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**COMMISSION STAFF WORKING PAPER**  
**EXECUTIVE SUMMARY OF THE IMPACT ASSESSMENT**

*Accompanying the document*

**Proposal for a**  
**REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**  
**on the European statistical programme 2013-2017**

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## INTRODUCTION

The economic and social policy debate in the European Union over recent years is being driven by the multifaceted policy response to the financial and economic crisis, the confidence crisis that emerged after Greece's misreporting of EDP-related budgetary figures in fall 2009, and the very intense debate how to enhance economic governance of the Union building upon Commission's proposals adopted in September 2010. One core trait of the latter proposals is to introduce wider and more intense use of European statistics and indicators as one key and reliable underpinning for monitoring, decision-making and policy evaluation of economic and social policies and reforms at national and EU levels.

At the same time, fast-evolving and pressing needs for reliable and sufficient European statistics have to be confronted with the reality that producing high-quality European statistics up to the expectations is not straightforward business. Indeed the European Statistical System (ESS) is composed by 27+1 partners, 300 processes and 50 000 statisticians in total. Numerous actors strive to meet numerous competing priorities and policy demands for official and reliable information and hard-data, to adapt to tight requirements in terms of respecting the principles of subsidiarity and cost-effectiveness while being confronted with severe strains on the ground in terms of human and financial resources.

The debate on economic governance and the progressive build-up of new Community policies - such as home and justice affairs, climate change, research and innovation - and the policy initiatives and reforms that follow suit, all speak clearly of the strategic importance for the Commission to steer the European Statistical System into a joint commitment to develop, produce and preserve the highest quality standards for European statistics.

The present proposal for the European Statistical Programme (ESP) 2013-2017 signals one powerful step towards the materialisation of far-reaching, all-encompassing policy initiatives such as the GDP & beyond Initiative<sup>1</sup>, the revision of the European System of National Accounts (ESA2010) or the follow-up to the Stiglitz-Sen-Fitoussi Commission report on the measurement of economic performance and social progress<sup>2</sup>. It also aims at bringing to reality the statistical priorities and initiatives as decided by the Commission since late 2009.

The ESP 2013-2017 covers all Eurostat's operational activities and budget (with year 2013 being the only exception as this is the last year of the ongoing Modernisation of European Enterprise and Trade Statistics Programme, MEETS). In order to make it possible that the programme adapts as much as possibly to the continuously evolving requirements as regards European statistics, detailed information on the set of specific objectives, targets and indicators will be provided for in the form of annual statistical work programmes and annual management plans.

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<sup>1</sup> COM(2009) 433 final

<sup>2</sup> [Report on the Measurement of Economic Performance and Social Progress, J.E. Stiglitz, A.Sen, J.-P. Fitoussi, 2009](#) (hereinafter referred to as *Stiglitz-Sen-Fitoussi Report*)

## **1. PROBLEM DEFINITION**

### ***1.1. Problem description***

The European Statistical System is currently faced with a number of challenges.

- (1) Firstly, the need for European statistics has been constantly increasing during the last years and it is unlikely that this tendency will change in the future.
- (2) Secondly, the nature of statistics is changing – there is a growing need for complex multi-dimensional statistics, of even higher quality and with shorter time delays than before.
- (3) Thirdly, due to the appearance of new actors on the information market providing new types of statistics, including those providing information in nearly real time, the priority for the ESS in the future is the freshness of data, in particular when it refers to the short-term economic information.
- (4) Fourthly, budget constraints both at national and European level, which have become more pertinent with the economic crisis, as well as the need to further reduce the burden on enterprises and citizens make the situation even more challenging.

All these challenges are addressed in the Communication on the production method of EU statistics as well as the joint European Statistical System strategy on its implementation, aiming at reengineering the ways of working in the ESS in order to make the ESS more efficient and flexible. Aiming at increasing efficiency of the production method of EU statistics, the new production method will, when implemented, result in major efficiency gains and will increase the ESS's capacity to satisfy new needs for statistical information, but the need to reduce response burden in a more short-term compared to the long-term implementation of the vision, emphasises the necessity of improved priority-setting and reduction of burden more than ever.

### ***1.2. Justification for EU action: Subsidiarity and added value of EU involvement***

Union statistics and the right for the Commission to propose actions have their basis in Article 338 of the Treaty on the Functioning of the European Union. The shared competence between Union and national levels is justified by the transnational character of many aspects of statistics in general and of European statistics in particular. While Member States will ensure the actual collection of the statistical information at national level, only a coordinated approach to the development, production and dissemination of European statistics as a whole will guarantee the required coherence and comparability of the statistics relevant for the activities of the Union. Furthermore, it is in the interest of policy makers at both national and EU levels that statistical activities are effectively and efficiently planned in advance, inter alia by way of a multiannual programme as foreseen in Regulation (EC) No 223/2009 on European statistics. The scale of the actions included in the programme justifies EU involvement since the objective of the proposed action, namely, the development, production and dissemination of European statistics under the ESP 2013-2017, cannot be sufficiently achieved by the Member States and is therefore better achieved at EU level on the basis of a European Union legal act. Only the Commission can coordinate the necessary harmonisation of statistical information at the European level in all statistical domains covered by this act, while, as mentioned above, the data collection itself can be carried out by the Member States.

Consequently, the European Union may adopt measures in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union (TEU).

The added value of EU action is that it allows to concentrate the statistical activities on EU policies and issues of relevance for the European Statistical System as a whole. In addition it contributes to an effective use of resources and to helping national authorities to do what they need to do but do not always have the capacity to do, for instance in terms of priority-setting, harmonisation and methodological development. Furthermore, a specific added value of the proposed action would be to make essential contributions to some priority Union activities, in particular the Europe 2020 strategy and the enhanced economic governance.

## **2. OBJECTIVES**

As far as the objectives of a multi-annual programme are concerned, there obviously is a great variety of possibilities to choose from. However, after having conducted extremely extensive consultations with all stakeholders of the European Statistical System, the following set of general, specific and operational objectives appears to offer a satisfactory reply to the highest number of stakeholder needs identified while taking into account the all the respective provisions of the legislation on European statistics in force.

The general objectives of the multiannual statistical programme are the following:

- (1) provide quality statistical information to support the development, monitoring and evaluation of the policies of the European Union properly reflecting priorities;
- (2) implement new methods of production of European statistics aiming at efficiency gains and quality improvements;
- (3) strengthen the partnership within the ESS and beyond in order to further enhance its productivity and its leading role in official statistics worldwide.

The specific objectives complementing the above general objectives cover the following areas:

- (1) Europe 2020 policy for smart, sustainable, inclusive growth
- (2) Integrated Economic governance and the surveillance cycle integrating the Stability and Growth Pact and the economic policy.
- (3) Economic globalisation and global value chains.
- (4) Economic and social performance.
- (5) Environmental accounts and climate change related statistics.
- (6) Business statistics, short term indicators, international transactions, globalisation, single market monitoring, innovation, and tourism.
- (7) People's Europe (e.g. social cohesion, poverty, demographic challenges, labour market, education and training, quality of life, safety, health and disability, free movement and single market, etc).

- (8) Geospatial and environmental statistical information, plus sectoral statistics (transport, agriculture, fisheries and forestry).

The operational objectives complementing the above general and specific objectives cover the following areas:

- (1) ESS quality management system.
- (2) Priority setting and simplification.
- (3) Multipurpose statistics and efficiency gains in production.
- (4) Dissemination and communication.
- (5) Training, innovation and research in the field of statistics.
- (6) Partnership within the ESS; co-operation with the European System of Central Banks and international organisations involved in the production of statistics; statistical advisory and assistance activities in countries outside the EU.

### **3. POLICY OPTIONS**

The Objectives summarized above could be achieved to different degrees in numerous different ways that can be summarized and grouped in three main options:

#### ***3.1. Option 1: "zero option" with no European Statistical Programme***

Without a legal framework of the European Statistical Programme, European Statistics will be collected and/or produced by different Commission services in an independent way, with their own resources, with the help of the ESS institutional providers and/or private providers.

#### ***3.2. Option 2: ESP 2013-17 will be a repetition of the CSP 2008-1012***

This option means no change in terms of statistics covered in the current Community Statistical Programme. This could be considered as the baseline scenario against which the other options can be compared.

#### ***3.3. Option 3: a new five-year European Statistical Programme is established***

A new European Statistical Programme would be proposed for adoption covering a period of five years, i.e. lasting from 2013 to 2017, which will cover the objectives listed in Chapter 2.

#### ***3.4. Other options or sub-options***

A multitude of intermediate options could be identified between Option 1 and 3 (and/or as sub-options under Option 3) by defining different combinations of subsets of European Statistics that would be included in the multi-annual programme. These multitude sub-options have not been included in this document for the following reasons:

- An extensive consultation as regards which statistical domains should be included or not included in the ESP has already been carried out in a with all the main stakeholders (see § 1.5).

- One of the main shortcomings of the current multi-annual programme is that it attempted to define with too many details the actions to be undertaken. The goal of Option 3 is to define a multi-annual programme which is sufficiently flexible for allowing for a quick response to changing policy needs. In fact, the ESP is a framework programme that will be implemented through annual work programmes which are prepared according to a procedure that involves dialogues with producers and users of statistics, plus policy makers, in order to define each year the priority areas.

#### **4. ANALYSIS OF IMPACTS**

The ESP 2013-2017 is not among the Commission initiatives which have been identified as having far-reaching economic, social and environmental impacts and it is therefore not included in the Commission Work Programme.

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

The "impact of statistics" is linked to the fact that it is an infrastructure serving many purposes in modern information societies. The social, economic and environmental impact of statistics or a statistical legislative proposal is not measurable since the role of European statistics is a basic precondition for evidence-based decision-making. How important high-quality statistical figures are, has become more than evident throughout the last years, whenever a lack of solidity has led to costly wrong decisions, to misallocations of money or even to major disruptions of the political system. The Greek crisis is an example of the potential impact of bad statistics. The design and the evaluation of European policies are significantly depending on good statistics. Statistical information helps political decision-makers assess (ex-ante) the expected impact of and measure (ex-post) the actual impact of EU policies. Statistics are needed to help drive the outcomes that policies are aiming at and measure progress towards these outcomes. Statistics must continue to be fit for purpose in underpinning decision-making for those critical policies which are most relevant to European citizens and where wrong decisions would have a very high cost for Europe.

For most statistical legislative proposals, the formal requirements for Impact Assessments as concerns analysis of impact are not applicable as the impact of statistical programming is on Commission policies. However, the production of European statistics has an impact in terms of administrative burden on national institutions and response burden of enterprises and citizens.

In the current approach, the reduction of burden on businesses followed the organisation of the data collection system meaning that the reduction measures were introduced separately for a number of European legal acts which currently govern the collection of statistical information on Member States' economic activity of the business sector. Considering the efforts made so far, this stovepipe approach has a limited potential for costs and burden reduction in the future. Further reduction of the burden on businesses, mainly SMEs, can only be achieved in the future through a new, integrated approach stemming from the implementation of Communication 404. This approach is only possible by implementing Option 3.

Numerous initiatives included in the programme can foster the reduction of administrative costs and burdens for the public authorities and businesses. This objective can best be achieved through long term projects, deriving mostly from the implementation of the Communication on the production method of EU statistics. Aiming at increasing efficiency of the production method of EU statistics, when implemented, the Communication will result in efficiency savings and will lighten the process of satisfying the new needs for statistical information. Further projects, which now fall into the scope of the MEETS programme, will be integrated into the European Statistical Programme after 2013."

In order to ensure that tangible results as regards the reduction of burden are achieved also in the short term and to help free up the necessary resources for new and strategic needs, Eurostat has put in place a strategy-driven priority-setting mechanism. It is composed of two elements: review of priorities and the introduction of sunset clauses in new legal acts. The review of priorities involves an annual review on existing statistical requirements. Every year, when preparing the Annual Statistical Work Programme of the following year, Eurostat will screen existing requirements for statistics, examine the possibility of stopping data collection in certain areas with higher impact in terms of cost and burden reduction and make initial proposals for repealing an existing legal act requiring statistical data collections; stopping a voluntary statistical data collection based on gentlemen's agreement; and areas under review for simplification. These proposals will be thoroughly discussed with the producers and users of statistics in order to come up with a list agreed by all stakeholders which is subsequently incorporated in the Annual Work Programme of Eurostat which is adopted by the Commission. The second element of priority-setting mechanism is the introduction of the concept of "sunset clauses" in new legal acts. This measure implies that expiration/validations dates for carrying out data collections will be included in new legal acts to be prepared in the future. This means that once the expiration date is approaching, a thorough discussion will be initiated in order to understand the need to continue the data collection and that data collection is not going to be carried out without a clear and justified need.

## **5. COMPARING THE OPTIONS**

### ***5.1. Option 1: "zero option" with no European Statistical Programme***

Having no five-year statistical programme at European level would implicate the lack of long-term planning which is an inherent prerequisite of the development, production and dissemination of statistical information.

This option would not ensure at all the achievement of the Objectives defined in Section 3. No legal framework for the production of European statistics would then exist and no operational budget would be provided. The users of statistics (Commission Directorates-General, the ECB, etc.) would have to produce or look for statistics themselves, in an uncoordinated and inefficient way and there would not be a commonly agreed assurance of quality of European statistics. The uncoordinated demand of statistics by the different users would also contribute to an increase in the response burden of individuals, households, enterprises and ESS institutional providers of statistics.

### ***5.2. Option 2: ESP 2013-17 will be a repetition of the CSP 2008-1012***

This option would not ensure the achievement of the objectives defined in Section 3 only to a limited extent and would correspond to partially outdated policy priorities. The statistics

provided would correspond to policy needs of the period 2008-2012 and would not take into account new developments and needs for priority policies of the European Union such as the Europe 2020 strategy for smart, sustainable and inclusive growth and other policies addressed in the Commission's strategic priorities for 2010-2014. The costs of inadequate statistics would be considerable. In addition, these statistics would be produced according to the stovepipe model<sup>3</sup>, i.e. without taking advantage of new method of production of European statistics aiming at efficiency gains and quality improvements.

### **5.3. *Option 3: a new five-year European Statistical Programme is established***

With this option European statistics will better correspond to users' needs. There will be an agreed assurance of quality and the production of statistics will be more cost-effective as a result of the new method of production.

The objectives defined for the ESP 2013-2017 will be in line with the Commission's strategic priorities and will address the challenges that the European System are faced with in the coming years.

All comments received from stakeholders on the draft ESP have been carefully analysed by Eurostat and taken into account when preparing a revised version of the ESP 2013-2017 for the Inter-Service Consultation.

The ESP reflects the commitment to the strategy-driven priority-setting approach established by Eurostat and presented to the ESSC in 2010. Following this approach, the exercise on negative priorities is an integrated part of the preparation of the annual statistical work programmes and will therefore be carried out for the period of the ESP. In order to serve as a general and flexible planning instrument allowing for new developments to be taken into account, the ESP provides the general framework for the development, production and dissemination of European statistics by fixing the main fields and objectives of actions envisaged for the next five years. These objectives are subject to more detailed definition and planning in the annual statistical work programmes. In this way, a clear link is established between the ESP and the annual statistical work programmes.

### **5.4. *The preferred option***

Option 3 of a new five-year ESP 2013-2017 seems to be the best option given the fact that this is the only option that would ensure the achievement of all the objectives defined, i.e. (i) providing quality statistics that correspond to users' needs in term of coverage, timeliness, comparability and reliability; (ii) producing statistical information in a cost-effective way; and (iii) reduction of the response and administrative burden of respondents. Consequently, this is the only out of the 3 options that is able to offer a satisfactory response to all four challenges identified under Section 2.1.

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<sup>3</sup> In the stovepipe model statistics are traditionally produced in numerous parallel processes, country by country (in some cases even region by region) and domain per domain. In such a model every single product stovepipe corresponds to a specific domain of statistics together with the corresponding production system. For each domain, the whole production process from survey design over data collection and processing to dissemination takes place independently of other domains, and each domain has its own data suppliers and user groups. The stovepipe model is also reflected in the way statistical domains are regulated at the European level.

Key: ++ = very positive impact; + = positive impact; 0 = no or neutral impact; - = negative impact; -- = very negative impact

Options	Effectiveness in relation to the objectives	Efficiency in achieving the objectives	Coherence with overarching EU objectives, strategies and priorities	Quality of statistics	Impact on budget
Option 1	-	--	--	--	-
Option 2	--	-	+	-	0
Option 3	++	+	++	++	+

## 6. MONITORING AND EVALUATION

The ESP 2013-2017 is a framework programme that will be implemented through Annual Statistical Work Programmes and Management Plans. Monitoring the progress will be done as part of the annual SPP cycle and two reports will be produced every year on the progress of achievement of the objectives in the annual and multi-annual programme.

More specifically, (1) the number of values added in to the Eurostat dissemination databases (by statistical domain), (2) the proportion of users rating the overall quality of European statistics as "very good" or "good" and (3) the number of downloads of different publications from Eurostat's website will be monitored and reported on throughout the implementation period of the programme.

The implementation of Communication on the new production method will also be subject to specific monitoring. A first report on progress made in the preparatory phase was presented to the ESSC in May 2011 and will be submitted to the ECOFIN Council in November 2011.

As far as the budgetary and financial execution is concerned, the programme will be implemented in conformity with the Financial Regulation. Eurostat has defined a control strategy 2013-2017 accompanying the implementation of the programme. Reducing complexity (for example, grants awarded for the implementation of the objectives of the programme may take the form of lump sums) and cost-effective monitoring procedures, risk based reinforced ex-ante and ex-post controls will aim to reduce the likelihood/prevent fraud.

It is foreseen that, in line with the Regulation on European statistics, an interim progress report will be prepared and, after consulting the ESS Committee, submitted to the European Parliament and the Council no later than June 2015.

At the end of the period covered by the programme, the ESP will be subject to an ex-post evaluation. The ESS Committee will be consulted on the evaluation report which will be completed by end of 2018 and subsequently submitted to the European Parliament and the Council.