



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 27 May 2005

9461/05

**ECOFIN 166
UEM 125
STATIS 51**

COVER NOTE

from: Secretary-General of the European Commission,
signed by Ms Patricia BUGNOT, Director

date of receipt: 26 May 2005

to: Mr Javier SOLANA, Secretary-General/High Representative

Subject: - Communication from the Commission to the European Parliament and to
the Council on the independence, integrity and accountability of the national
and Community statistical authorities

- Recommendation of the Commission on the independence, integrity and
accountability of the national and Community statistical authorities

Delegations will find attached Commission document COM(2005) 217 final.

Encl.: COM(2005) 217 final



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 25.5.2005
COM(2005) 217 final

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

**on the independence, integrity and accountability of the national and Community
statistical authorities**

RECOMMENDATION OF THE COMMISSION

**on the independence, integrity and accountability of the national and Community
statistical authorities**

COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND TO THE COUNCIL

on the independence, integrity and accountability of the national and Community statistical authorities

1. INTRODUCTION

On 22 December 2004, the Commission adopted a Communication to the Council and the European Parliament entitled 'Towards a European Governance Strategy for Fiscal Statistics'. In that Communication, a consistent strategy was proposed for strengthening the European Union's governance of fiscal statistics along the following three lines of action: building up the legislative framework, improving the operational capacities of the relevant Commission services, and establishing European standards on the independence of the national and Community statistical authorities. On 17 February 2005, the Council (ECOFIN meeting) welcomed this overall strategy and, in particular, the work that was already in progress on a code for European standards for the statistical authorities.

In order to implement this strategy, the Commission presented a proposal for a Council Regulation amending Regulation (EC) No 3605/93 as regards the quality of statistical data in the context of the excessive deficit procedure¹. This proposal was adopted by the Commission on 2 March 2005 and is currently under examination by the legislative authority. The proposal reinforces and clarifies the role of Eurostat as the statistical authority in the context of the statistics related to the excessive deficit procedure. The practical modalities for the implementation of the Regulation, and in particular for the conduct of the envisaged in-depth monitoring visits, will be specified once the Regulation is approved.

Regarding the reinforcement of the operational capacity of the Commission services, and in addition to an increased mobilisation of the existing expertise as provided for in the proposal for a Regulation, the Commission has already taken a number of measures. For instance, a new unit specifically dealing with the validation of economic and fiscal accounts has been created in Eurostat. Furthermore, Eurostat has conducted an internal redeployment of staff in order to reinforce the activities linked to the validation of economic and fiscal accounts.

This Communication on the independence, integrity and accountability of the national and Community statistical authorities, including the accompanying Recommendation of the Commission, corresponds to the third action line of the strategy announced by the Commission. It constitutes the response to the invitation sent on 2 June 2004 to the Commission by the Council to put forward a proposal, by June 2005, to develop minimum European standards, and also to the Council's invitation of 17 February 2005 to enhance the independence of Eurostat in the performance of its tasks. Indeed, both aspects reflect the selfsame issue of the production of statistics for Community policy purposes.

As a whole, the European Statistical System operates efficiently and in a satisfactory manner, and satisfies to a great extent the requirements of independence, integrity and accountability.

¹ COM(2005) 71.

The massive quantity and variety of statistics produced and disseminated by the national and the Community statistical authorities within that System, covering statistics well beyond the fiscal field, complies with strict requirements on quality and reliability.

The Code of Practice on European Statistics, presented in this Communication, as a self-regulatory instrument containing standards for the independence of the national and Community statistical authorities provides a further guarantee for the good functioning of the European Statistical System and the production of high quality and reliable statistics. The Communication also presents proposals related to the monitoring of the implementation of the Code and considerations about the usefulness of an effective external advisory body for the European Statistical System. It also considers the need for setting statistical priorities, in particular with the objective of reducing the regulatory burden on statistical respondents and outlines a number of guiding principles for a rebalancing of these priorities. Finally, it includes a Recommendation aimed at promoting the Code, both in the Member States and inside the Commission, through its political endorsement.

2. INDEPENDENCE, INTEGRITY AND ACCOUNTABILITY OF THE NATIONAL AND COMMUNITY STATISTICAL AUTHORITIES

2.1. Background and purpose of the Code of Practice

The Code is a self-regulatory instrument, as it was prepared and endorsed by the principal producers of European statistics, namely the national statistical institutes. In fact, an initial outline of principles was discussed on 17 November 2004 with the Member States in the Statistical Programme Committee (SPC). Subsequently, a working group was entrusted by the SPC with the task of finalising a proposal for a Code, which was unanimously endorsed by the SPC on 24 February 2005, thus expressing its attachment to the Code as a self-regulatory instrument.

The Code of Practice consists of 15 principles to be applied in connection with the production of Community statistics. It has a dual purpose: on the one hand, to improve trust and confidence in the statistical authorities by proposing certain institutional and organisational arrangements and, on the other hand, to reinforce the quality of the statistics they produce and disseminate, by promoting the coherent application of best international statistical principles, methods and practices by all producers of official statistics in Europe.

The Code represents, in its substance, the response to the invitation of 2 June 2004 from the Council and, in certain respects, exceeds the required minimum standards. Member States should therefore be invited to acknowledge the importance of the Code of Practice and to take the measures required to ensure its correct implementation by the relevant authorities concerned, as well as to promote it among users and data providers. The Commission likewise intends to make sure that these principles are respected as far as Eurostat is concerned. Lastly, this paper proposes measures aimed at monitoring and reviewing the implementation of the standards of the Code.

2.2. The scope of the Code

The Code deals primarily with the production of official statistics within the European Statistical System (ESS). The ESS refers to the existing partnership comprising Eurostat, the national statistical institutes and other national statistical bodies responsible in each Member

State for producing and disseminating statistics necessary for the performance of the activities of the European Union. The statistics covered by the Code are those referred to in the Council Regulation on Community Statistics², i.e. statistics produced and disseminated by national statistical authorities and the Community statistical authority (Eurostat) in conformity with Article 285(2) of the EC Treaty. It is important to underline that the Code covers the whole spectrum of statistics produced at Community level, going far beyond the sphere of economic and fiscal statistics.

However, it should also be borne in mind that a number of other institutions and bodies outside the ESS provide official statistics at European level. For instance, the European System of Central Banks (ESCB) produces a wide range of European statistics in the economic and monetary field. The European Central Bank (ECB), assisted by the national central banks, collects either from the competent national authorities or directly from economic agents the statistical information which is necessary for the tasks of the ESCB. The collection of statistical information by the ECB is governed by a specific Council Regulation³.

Although the standards contained in the Code are meant to be a source of inspiration for all institutions and bodies producing official statistics, whether or not they belong to the ESS, they do not affect the existing rules that relate to these institutions or bodies. Although the Code's title covers the wide range of "European statistics" as being those defined as Community statistics in the current legal framework, at the same time it signals the ambition to move towards Europe-wide standards.

2.3. The principles laid down by the Code

The document is structured around 15 principles. These principles mirror to a large extent the existing international standards, such as the Fundamental Principles of Official Statistics adopted by the United Nations Statistical Commission, in its Special Session of 11-15 April 1994.

The principles are grouped in three sections addressing respectively the institutional environment, the statistical processes and outputs. A mechanism of peer reviews based on indicators has also been included.

2.3.1. The principle of independence

In the statistical sector, independence has first and foremost an operational dimension. That means it essentially governs the way statistical authorities function or operate for the production and dissemination of statistics.

The principle of *scientific* independence is enshrined in the Treaty (Article 285(2)) and refers to objectivity in the statistical production process. Article 10 of Council Regulation (EC) No 322/97 specifies that "*impartiality is an objective and independent manner of producing Community statistics, free from any pressure from political or other interest groups, particularly as regards the selection of techniques, definitions and methodologies best suited to the attainment of the objectives as set out (...)*".

² Council Regulation (EC) No 322/97 of 17 February 1997 on Community statistics (OJ L 52, 22.2.1997, p. 1).

³ Council Regulation (EC) No 2533/98 of 23 November 1998 concerning the collection of statistical information by the European Central Bank (OJ L 318, 27.11.1998, p. 8).

The Code takes the principle of independence further by introducing the concept of *professional* independence, which refers specifically also to dissemination and availability of statistics. The Code establishes the principle of professional independence in the following terms: "*the 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*". Indicators to monitor the application of this principle, which is also applicable to Eurostat, include (i) the specification in law of the elements of independence, (ii) the status and the functional responsibilities of the heads of statistical authorities, including the decisions on statistical methods, standards and procedures (iii) the decisions on the content and timing of statistical releases and (iv) the publication of statistical work programmes.

The existing legislation satisfies the scientific independence requirement, i.e. the functional requirements for the production of high-quality statistics. The introduction of additional considerations on professional independence by the Code further reinforces the overall independence whilst respecting the different and sometimes diverging legal and administrative arrangements in the Member States, as an expression of their respective political and cultural traditions. Through the enhancement of this independence, it is expected that trust and public confidence in official statistics will increase.

2.3.2. The issues of integrity and accountability

The issues of integrity and accountability are fundamentally of a horizontal nature. They do not constitute specific statistical principles, explicitly recognised in the Code; however, integrity is supported by such underlying concepts as legality, legitimacy, justification and equity. Integrity and accountability of both national and Community statistical authorities are reinforced by the surveillance mechanisms provided for in the Code, which result in increased transparency.

The Code includes monitoring indicators for every single principle. These indicators cover, for example, the exclusive responsibility of the heads of statistical bodies for the production and methodology of statistics (under professional independence - see Principle 1). The use of external experts to review the key statistical outputs (under Principle 4), the user satisfaction surveys (under Principle 11) and the requirement to take due account of the users' needs (under Principle 13) are additional elements of integrity and accountability. Moreover, integrity and accountability are also strengthened through peer reviews, which are envisaged as part of the monitoring arrangements.

2.4. Implementing the Code and monitoring its implementation

The Commission has adopted a Recommendation in order to increase the impact of the self-regulatory character of the Code. To balance such an endorsement with the requirement of accountability, the Commission will monitor adherence to the Code within the ESS. The Commission will set up a reporting system based on information to be provided by the Member States. To this end the Commission will co-ordinate the development of appropriate instruments, benchmarking and peer reviews based on indicators, while ensuring that the proportionality principle is respected.

The monitoring of the Code's implementation shall follow a gradual approach over three years. During the first year of implementation, initial self-assessment reports will be produced by both the Member States and Eurostat. These reports will be transmitted to the SPC.

Furthermore, Member States will be encouraged to develop some methods and best practices, which will be taken into account during the ensuing stages. During the second year of implementation, interim self-assessment reports will be prepared in a more structured format, following more specific guidelines established by Eurostat and the SPC on the basis of the experience gained during the first year. Lastly, final self-assessment reports will have to be presented by the Member States and Eurostat during the third year of implementation of the Code. These reports will follow a common format and will be complemented by peer review assessments carried out with the assistance of a Task Force composed of representatives of NSIs and possibly by an external advisory body (see point 2.5 below). Finally, they will be transmitted to the SPC and possibly this external advisory body and made public. The reports transmitted by the statistical authorities should be produced under the responsibility of the Head of the statistical authority.

Taking into account the outcome of the combined self-assessment and peer review process, the Commission will report on the implementation of the Code by the Member States and by Eurostat respectively. Three years after the adoption of this Recommendation and after consulting the SPC and possibly the external advisory body (see point 2.5 below), it will present a report to the European Parliament and the Council on the progress of the implementation and, where necessary, include appropriate proposals.

2.5. The need for an active role by an external advisory body to enhance independence, integrity and accountability of the European Statistical System

In view of reinforcing the governance of the European Statistical System, in line with the principles set in the Code of Practice and the elements contained in this Communication, an external advisory body would be useful. Such body could enhance the credibility of the efforts undertaken to strengthen the independence, integrity and accountability of the national institutes, Eurostat and the ESS, for the accomplishment of their mission and as far as Community statistics are concerned, as called for by the ECOFIN Council.

In particular, such body could provide the Commission with useful input in carrying out the mandate assigned to it by the Treaty, namely the monitoring of the observance of the fundamental statistical principles as laid down in Article 285(2) of the EC Treaty, and restated by the Code of Practice. Accordingly, this body could be entrusted with an active role to oversee how the Code is implemented by the ESS as a whole, as well to provide advise on statistical priorities consistent with the principles presented in point 2.6 below.

This external advisory body should be composed of high-level personalities. The total number of members should be limited to a level that ensures an operational and effective body. One group of members would be appointed by the Council, from among persons having a well-established qualification or interest in the field of statistics and representing civil society (*e.g.* scientific community, business associations, unions, etc.), with account being taken of the need to ensure adequate coverage of the various statistical domains. Other members would be drawn from EU institutions and bodies (European Parliament, Council, Commission, European Central Bank, Statistical Programme Committee) and be directly appointed by them. The chairman will have to be an eminent, highly regarded person.

At present there is a Committee, the European Advisory Committee on statistical information in the economic and social spheres (CEIES)⁴, which at least partly fulfils this role⁵. Such Committee, which assists both the Council and the Commission, was set up in 1991 to voice the interests of the users, thus ensuring that user requirements and the costs borne by the information producers are taken into account. While this body has proven useful, its role, mandate, compositions and procedures could be revisited⁶, in order to contribute optimally to the objectives of the European Statistical System.

A reformed CEIES could play the role envisaged for external advisory body. In that case, its current assignments and responsibilities including giving its opinion on the statistical work programmes, would be extended. The Commission is ready to consider proposing a reform of the CEIES along these lines.

2.6. Principles for a rebalancing of statistical priorities

Producing statistics of high quality and reliability requires to balance data requirements with the resources made available to the statistical authorities and the burden on the respondents. Principle 9 of the Code provides that statistical authorities should set targets for the reduction of the burden on respondents over time. A number of indicators are specified in order to ensure that the reporting burden is not excessive for respondents. This includes in particular the use of best estimates and approximations, access to administrative sources or data sharing within statistical authorities.

Freeing up capacities would then allow statistical authorities to concentrate all their efforts on statistical activities clearly identified as a priority. Indeed, the ECOFIN Council concluded in February 2005 that “national statistical offices’ capacity to meet high statistical standards depends crucially on the ability to prioritise the burden from EU statistical requirements on authorities. Priority setting in this respect would also need to be conducive to a reduced regulatory burden on respondents. Therefore, and in line with the ECOFIN Council conclusions of 2 June 2004, ministers are looking forward to discussing in June 2005 proposals by the Economic and Financial Committee on the rebalancing of statistical priorities”.

Priority setting may also lead to simplified legislation. In that respect, it has to be recalled that, on the basis of suggestions from the Member States to identify EU legislation that might benefit from simplification, the Council (Competitiveness meeting) identified in November 2004, 15 priorities for simplification.

⁴ Council Decision 91/116/EEC of 25 February 1991 setting up the European Advisory Committee on statistical information in the economic and social spheres (OJ L 59, 6.3.1991, p. 21).

⁵ There exists also another body, the Statistical Programme Committee (composed of the Directors-General of the statistical institutes of the Member States), which assists the Commission in the general coordination of the multi-annual statistical programmes and is consulted extensively by the Commission on a wide range of issues (Council Decision 89/382/EEC, Euratom of 19 June 1989, establishing a Committee on the Statistical Programmes of the European Communities - OJ L 181, 28.6.1989, p. 47).

⁶ There is anyway a need to reform the CEIES, arising from a number of factors, including the enlargement of the European Union (applying the existing rules would make the CEIES “non-operational”), recent developments related to the functioning of the ESS, more effective involvement of all the stakeholders, the need for an increased efficiency.

At the same time, the setting of statistical priorities should not prevent the European Commission to propose statistical measures necessary for the performance of any of the activities of the Community, as foreseen by the Treaty. In this context, the Commission considers that some general principles can be followed for the precise identification of 'positive' and 'negative' priorities in defining the statistical programmes.

The first category of principles would relate to users' needs. The benefits of European statistics are to be mainly derived from their relevance for policy-making at the European level. Purely national needs cannot be a reason to continue with statistics at Community level.

The second category of principles would relate to cost assessment. The question of the cost of statistical activities is a very complex one, and proposals need to be examined with the greatest care. In most cases the burden of implementation will fall on the Member States.

The third category would cover specific issues. The re-balancing process should take into account the trade-off between timeliness and quality: high-frequency data should cover the main breakdowns, while more details would be provided at a lower frequency. The prioritisation process could also investigate whether efficiency gains are possible by focusing more strongly on the European aggregates or, for data considered of lower priority and not pertaining to fiscal surveillance, by differentiating, as far as reporting obligations are concerned, between Member States with high and low weights in the aggregate.

3. THE RECOMMENDATION

3.1. Why a Recommendation?

In the December 2004 Communication on a European Governance Strategy for Fiscal Statistics, it was announced that various possible legal instruments would be examined when addressing the issue of minimum standards for the institutional set-up of statistical authorities. From that examination, which also revealed a wide variety of institutional set-ups of the statistical authorities in the Member States, it appears that proposing a legally-binding instrument would not be appropriate for the moment. Therefore, and in the light of the achievements of the statistical authorities in adopting a Code as a self-regulatory instrument, the Commission considers that adopting a Recommendation is the appropriate and proportionate instrument at this point in time.

However, this does not exclude the possibility of other instruments being envisaged in the future. On the basis of what is achieved and the experience that is acquired through the implementation of the Code, the Commission may consider a proposal for a legally binding instrument, for instance in the form of a directive, at a later stage.

3.2. Purpose of the Recommendation

The Recommendation has a dual purpose. On the one hand, the aim is to recommend to Member States that they acknowledge the importance of the Code and take the measures required to ensure that it is correctly implemented by the relevant authorities, as well as to promote it among users and data providers. On the other hand, the Commission will take appropriate actions, in particular to monitor observance of the Code within the European Statistical System.

Additionally, the Commission intends to take similar measures within its own sphere of competence and to enhance the independence of Eurostat in the performance of its tasks by ensuring that, as the Community's statistical authority, it likewise adheres to the standards contained in the Code. The independence of Eurostat in the fulfilment of its mission is already formally established. A Commission Decision of 21 April 1997 on the role of Eurostat as regards the production of Community statistics⁷ was aimed at implementing the above-mentioned Council Regulation (EC) No 322/97 (the so-called 'Statistical Law') within the internal organization of the Commission. That Decision defines the role and the responsibilities of Eurostat, as the Community statistical authority, and in particular the technical autonomy enjoyed by Eurostat in the performance of its tasks. According to the same text, Eurostat fulfils a coordinating role within the Commission for the production of statistics. A further positive indication of Eurostat's functional independence, which is enshrined in legislation, is the fact that Eurostat officials enjoy a privileged status compared to other Commission officials in that they alone can access confidential statistical data⁸. The implementation of the Code by Eurostat and the measures the Commission may take to facilitate and monitor this implementation will certainly contribute to reassert and further enhance the independence of the Community statistical authority.

The objective of this Recommendation is therefore to promote the standards contained in that Code and to recommend to take appropriate actions with a view to ensuring effective implementation of these standards by both the national and the Community statistical authorities.

Furthermore, the Commission intends this Recommendation to be followed by supporting measures to facilitate the implementation of the Code. These measures will include, where necessary, detailed protocols or guidelines and a broader consultation of stakeholders. These activities will also further improve the quality of statistics at European level, while taking into account cost-effectiveness considerations as well as the burden on respondents. To this end initial findings will be gathered in the framework of the Principal European Economic Indicators (PEEI). Lastly, the Commission takes note that the users to whom the Code is addressed need to be able to recognise statistical information that is produced in accordance to the principles of this Code. The Commission will therefore launch appropriate measures which will allow the identification of official European statistics, thus improving transparency and quality of data dissemination.

CONCLUSION

The Recommendation and the attached Code focus on Europe-wide standards with the objective of reinforcing the independence, integrity and accountability of the statistical authorities. They represent the response to the invitation addressed by the Council to the Commission to make proposals in this area. The Recommendation constitutes a further step in the continuing process of enhancing statistical governance in Europe.

⁷ OJ L 112, 29.4.1997, p. 56.

⁸ Council Regulation (Euratom, EEC) No 1588/90 of 11 June 1990 on the transmission of data subject to statistical confidentiality to the Statistical Office of the European Communities (OJ L 151, 15.6.1990, p. 1).

RECOMMENDATION OF THE COMMISSION

on the independence, integrity and accountability of the national and Community statistical authorities

(Text with EEA relevance)

THE COMMISSION OF THE EUROPEAN COMMUNITIES

Having regard to the Treaty establishing the European Community, and in particular Article 211 thereof,

Whereas:

- (1) Official statistics play a central role in democratic societies as they provide public authorities, policy makers, economic and social actors as well as all citizens, with objective and impartial information, on the basis of which informed decisions may be taken and issues openly debated.
- (2) In order to fulfil that role, official statistics must be produced and disseminated according to common standards guaranteeing compliance with the principles of impartiality, reliability, objectivity, scientific independence, cost-effectiveness and statistical confidentiality;
- (3) At the same time the role of European statistics is becoming increasingly important in the context of a relaunched Lisbon strategy⁹ and the Integrated Guidelines for Growth and Jobs (2005-2008)¹⁰; high-quality statistics are also needed in order to monitor and review the implementation of other key policy initiatives at European level such as the sustainable development strategy, the common immigration and asylum policy, etc.
- (4) In that context, the specific role of fiscal data and government accounts is even more essential for economic and monetary surveillance and the proper implementation of the Stability and Growth Pact; in particular, statistical data used in the framework of the excessive deficit procedure are to be of the highest quality possible.
- (5) On 22 December 2004, the Commission adopted a Communication to the Council and the European Parliament entitled 'Towards a European governance strategy for fiscal statistics'¹¹, proposing a consistent strategy for strengthening the European Union's governance of fiscal statistics along three lines of action.
- (6) First, and following the invitation made by the Council, monitoring by the Commission of the quality of reported fiscal data has to be reinforced; to that effect, a

⁹ COM(2005) 24, 2.2.2005 : Working together for growth and jobs – A new start for the Lisbon strategy.

¹⁰ COM(2005) 141, 12.4.2005: Integrated Guidelines for Growth and Jobs (2005-2008) including a Commission Recommendation on the broad guidelines for the economic policies of the Member States and the Community and a Proposal for a Council Decision on guidelines for the employment policies of the Member States.

¹¹ COM(2004) 832.

proposal for a Council Regulation amending Regulation (EC) No 3605/93 as regards the quality of statistical data in the context of the excessive deficit procedure¹² was adopted by the Commission on 2 March 2005 and is currently under discussion.

- (7) Second, the operational capacities of the Commission in the statistical field have to be strengthened ; in the specific context of statistical monitoring under the excessive deficit procedure, regular dialogue visits and in-depth monitoring visits are required and all existing expertise has to be mobilised, including at national level.
- (8) Third, there is a need to establish Europe-wide standards as regards the independence, integrity and accountability of the national statistical institutes in response to the invitation addressed to the Commission by the Council on 2 June 2004 to present by June 2005 a proposal to develop minimum European standards for the institutional set-up of statistical authorities, which reinforce the independence, integrity and accountability of the Member States' national statistical institutes.
- (9) In response to this invitation, on 17 November 2004 the Member States discussed in the Statistical Programme Committee the basic principles to be developed in a Code of Practice, and agreed to study the principles further and to establish indicators allowing the implementation of the Code to be monitored.
- (10) A working group was subsequently entrusted by the Statistical Programme Committee with the task of finalising a proposal for a code of practice on European statistics.
- (11) The resulting Code of Practice was unanimously endorsed by the Statistical Programme Committee on 24 February 2005, thus demonstrating that the principles it contains are shared by all the statistical institutes, which should then be invited to follow the Code as a guiding instrument.
- (12) The existing institutional set-up of the statistical authorities varies significantly across Member States, owing to the different and sometimes diverging legal and administrative arrangements in the Member States, which reflect their respective political and cultural traditions.
- (13) In the light of the achievements made by the statistical authorities through the adoption of the Code as a self-regulatory instrument and the expectation that they will implement it, it is considered that this Recommendation is appropriate and proportionate.
- (14) This Code of Practice has the dual purpose of, on the one hand, improving trust and confidence in statistical authorities by proposing certain institutional and organisational arrangements and, on the other hand, reinforcing the quality of the statistics they produce and disseminate, by promoting the coherent application of best international statistical principles, methods and practices by all producers of official statistics in Europe.
- (15) Member States should therefore be recommended to recognise the importance of the Code of Practice and take the measures required to ensure its correct implementation

¹² OJ C , p. .

by the relevant authorities concerned, as well as to promote it among users and data providers.

- (16) It has to be noted that the Commission intends to take similar measures in parallel within its own sphere of competence and in particular to monitor observance of the Code of Practice, within the European Statistical System,

I. HEREBY RECOMMENDS THAT MEMBER STATES:

A. recognise in the attached Code a common set of standards at European level for the statistical authorities;

B. ensure that the principles of the Code are respected by their statistical authorities with a view to producing and disseminating high- quality, harmonised Community statistics and to contributing in general to the proper functioning of the European statistical system as a whole;

C. ensure that their statistical services are professionally organised and resourced to produce Community statistics in a manner that guarantees independence, integrity and accountability, on the basis of the guidelines provided by the Code;

D. raise awareness of the existence of this Code and its contents among statistical respondents and data providers, as well as all users of statistics, using appropriate information and dissemination channels;

E. promote an extensive exchange of information and expertise within the European statistical system, based on the experience gained through the implementation of the Code;

F. support, and intensify where necessary, the wide-ranging co-operation between statistical authorities within the European Statistical System, as well as with statistical authorities of international bodies and organisations;

G. provide the information necessary to enable the Commission to monitor adherence to the principles laid down in the Code.

II. RECOGNISES IN THE ATTACHED CODE A COMMON SET OF STANDARDS AT EUROPEAN LEVEL FOR THE STATISTICAL AUTHORITIES AND IN THIS CONTEXT:

A. will ensure that the principles of the Code are respected by Eurostat with a view to producing and disseminating high-quality, harmonised Community statistics and to contributing in general to the proper functioning of the European statistical system as a whole;

B. will ensure that Eurostat, as the statistical authority of the European Union, is professionally organised and resourced to produce Community statistics in a manner that guarantees independence, integrity and accountability, and will take the appropriate measures accordingly, on the basis of its own internal organisation powers;

C. will take appropriate measures to facilitate the implementation of the Code in the European Statistical System, in particular towards developing official Community statistics so that information produced in observance of this Code can be recognised by the users.

III. FURTHERMORE INTENDS:

A. to develop tools for improving at European level the quality of Community statistics, taking into account their cost-effectiveness;

B. to set up a reporting system to monitor adherence to the Code within the European Statistical System in line with the proportionality principle;

C. to consider proposing an external advisory body, possibly a reformed European Advisory Committee on Statistical Information in the Economic and Social Spheres, with a view to conferring on that body an active role in monitoring the implementation of the Code and, consequently, the enhancement of independence, integrity and accountability, and in expressing opinions on the balancing of the priorities of the statistical programmes;

D. to present to the European Parliament and to the Council, within three years of the adoption of this Recommendation and after consultation of the Statistical Programme Committee and possibly of the external advisory body mentioned above, a report on progress in the implementation of this Code in the European Statistical System, based in particular on self-assessments and peer reviews and including, where necessary, proposals to enhance independence, integrity and accountability.

Done at Brussels,

For the Commission

The President

EUROPEAN STATISTICS CODE OF PRACTICE

adopted by the Statistical Programme Committee on 24 February 2005

Preamble

Definitions: For the purpose of this document:

European Statistics shall mean Community Statistics as defined in Council regulation (EC) No 322/97 of 17 February 1997 on Community Statistics, produced and disseminated by national statistical authorities and the Community's statistical authority (Eurostat) in conformity with Article 285(2) of the Treaty.

The *Statistical Authority* shall mean, at national level, the National Statistical Institute (NSI) and other statistical bodies in charge of producing and disseminating European Statistics and, at Community level, Eurostat.

The *European Statistical System*, hereinafter referred to as the ESS, shall mean the partnership comprising Eurostat, National Statistical Institutes and other national statistical bodies responsible in each Member State for producing and disseminating European Statistics.

In coherence with the Treaty establishing the European Community, and in particular Article 285(2) thereof, with the Council regulation (EC) No 322/97 of 17 February 1997 on Community Statistics, and with the Fundamental Principles of Official Statistics adopted by the United Nations Statistical Commission on 14 April 1994, the present Code of Practice has the dual purpose of:

- Improving trust and confidence in the independence, integrity and accountability of both National Statistical Authorities and Eurostat, and in the credibility and quality of the statistics they produce and disseminate (*i.e. an external focus*);
- Promoting the application of best international statistical principles, methods and practices by all producers of European Statistics to enhance their quality (*i.e. an internal focus*).

The Code is addressed for implementation to:

- *Governance authorities* (*i.e.* Governments, Ministries, Commission, Council) - to provide guidelines for them to ensure that their statistical services are professionally organised and resourced to produce credible European Statistics in a manner that guarantees independence, integrity and accountability;

- *Statistical authorities and their staff* - to provide a benchmark of statistical principles, values and best practices that should help them in producing and disseminating high quality, harmonised European Statistics.

It is addressed for information to:

- *Users* - to show that European and national statistical authorities are impartial and that the statistics they produce and disseminate are trustworthy, objective and reliable;
- *Data providers* - to show that the confidentiality of the information they provide is protected, and that excessive demands will not be placed on them.

The Code of Practice is based on 15 *Principles*. Governance authorities and statistical authorities in the European Union commit themselves to adhering to the principles fixed in this code and to reviewing its implementation periodically by the use of *Indicators of Good Practice* for each of the 15 Principles, which are to be used as references.

The Statistical Programme Committee established by Council Decision 89/382/EEC of 19 June 1989 will regularly carry out peer review monitoring of the implementation of the present Code.

Institutional Environment

Institutional and organisational factors have a significant influence on the effectiveness and credibility of a statistical authority producing and disseminating European Statistics. The relevant issues are professional independence, mandate for data collection, adequacy of resources, quality commitment, statistical confidentiality, impartiality and objectivity.

Principle 1: Professional Independence - *The 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.*

Indicators

- The independence of the statistical authority from political and other external interference in producing and disseminating official statistics is specified in law.
- The head of the statistical authority has sufficiently high hierarchical standing to ensure senior level access to policy authorities and administrative public bodies. He/She should be of the highest professional calibre.
- The head of the statistical authority and, where appropriate, the heads of its statistical bodies have responsibility for ensuring that European Statistics are produced and disseminated in an independent manner.

- The head of the statistical authority and, where appropriate, the heads of its statistical bodies have the sole responsibility for deciding on statistical methods, standards and procedures, and on the content and timing of statistical releases.
- The statistical work programmes are published and periodic reports describe progress made.
- Statistical releases are clearly distinguished and issued separately from political/policy statements.
- The statistical authority, when appropriate, comments publicly on statistical issues, including criticisms and misuses of official statistics.

Principle 2: Mandate for Data Collection - *Statistical authorities must 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.*

Indicators

- The mandate to collect information for the production and dissemination of official statistics is specified in law.
- The statistical authority is allowed by national legislation to use administrative records for statistical purposes.
- On the basis of a legal act, the statistical authority may compel response to statistical surveys.

Principle 3: Adequacy of Resources - *The resources available to statistical authorities must be sufficient to meet European Statistics requirements.*

Indicators

- Staff, financial, and computing resources, adequate both in magnitude and in quality, are available to meet current European Statistics needs.
- The scope, detail and cost of European Statistics are commensurate with needs.
- Procedures exist to assess and justify demands for new European Statistics against their cost.
- Procedures exist to assess the continuing need for all European Statistics, to see if any can be discontinued or curtailed to free up resources.

Principle 4: Quality Commitment - *All ESS members commit themselves to work and co-operate according to the principles fixed in the Quality Declaration of the European Statistical System.*

Indicators

- Product quality is regularly monitored according to the ESS quality components.
- Processes are in place to monitor the quality of the collection, processing and dissemination of statistics.
- Processes are in place to deal with quality considerations, including tradeoffs within quality, and to guide planning for existing and emerging surveys.
- Quality guidelines are documented and staff are well trained. These guidelines are spelled out in writing and made known to the public.
- There is a regular and thorough review of the key statistical outputs using external experts where appropriate.

Principle 5: Statistical Confidentiality - *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 must be absolutely guaranteed.*

Indicators

- Statistical confidentiality is guaranteed in law.
- Statistical authority staff sign legal confidentiality commitments on appointment.
- Substantial penalties are prescribed for any wilful breaches of statistical confidentiality.
- Instructions and guidelines are provided on the protection of statistical confidentiality in the production and dissemination processes. These guidelines are spelled out in writing and made known to the public.
- Physical and technological provisions are in place to protect the security and integrity of statistical databases.
- Strict protocols apply to external users accessing statistical microdata for research purposes.

Principle 6: Impartiality and Objectivity - *Statistical authorities must produce and disseminate European Statistics respecting scientific independence and in an objective, professional and transparent manner in which all users are treated equitably.*

Indicators

- Statistics are compiled on an objective basis determined by statistical considerations.
- Choices of sources and statistical techniques are informed by statistical considerations.
- Errors discovered in published statistics are corrected at the earliest possible date and publicised.
- Information on the methods and procedures used by the statistical authority are publicly available.
- Statistical release dates and times are pre-announced.
- All users have equal access to statistical releases at the same time and any privileged pre-release access to any outside user is limited, controlled and publicised. In the event that leaks occur, pre-release arrangements should be revised so as to ensure impartiality.
- Statistical releases and statements made in Press Conferences are objective and non-partisan.

Statistical Processes

European and other international standards, guidelines and good practices must be fully observed in the processes used by the statistical authorities to organise, collect, process and disseminate official statistics. The credibility of the statistics is enhanced by a reputation for good management and efficiency. The relevant aspects are sound methodology, appropriate statistical procedures, non-excessive burden on respondents and cost effectiveness.

Principle 7: Sound Methodology - *Sound methodology must underpin quality statistics. This requires adequate tools, procedures and expertise.*

Indicators

- The overall methodological framework of the statistical authority follows European and other international standards, guidelines, and good practices.
- Procedures are in place to ensure that standard concepts, definitions and classifications are consistently applied throughout the statistical authority.

- The business register and the frame for population surveys are regularly evaluated and adjusted if necessary in order to ensure high quality.
- Detailed concordance exists between national classifications and sectorisation systems and the corresponding European systems.
- Graduates in the relevant academic disciplines are recruited.
- Staff attend international relevant training courses and conferences, and liaise with statistician colleagues at international level in order to learn from the best and to improve their expertise.
- Co-operation with the scientific community to improve methodology is organised and external reviews assess the quality and effectiveness of the methods implemented and promote better tools, when feasible.

Principle 8: Appropriate Statistical Procedures – *Appropriate statistical procedures, implemented from data collection to data validation, must underpin quality statistics.*

Indicators

- Where European Statistics are based on administrative data, the definitions and concepts used for the administrative purpose must be a good approximation to those required for statistical purposes.
- In case of statistical surveys, questionnaires are systematically tested prior to the data collection.
- Survey designs, sample selections, and sample weights are well based and regularly reviewed, revised or updated as required.
- Field operations, data entry, and coding are routinely monitored and revised as required.
- Appropriate editing and imputation computer systems are used and regularly reviewed, revised or updated as required.
- Revisions follow standard, well-established and transparent procedures.

Principle 9: Non-Excessive Burden on Respondents - *The reporting burden should be proportionate to the needs of the users and should not be excessive for respondents. The statistical authority monitors the response burden and sets targets for its reduction over time.*

Indicators

- The range and detail of European Statistics demands is limited to what is absolutely necessary.
- The reporting burden is spread as widely as possible over survey populations through appropriate sampling techniques.
- The information sought from businesses is, as far as possible, readily available from their accounts and electronic means are used where possible to facilitate its return.
- Best estimates and approximations are accepted when exact details are not readily available.
- Administrative sources are used whenever possible to avoid duplicating requests for information.
- Data sharing within statistical authorities is generalised in order to avoid multiplication of surveys.

Principle 10: Cost Effectiveness - *Resources must be effectively used.*

Indicators

- Internal and independent external measures monitor the statistical authority's use of resources.
- Routine clerical operations (e.g. data capture, coding, validation) are automated to the extent possible.
- The productivity potential of information and communications technology is being optimised for data collection, processing and dissemination.
- Proactive efforts are being made to improve the statistical potential of administrative records and avoid costly direct surveys.

Statistical Output

Available statistics must meet users' needs. Statistics comply with the European quality standards and serve the needs of European institutions, governments, research institutions, business concerns and the public generally. The important issues concern the

extent to which the statistics are relevant, accurate and reliable, timely, coherent, comparable across regions and countries, and readily accessible by users.

Principle 11: Relevance - *European Statistics must meet the needs of users.*

Indicators

- Processes are in place to consult users, monitor the relevance and practical utility of existing statistics in meeting their needs, and advise on their emerging needs and priorities.
- Priority needs are being met and reflected in the work programme.
- User satisfaction surveys are undertaken periodically.

Principle 12: Accuracy and Reliability - *European Statistics must accurately and reliably portray reality.*

Indicators

- Source data, intermediate results and statistical outputs are assessed and validated.
- Sampling errors and non-sampling errors are measured and systematically documented according to the framework of the ESS quality components.
- Studies and analyses of revisions are carried out routinely and used internally to inform statistical processes.

Principle 13: Timeliness and Punctuality - *European Statistics must be disseminated in a timely and punctual manner.*

Indicators

- Timeliness meets the highest European and international dissemination standards.
- A standard daily time is set for the release of European Statistics.
- Periodicity of European Statistics takes into account user requirements as much as possible.
- Any divergence from the dissemination time schedule is publicised in advance, explained and a new release date set.
- Preliminary results of acceptable aggregate quality can be disseminated when considered useful.

Principle 14: Coherence and Comparability - *European Statistics should be consistent internally, over time and comparable between regions and countries; it should be possible to combine and make joint use of related data from different sources.*

Indicators

- Statistics are internally coherent and consistent (e.g. arithmetic and accounting identities observed).
- Statistics are coherent or reconcilable over a reasonable period of time.
- Statistics are compiled on the basis of common standards with respect to scope, definitions, units and classifications in the different surveys and sources.
- Statistics from the different surveys and sources are compared and reconciled.
- Cross-national comparability of the data is ensured through periodical exchanges between the European Statistical System and other statistical systems; methodological studies are carried out in close co-operation between the Member States and Eurostat.

Principle 15: Accessibility and Clarity – *European Statistics should be presented in a clear and understandable form, disseminated in a suitable and convenient manner, available and accessible on an impartial basis with supporting metadata and guidance.*

Indicators

- Statistics are presented in a form that facilitates proper interpretation and meaningful comparisons.
- Dissemination services use modern information and communication technology and, if appropriate, traditional hard copy.
- Custom-designed analyses are provided when feasible and are made public.
- Access to microdata can be allowed for research purposes. This access is subject to strict protocols.
- Metadata are documented according to standardised metadata systems.
- Users are kept informed on the methodology of statistical processes and the quality of statistical outputs with respect to the ESS quality criteria.