It is made up of the Heads of the Member States’ NSIs and is chaired by the Director-General of Eurostat. Liechtenstein, Iceland and Norway, through the Agreement of the European Economic Area (EEA), and Switzerland through the Agreement between the EU and the Swiss Confederation on cooperation in the field of statistics, fully participate in the ESSC without the right to vote. Other participants are observers. The ESSC meets four times per year and its task is to provide professional guidance for developing, producing and disseminating European statistics and to discuss strategic issues for the development of the ESS.

### Eurostat

Eurostat is a Directorate-General of the European Commission. Its mission is to be the leading provider of high quality statistics on Europe. Together with the national statistical offices, Eurostat is responsible for

<sup>41</sup> <http://ec.europa.eu/eurostat/web/ess/about-us>.

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 European Commission and other EU institutions, Member State governments, international organisations, businesses, universities and a wide range of other users. Eurostat also supports nonEU countries, including the candidate countries, in adapting their statistical systems.

### Peer reviews

Peer reviews<sup>42</sup> are part of the European Statistical System strategy to implement the European Statistics Code of Practice. The objective is to enhance the integrity, independence and accountability of ESS statistical authorities. The first round of peer reviews was carried out in 2006-2008, followed by a second round in 2013-2015. Both rounds covered all EU Member States and EFTA countries. The European Statistical Governance Advisory Board (ESGAB) carried out a peer review of Eurostat using the methodology developed for the NSI peer reviews, with some adaptations to reflect Eurostat's specific role in the ESS.

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<sup>42</sup> <http://ec.europa.eu/eurostat/web/quality/peer-reviews>.

# Annex 3: The Principles of the European Statistics Code of Practice

## INSTITUTIONAL ENVIRONMENT

1. Professional independence of statistical authorities from other policy, regulatory or administrative departments and bodies, as well as from private sector operators, ensures the credibility of European Statistics.
2. Statistical authorities have a clear legal mandate to collect information for European statistical purposes. Administrations, enterprises and households, and the public at large may be compelled by law to allow access to or deliver data for European statistical purposes at the request of statistical authorities.
3. The resources available to statistical authorities are sufficient to meet European Statistics requirements.
4. Statistical authorities are committed to quality. They systematically and regularly identify strengths and weaknesses to continuously improve process and product quality.
5. The privacy of data providers (households, enterprises, administrations and other respondents), the confidentiality of the information they provide and its use only for statistical purposes are absolutely guaranteed.
6. Statistical authorities develop, produce and disseminate European Statistics respecting scientific independence and in an objective, professional and transparent manner in which all users are treated equitably.

## STATISTICAL PROCESSES

7. Sound methodology underpins quality statistics. This requires adequate tools, procedures and expertise.
8. Appropriate statistical procedures, implemented from data collection to data validation, underpin quality statistics.
9. The reporting burden is proportionate to the needs of the users and is not excessive for respondents. The statistical authorities monitor the response burden and set targets for its reduction over time.
10. Resources are used effectively.

## STATISTICAL OUTPUT

11. European Statistics meet the needs of users.
12. European Statistics accurately and reliably portray reality.
13. European Statistics are released in a timely and punctual manner.
14. European Statistics are consistent internally, over time and comparable between regions and countries; it is possible to combine and make joint use of related data from different sources.
15. European Statistics are presented in a clear and understandable form, released in a suitable and convenient manner, available and accessible on an impartial basis with supporting metadata and guidance.

# Annex 4: ESGAB note to Commissioner Thyssen on the appointment procedures for the Eurostat Director-General

Helsinki, 23 August 2016

## NOTE TO COMMISSIONER MARIANNE THYSSEN

As Chair of ESGAB, I would like to raise with you the issue of the forthcoming procedure to appoint the next Director-General of Eurostat. In particular, the Board would like to underline the principle of professional independence stipulated in the European Statistics Code of Practice<sup>43</sup>, and specifically the indicators 1.2 and 1.8:

“The heads of the National Statistical Institutes and Eurostat and, where appropriate, the heads of other statistical authorities have sufficiently high hierarchical standing ... They are of the highest professional calibre.”

“The appointment of the heads of the National Statistical Institutes and Eurostat and, where appropriate, of other statistical authorities, is based on professional competence only. The reasons on the basis of which

the incumbency can be terminated are specified in the legal framework. These cannot include reasons compromising professional or scientific independence.”

In this context, ESGAB would like to reiterate the recommendations put forward in its 2014 and 2015 Annual Reports. The Board insists that open competition, in which the selection criteria for candidates include a very good knowledge and experience in fields relevant to Eurostat’s mission, is a key requirement for recruiting suitably-qualified candidates to the position of Eurostat Director-General. Therefore, the ESGAB recommendations 2014/1 and 2014/2 stated<sup>44</sup>:

“Arrangements for future appointments of Directors-General of Eurostat should be specified in law, and based on open competition.”

<sup>43</sup> “Professional independence of statistical authorities from other policy, regulatory or administrative departments and bodies, as well as from private sector operators, ensures the credibility of European statistics”.

<sup>44</sup> <http://ec.europa.eu/eurostat/web/esgab/annual-reports>.

“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.”

Following the revision of Regulation (EC) No 223/2009, which includes for the first time an article on Eurostat’s Director General, ESGAB again made recommendations concerning the recruitment and dismissal of the Director-General in its 2015 Annual Report (ESGAB recommendations 2015/1 and 2015/3):

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

“The selection procedure for future Eurostat Directors-General should include very good knowledge and experience in fields relevant to Eurostat’s mission. The criteria should be explicitly stated in the vacancy notice for open calls for candidates and taken into account in internal rotations of Commission Directors-General.”

By meeting these requirements, the European Commission would set a clear example in the European Statistical System for complying with Principle 1 of the European Statistics Code of Practice. A Director-General chosen as a result of an open procedure would be well-placed to take forward the issues of statistical independence within the European Statistical System. Failure to meet these requirements, however, risks damaging the image of the European Statistical System and sets a worrying precedent for future appointments in Eurostat and in Member States.

I would be very happy to call you by telephone to discuss ESGAB’s concerns in more detail.

Yours sincerely,



Martti Hetemäki  
Chair of ESGAB



