United Nations

ECE/CES/2020/2/Add.1

Economic and Social Council

Distr.: General
15 June 2020

English only

Economic Commission for Europe

Conference of European Statisticians

Sixty-eighth plenary session
Geneva, 22-24 June 2020
Item 4 (a) of the provisional agenda
Reports, guidelines and recommendations prepared under the umbrella of the Conference:
Exchange and sharing of economic data

Results of the consultation on the *Guide to sharing economic data*

Prepared by the Secretariat

Summary

　　The document summarizes the comments by members of the Conference of European Statisticians (CES) on the *Guide to sharing economic data* (ECE/CES/2020/2). The Secretariat carried out the electronic consultation from December 2019 to February 2020.

　　A total of 38 countries and 5 international organizations replied. All responding countries and organizations supported the endorsement of the Guide, subject to amendments resulting from the electronic consultation. The note presents the main substantive comments received. The Task Force has discussed and reflected all comments in the revised *Guide to sharing economic data* submitted for endorsement and available at the web page of the 2020 CES plenary session. The amended text is visible with track changes.

　　In view of the strong support received, the Conference is invited to endorse the finalized Guide, reflecting all comments received during the consultation.

Please recycle

I.   Introduction

1.   This document summarizes comments made by members of the Conference of European Statisticians (CES) on the *Guide to sharing economic data*. The UNECE Secretariat carried out an electronic consultation on the recommendations from December 2019 to February 2020.

2.   The Guide is prepared by a Task Force set up in February 2017, composed of Canada, Denmark, Finland (Chair), Ireland, Mexico, Netherlands, Poland, United Kingdom, United States, Eurostat, International Monetary Fund (IMF), Organisation for Economic Co-operation and Development (OECD), UNECE and the United Nations Statistics Division (UNSD).

3.   The CES Bureau reviewed the draft Guide in October 2019 and requested the Secretariat to send the document to all CES members for electronic consultation.

4.   The following 38 countries and 5 international organizations replied to the consultation: Albania, Armenia, Australia, Austria, Belarus, Belgium, Bulgaria, Canada, Colombia, Denmark, Finland (on its own behalf and as the Chair of the Task Force on Exchange and Sharing of Economic Data), Georgia, Germany, Greece, Hong Kong (Special Administrative Region of China), Hungary, Ireland, Israel, Italy, Latvia, Lithuania, Malta, Mexico, Netherlands, New Zealand, Norway, Poland, Republic of Moldova, Romania, Russian Federation, Slovakia, Slovenia, Spain, Sweden, Switzerland, Ukraine, United Kingdom, United States, European Central Bank, Eurostat, IMF, OECD and UNSD.

5.   The note presents the main comments received. The Task Force has discussed and reflected all comments in the final *Guide to sharing economic data* submitted for endorsement, available on the CES website at: http://www.unece.org/index.php?id=53381. The amendments to the Guide compared to the version sent for electronic consultation are highlighted in the document with track changes.

II.   General comments on the usefulness of the Guide

6.   All responding countries and organizations considered the Guide ready for approval by CES, subject to the amendments resulting from the comments provided in the consultation. The responding countries and international organizations considered the Guide a comprehensive and valuable resource for enhancing the sharing of economic data for statistical purposes dealing with all areas that have to be addressed – legal framework, technology, stakeholders, resources, systems, communication, culture, etc.

7.   The countries and organizations also indicated that the document provides useful guidance on data sharing in statistics, and agreed with the recommendations. The Guide was considered to give a clear and comprehensive overview of relevant issues and well-balanced guidance. Focusing on large and significant multinational enterprise groups (MNEs) in data sharing was considered central. Countries saw the Guide as a path towards solving inconsistencies between countries, and in the longer run, reducing the costs of statistical production and the burden on respondents.

8.   Countries mentioned that the Guide is particularly useful as it brings together an inventory of existing practices and makes suggestions for future activities nationally and internationally. The examples show different circumstances that countries face, and the step-by-step approach of recommendations was much appreciated. Following the examples, recommendations and principles will improve the quality of statistics nationally and their consistency and comparability internationally. Respondents considered the way how the Guide converts the often mentioned obstacles of data sharing into enablers as refreshing and beneficial for the ongoing international discussions.

9.   Several countries stressed the importance of not delaying progress in this important area for the future of economic statistics and asked the UNECE Secretariat to forward the Guide for approval to the CES plenary session. During the consultation, three countries raised sensitive issues for consideration by the Task Force that related to the national conditions for

data sharing among statistical authorities. These were discussed with the Task Force and have been fully reflected in the final Guide.

10.   The Task Force discussed all comments and made several improvements to the final version of the Guide to reflect the suggestions. Comments of editorial nature and wording have been addressed. The Guide submitted for endorsement will be subject to formatting and final editing according to the UN editorial guidelines.

II.   Comments on specific issues

11.   Countries provided many valuable concrete suggestions and inputs, such as additional national perspectives and experiences. The Task Force highly appreciates all the contributions. The Task Force emphasizes that the Guide will not be binding to countries. Each country can follow the recommendations as they find appropriate in their national circumstances.

A.   Coverage of relevant issues related to the obstacles and enablers of the sharing of economic data

12.   Most of the countries considered that the Guide covers all the important obstacles and enablers and provides a way to structure and formulate them clearly. They pointed out that the tables presenting the obstacles and enablers are a key element in identifying solutions. Respondents made the following proposals for additions:

(a)   The success of this initiative depends heavily on the cooperation of MNEs. The Guide needs to consider further the extent to which national statistical organizations have the social licence, especially respondents' acceptance, to share and use an individual's or company's information. The development of this social licence will need to be part of any proposal to expand data sharing and data integration arrangements.

(b)   As highlighted in the Guide, confidentiality is a key concern in data sharing for statistical purposes. It needs to be ensured that data sharing does not discourage response. Statistical confidentiality should not be seen as an obstacle, but more as a value to be treasured by official statisticians.

(c)   The cultural aspects of change required by the increased data sharing among statistical authorities should be elaborated more to support practical implementation of the Guide in the countries.

(d)   Access to and use of a Global Group Register (GGR) would make future data sharing more achievable, particularly if the reporting country is not the home base of the MNE. Membership in the UN Global Platform could be useful in this regard.

(e)   The largest MNEs' link to the statistical business register should be ensured; consistency in approaches and frameworks is vital.

13.   The Task Force agrees with the above comments and has taken them into account in the final Guide submitted for endorsement.

B.   Clarity and coherence of the Guide and the main recommendations (in chapter VII)

14.   Countries and international organizations consider the recommendations clear and coherent. The clear separation of recommendations to the national and international levels is very useful. They provided best practices, together with the recommendations, allow countries to formulate a strategy for national statistical system on data sharing. Countries' ability to participate fully in international data sharing depends on the national need, the extent to which legislative change will be achieved, the tools and processes to be developed and resources assured. Respondents made the following observations:

(a)   The governance of data sharing processes and protocols is key and more specific guidance may be needed in this regard. It would be helpful to use a risk matrix to identify the risks of data sharing as well as their possible causes and ways of mitigating them.

(b)   Some of the recommendations remain rather abstract, while they cover important points. It would be useful to discuss tangible goals and timeframes in further work, e.g. in a network of MNE experts and Large and Complex Cases Units (LCUs).

(c)   The main recommendations are clear and easy to communicate to stakeholders. Nonetheless, strong efforts are necessary in communicating the benefits to enterprises.

(d)   While quality is a main driver of data sharing, it could be made clearer that data sharing is not the only instrument to enhance statistical quality.

(e)   Two countries noted that the definition of "use for statistical purposes" should be aligned with the current definition applied in the EU Statistical Law.

(f)   While the focus on MNE data sharing is important, not all MNEs should be treated the same way as they differ in nature and complexity. Data exchange can also be relevant for non-MNEs, e.g. large exporters and importers, cross-border labour, capturing new international digital business models, etc.

(g)   It should be clarified when the Guide discusses obtaining data from administrative sources which should be treated in a different way from data sharing among statistical authorities that belong to the statistical system.

15.   The Task Force has discussed and reflected carefully the above issues in the final Guide submitted for endorsement. The updated Guide suggests the use of a risk matrix, includes concrete examples to extend the recommendations, discusses the quality of statistics as a wider concept, refers to the need to exchange data beyond MNEs and specifies the difference of data sharing among statistical authorities and obtaining data from administrative sources. The Task Force has clarified and ensured the full alignment of the "use for statistical purposes" with the EU statistical legislation in consultation with Eurostat.

C.   Achievability of the main recommendations

16.   In the consultation, countries were also asked to consider the achievability of the recommendations and practical actions to enhance the sharing of economic data for statistical purposes presented in paragraph 7.6 of the Guide. Replies indicate that the revision of the legal framework, allocating resources to data sharing and engaging with MNEs to build trust in data sharing are the most difficult steps in implementing the data sharing in countries.

17.   Furthermore, respondents welcomed the step-by-step approach proposed by the Guide – data sharing should first be well established at national level before engaging internationally. International data sharing requires common rules and acceptance. Countries' cultural context needs to be considered. Respondents asked international organisations for support in the following challenging areas:

(a)   Altering statistical legislation will require time and expertise. The review of the legal framework will be one of the largest challenges, given that several actors are involved with different interests and priorities. Recommendations from international organizations to national statistical offices, government and legislative bodies to change legislation and data sharing practices may have strong impact, such as the 2018 UNECE *Guidance on modernizing statistical legislation*.

(b)   Changing the current data collection and compilation process will be difficult, especially when it comes to extending it across countries. The process needs to be coordinated by an international organization ensuring confidentiality of data and setting up data exchange rules.

(c)   Activities that require new resources are typically most challenging to achieve. One of the most difficult recommendations for implementation will be to assign a team to oversee and support data exchange between statistical authorities nationally and to engage in

international data sharing. This requires strong support of the top management of statistical organizations.

(d) The achievability of the recommendations and proposed practical actions depends on the dedicated resources, as well as on the time frame for their implementation. The limited resources are a particular challenge when there is a need to invest in technological infrastructure.

(e) The main difficulty will be to prepare the national set-up for MNE data sharing. In practice, the allocation of resources, preparation of tools, engagement with MNEs and organization of activities require good planning.

(f) Strict statistical legislation and cultural differences make sharing micro-data with statistical authorities of other countries difficult. This obstacle is surmountable within the European Statistical System, but much more difficult outside.

(g) It will be crucial to be part of an international network of MNE experts and LCUs to decide on which data sharing exercises to participate in. Skilful IT and statistical resources to take part in the testing of data sharing is an additional issue.

(h) The achievement of the recommendations requires setting up practical and coordinated collaboration between international organizations and countries.

18. The issues mentioned above clearly indicate the need for coordinated international cooperation and agreement on common rules and practices for data sharing. Countries would benefit from being part of an international network of experts, and additional support to build their capacity as work progresses.

D. Additional case studies

19. Additional case studies were provided by Columbia and Slovenia. Further, adding a brief description of the international network for exchanging experience on statistical handling of granular data (INEXDA) was suggested. Eurostat and OECD provided updates to their case studies. These are all included in the final Guide submitted for endorsement.

IV. Priorities for further work

20. The main recommendations presented in paragraphs 7.6 and 7.8 of the Guide include several action items for future work. Of these, the Task Force considered the following actions to be of the highest priority:

(a) Strengthening the network of MNE experts and LCUs. It is essential to keep the momentum and provide a forum for advancing the necessary steps towards enhanced sharing of economic data;

(b) Drafting a guide to data reconciliation to assist countries in the use of shared data to improve the quality of statistics.

21. Additional proposals on priorities and actions were provided in the electronic consultation. It was emphasised that further efforts are key to advancing this important work as it may be a long way to enable micro-data sharing between statistical authorities internationally. Countries and international organizations suggested the following priority actions for further work:

(a) The highest priority should be to strengthen the organization of MNE data work in statistical offices, e.g. to LCUs and contribute to a network of MNE experts and LCUs;

(b) International organizations have a very important role to establish a network of MNE experts and LCUs to support countries. This will be essential for advancing data sharing among statistical authorities. The network should strive for joint solutions to improve the consistency of business and macro-economic statistics;

(c)   A strong international commitment and agreement to facilitate data sharing among national statistical authorities will be essential;

(d)   The building of a social licence around the use of company data with other statistical authorities is a priority. Further work should prepare MNE communication materials, making use of chapter VI of the Guide. Official statisticians should speak with one voice and align efforts in informing MNEs about the importance of providing high quality information to official statistics. It will be important to undertake communication actions nationally as well, e.g. workshops with businesses and stakeholders. Internationally, some case studies could be conducted to jointly approach some largest MNEs to review their reporting for statistics;

(e)   One of the practical action items should be to conduct a consultation to address the public perception and public privacy aspects of data sharing in conjunction with any proposed legislative changes;

(f)   The review and development of the legal infrastructure to facilitate data sharing among statistical authorities is essential. In this area, countries can benefit from the UNECE *Guidance to modernizing statistical legislation*, and related UNECE expert meetings;

(g)   A comprehensive stocktaking exercise to know what the national and international legal status allows as regards data sharing for statistical purposes would help to overcome obstacles. Countries that are not successful in changing their legislation should also be able to engage in international cooperation on MNEs;

(h)   The correct description of economic globalization and MNEs, and the reconciliation of asymmetries should be the highest priorities for further work. Examples on how data sharing can facilitate compilation of more correct and consistent economic statistics need to be shared continuously;

(i)   The most important topics for further work include the joint development of a technological infrastructure, such as improving the use of common statistical identifiers, linking different datasets and enabling the secure exchange of data within the international statistical system;

(j)   Further work should develop common information security standards, covering IT, organizational and physical elements of data privacy and confidentiality. A mechanism should be developed to regularly monitor the implementation of these standards, thus ensuring the safeguarding of statistical confidentiality in data sharing with statistical authorities of other countries;

(k)   It would be useful to develop a way to review, assess, identify and apply the different actions necessary to share economic data. Available resources and budget planning also deserve further discussion, as well as a time frame for moving forward. The challenges of smaller countries and related resource constraints should be considered;

(l)   International data sharing should focus on the key data to be reconciled internationally, such as improving data on economic ownership;

(m)   Experience in the use of modern tools like big data analysis and machine learning in addition to data sharing should be shared;

(n)   International organizations should consider how to develop a consistent international repository of MNE information for statistical purposes. It should also prepare for the more distant future, the use of a global unique identifier and the collection of data from MNEs only once globally.

(o)   A database of international mergers and acquisitions could be developed, based on publicly available information, where national statistical offices could share intelligence and get early warnings of changes that might involve their jurisdiction in almost real time.

(p)   The implementation of the Guide will provide new experience that should be collected and shared.

22.   Countries asked for an institutionalised platform for sharing best practices, fostering analysis and enhancing the effectiveness of data sharing. In 2018, the Conference asked the joint UNECE/Eurostat/OECD meetings of the Group of Experts on national accounts to serve as a regular international forum to discuss issues related to the data of MNEs and the sharing of economic data for statistical purposes. This Group of experts has shared best practices in LCUs work since 2013. The Group organized a full day seminar on the topic in 2019 as a kick-off event of the network of MNE experts and LCUs.

23.   During the electronic consultation of the Guide to sharing of economic data, countries asked for the strengthening of the network, as it would make a valuable resource for advancing international data sharing in practice.

24.   The Task Force agrees with the many suggested priorities and made notable additions to the Guide. Concrete actions should be discussed further in the network of MNE experts and LCUs. National actions will be crucial. Many countries noted that the Guide has the potential to launch intensive work to make data sharing part of the regular statistical production process.

V.   Conclusion

25.   All responding countries and organizations supported the endorsement of the Guide, subject to reflecting the comments provided during the consultation.

VI.   Proposal to the Conference

26.   In view of the strong support expressed by countries and international organizations, the Conference is invited to endorse the Guide, including changes made based on the consultation, as highlighted in the amended version of the Guide.

27.   The Conference and its Bureau are invited to advise on the follow-up activities proposed by the Task Force and the CES members during the consultation.