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PROPOSAL

From:	Secretary-General of the European Commission, signed by Mr Jordi AYET PUIGARNAU, Director
date of receipt:	17 July 2013
To:	Mr Uwe CORSEPIUS, Secretary-General of the Council of the European Union
No. Cion doc.:	COM(2013) 525 final
Subject:	Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Regulation (EU) No 99/2013 on the European statistical programme 2013-17

Delegations will find attached document COM(2013) 525 final.

Encl.: COM(2013) 525 final



Brussels, 17.7.2013
COM(2013) 525 final

2013/0249 (COD)

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL
amending Regulation (EU) No 99/2013 on the European statistical programme 2013-17

(Text with relevance for the EEA and for Switzerland)

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

The implementation of EU policies requires comparable and reliable statistical information about the economic, social and environmental situation in the EU and the different components at national and regional level. European statistics are also indispensable for ensuring that Europe is understood by the general public and for allowing citizens to take part in the democratic process and debate the present and future of the EU.

Against this background, Regulation (EU) No 99/2013 on the European statistical programme 2013-17 was adopted on 15 January 2013 to provide an overall framework for the development, production and dissemination of European statistics over the period from 2013 to 2017.

The Commission proposal for this Regulation included a financial envelope of EUR 299.2 million for the five years of the programme, which was questioned by neither the Council nor the European Parliament during the ordinary legislative procedure. However, in its resolution of 13 June 2012 on the Multiannual Financial Framework (MFF) and own resources, the European Parliament stressed that the negotiations on the legislative proposals relating to the multiannual programmes would be finalised once an agreement on their financial envelopes had been reached.

This is why Regulation (EU) No 99/2013 only sets the financial envelope for 2013, covered by the programming period 2007-2013, and invites the Commission to make a legislative proposal introducing the financial allocation for the period 2014-2017 to the European Parliament and the Council no later than three months after the adoption of the MFF for the years 2014-2020.

2. RESULTS OF CONSULTATIONS WITH THE INTERESTED PARTIES AND IMPACT ASSESSMENTS

Interested parties had been consulted and an impact assessment conducted for the proposal for a Regulation on the European statistical programme 2013-17, COM(2011) 928 final of 21.12.2011, which included the budget for 2014-2017.

Therefore no further consultation or assessment is deemed necessary.

3. LEGAL ELEMENTS OF THE PROPOSAL

The proposal provides the financial envelope for the four years of the European statistical programme 2013-17 that are covered by the programming period 2014-2020 (MFF). For this purpose it is proposed to amend Article 7 on financing.

Other provisions of the Regulation establishing the European statistical programme 2013-17 remain unchanged, in particular the objectives and the annex defining statistical outputs for the five years covered.

4. BUDGETARY IMPLICATION

Since the specific objectives and statistical outputs for the five-year period are set in the Regulation, the amount of budget proposed for the period from 2014 to 2017 is EUR 234.8 million, covered by the programming period 2014-2020.

5. OPTIONAL ELEMENTS

European Economic Area

The proposed Regulation concerns an EEA matter and should therefore extend to the European Economic Area.

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL
amending Regulation (EU) No 99/2013 on the European statistical programme 2013-17

(Text with relevance for the EEA and for Switzerland)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 338(1) thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national Parliaments,

Acting in accordance with the ordinary legislative procedure,

Whereas:

- (1) Regulation (EU) No 99/2013 on the European statistical programme 2013-17¹ provides the framework and defines the objectives and outputs for the production, development and dissemination of European statistics for the period from 2013 to 2017.
- (2) Regulation (EU) No 99/2013 only sets the financial envelope for 2013, covered by the programming period 2007 to 2013, and invites the Commission to submit a legislative proposal introducing the financial allocation for the period 2014 to 2017 to the European Parliament and the Council no later than three months after the adoption of the multiannual financial framework for the period 2014 to 2020.
- (3) Council Regulation (EU) No .../... laying down the Multiannual Financial Framework for the programming period 2014 to 2020 was adopted on ...
- (4) Regulation (EU) No 99/2013 should therefore be amended accordingly,

HAVE ADOPTED THIS REGULATION:

Article 1

Regulation (EU) No 99/2013 is amended as follows:

¹ OJ L 39, 9.2.2009, p. 12.

Article 7 is replaced by the following:

“Article 7

Financing

(1) The Union financial envelope for the implementation of the programme for 2013 is set at EUR 57.3 million, covered by the programming period 2007 to 2013. The Union financial envelope for the implementation of the programme for 2014 to 2017 is set at EUR 234.8 million, covered by the programming period 2014 to 2020.

(2) The Commission shall implement the Union financial support in accordance with the Financial Regulation.

(3) The Commission shall adopt its decision on annual appropriations in compliance with the prerogatives of the budgetary authority.”

Article 2

This Regulation shall enter into force on the day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the European Parliament
The President

For the Council
The President

LEGISLATIVE FINANCIAL STATEMENT

1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

- 1.1. Title of the proposal/initiative
- 1.2. Policy area(s) concerned in the ABM/ABB structure
- 1.3. Nature of the proposal/initiative
- 1.4. Objective(s)
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2. MANAGEMENT MEASURES

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LEGISLATIVE FINANCIAL STATEMENT

1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

1.1 Title of the proposal/initiative

Proposal for a European Parliament and Council Regulation amending Regulation (EU) No 99/2013 on the European statistical programme 2013-17

1.2 Policy area(s) concerned in the ABM/ABB structure²

Statistics (3403 – production of statistical information, 3480 – Administrative support for Eurostat, 3481 – policy strategy and coordination for Eurostat)

1.3 Nature of the proposal/initiative

The proposal/initiative relates to a **new action**

The proposal/initiative relates to a **new action following a pilot project/preparatory action**³

The proposal/initiative relates to **the extension of an existing action**

The proposal/initiative relates to **an action redirected towards a new action**

1.4 Objectives

1.4.1 *The Commission's multiannual strategic objective(s) targeted by the proposal/initiative*

The proposal is consistent with the European Union's priorities as statistics developed, produced and disseminated under this programme will contribute to the implementation of the 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 the period 2010-2014 (i.e. strengthened and integrated economic governance, climate change, growth and social cohesion, a people's Europe and globalisation).

1.4.2 *Specific objectives and ABM/ABB activities concerned*

Specific objective No 1: Provide statistical information, in a timely manner, to support the development, monitoring and evaluation of the policies of the Union properly reflecting priorities, while keeping a balance between economic, social and environmental fields and serving the needs of a wide range of users of European statistics, including decision-makers, researchers, businesses and European citizens in general, in a cost-effective manner without unnecessary duplication of effort.

ABM/ABB activity concerned

² ABM: Activity-Based Management – ABB: Activity-Based Budgeting.

³ As referred to in Article 49(6)(a) or (b) of the Financial Regulation.

3403 — Production of statistical information

Specific objective No 2: Implement the new method of production of European statistics aiming at efficiency gains and quality improvements.

ABM/ABB activities concerned

3403 — Production of statistical information, 3480 — Administrative support for Eurostat, 3481 — Policy strategy and coordination for Eurostat

Specific objective No 3: Strengthen the partnership within the ESS and beyond in order to further enhance its productivity and its leading role in official statistics worldwide.

ABM/ABB activities concerned

3481 — Policy strategy and coordination for Eurostat

Specific objective No 4: Ensure that the delivery of such statistics is kept consistent throughout the whole duration of the programme, provided that this does not interfere with the priority-setting mechanisms of the ESS.

ABM/ABB activities concerned

3403 — Production of statistical information

1.4.3 *Expected result(s) and impact*

Specify the effects which the proposal/initiative should have on the beneficiaries/groups targeted.

Effects on the European Parliament and the Council: positive as the European statistical programme (ESP) is in line with the Treaties, the financial perspectives and the European Union's political priorities; the needs for statistical information to back the policies of the EU are reflected in the ESP; the ESP includes a mechanism for improved priority-setting and reduction of the response burden on enterprises and citizens. Member States are involved in the preparation of the ESP. The subsidiarity principle will be respected when implementing the ESP.

Effects on the College of Commissioners and Commission services: positive as the ESP is in line with the Treaties and the financial perspectives; the needs for statistical information to back the policies of the EU are reflected in the ESP, and a robust quality management system will be implemented as part of the ESP. The ESP will be subject to effective evaluation and an ABB-compliant framework for distribution of resources.

Effects on National Statistical Institutes (including DGINS, ESS Committee, Partnership Group, Directors' Groups) and other national producers: positive as the ESP includes a mechanism for improved priority-setting and reduction of the response burden on enterprises and citizens. It reflects the joint ESS strategy on the implementation of the Communication. Member States are involved in the preparation of the ESP. The subsidiarity principle will be respected when implementing the ESP.

Effects on the ESAC, the European Central Bank, the Committee on Monetary, Financial and Balance of payments statistics (CMFB) and other non-institutional users: positive as the needs for statistical information to back the policies of the EU are reflected in the ESP, the users will be assured that statistics will be 'fit for purpose' (on time and according to their policy needs and requirements).

Effects on Eurostat: positive as the ESP reflects the Communication on the production method of EU statistics; a robust quality management system will be implemented as part of the ESP; the ESP will provide a stable framework for coherent, structured annual programming and allocation of resources as well as a clear view of the direction of Eurostat's development; the ESP will be subject to effective evaluation.

1.4.4 *Indicators of results and impact*

Specify the indicators for monitoring implementation of the proposal/initiative.

For all objectives listed in the ESP 2013-17, the main actions and indicators are listed. The objectives of the ESP 2013-17 are subject to more detailed planning in the Annual Work Programmes and results will be monitored throughout the programming period.

The general objective linked to the pursuit of being the leading provider of high-quality statistics on Europe will be monitored by means of:

- The Eurostat User Satisfaction Survey, and in particular the percentage of users rating the overall quality of European statistics as "‘very good’ or ‘good’.

1.5 Grounds for the proposal/initiative

1.5.1 Requirement(s) to be met in the short or long term

The establishment of a multiannual European statistical programme stems from Article 13(1) of Regulation (EC) No 223/2009 of the European Parliament and of the Council on European statistics⁴, which stipulates that the European statistical programme must provide the framework for the development, production and dissemination of European statistics, the main fields and the objectives of the actions envisaged for a period not exceeding five years. It must lay down priorities concerning the needs for information for the purpose of carrying out the activities of the European Union. The target beneficiaries of the proposal are the users and producers of European statistics, i.e. the European Parliament and the Council, the Commission Directorates-General, the European Central Bank, the National Statistical Institutes and other national producers of European statistics, the ESAC, the Committee on Monetary, Financial and Balance of payments statistics (CMFB) and other non-institutional users, and, of course, the general public.

1.5.2 Added value of EU involvement

Policymakers and actors in the market constantly need statistics in order to make decisions and monitor and evaluate their implementation. Statistics provide an essential infrastructure for democracies and modern economies to function soundly and efficiently. The European Union needs a high-quality statistical information service in order to fulfil its mission. European statistics must be reliable, timely and independent of political influence and provided in a convenient form for users. Furthermore, their preparation should not impose an excessive burden on data providers and their collection must be undertaken in accordance with the principles of subsidiarity and proportionality.

Together with the national statistical authorities and other national authorities responsible in each Member State for the development, production and dissemination of European statistics, Eurostat has created a partnership collectively called the ESS. This partnership also includes the EEA countries. Member States collect data and compile statistics for national and EU purposes.

The ESS functions as a network in which Eurostat’s role is to lead the way in the harmonisation of statistics in close cooperation with the national statistical authorities. ESS work concentrates mainly on EU policy areas — and, with the extension of EU policies, harmonisation has been extended to nearly all statistical fields.

⁴ OJ L 87, 31.3.2009, p. 164.

The ESS facilitates the sharing of knowledge and ‘best practices’ across Member States and the development of new technologies, common tools and collaborative networks with a view to taking advantage of possible synergies and avoiding duplication of effort, thus paving the way for a modern production system equipped to meet future challenges.

Efforts to harmonise, streamline and regulate can best be initiated at European Union level, where such projects can be carried out with optimal efficiency.

1.5.3 *Lessons learned from similar experiences in the past*

A major constraint encountered with the Community Statistical Programme 2008-2012⁵ is that the structure is fixed for a period of five years and the objectives are described in detail. Since the current programme was adopted, a number of important developments have taken place. The basic legal framework for the production of European statistics has changed. The Communication on the production method of EU statistics has been adopted, followed by a joint ESS strategy; the Lisbon Treaty has come into force; a new European Commission has taken office (as of January 2010 until December 2014); several new political initiatives (such as Europe 2020) have been launched and the ESS governance structure has been reinforced. None of these developments are reflected in the current programme; parts of it have become outdated and there is a gap between planned and actual activities. This diminishes the relevance of the reporting on the implementation of the programme as many relevant activities are not reflected in the programme while we have to report on some activities that are mentioned in it but are no longer carried out.

With regard to the process of preparing the European statistical programme, the Partnership Group⁶ Task Force 3 proposed the multiannual programming cycle for 2013-2017. It was suggested that the role of the ESS partners (ESS Committee, DGINS, Directors’ Groups and ESAC) be strengthened in the programme preparation process.

It should also be mentioned that the Commission’s report to the European Parliament (EP) and the Council on the ex-post evaluation of the community statistical programme (CSP) 2003-2007⁷ included recommendations with regard to future multiannual programmes, namely:

Improve the link between the CSP and annual work programmes. The CSP is designed to be a framework programme formulating a strategic vision for five years and ensuring, together with the annual work programmes, the CSP’s flexibility and relevance over the entire period. In using the CSP as a reference, the annual work programmes should make explicit mention of and be based on the relevant CSP.

Improve monitoring of CSP implementation. Overall monitoring of the CSP should be done by defining a key set of indicators that provide sufficient information on the achievement of operational and strategic objectives over the programme period.

⁵ Decision No 1578/2007/EC, OJ L 344, 28.12.2007, p. 15.

⁶ The Partnership Group is a group of Directors General of the National Statistical Institutes of the ESS whose mission is to further the development of the ESS through, mainly, facilitating the work of the ESS Committee.

⁷ COM(2009) 1 final.

The Commission's report to the EP and the Council on the mid-term evaluation of the CSP 2008-2012 highlighted the following points to be taken into account in the future:

- *Definition of new needs for statistical information.* A more integrated approach using multiple and combined data sources together with harmonisation of methodology, concepts and definitions is required.

- *Strengthened partnership in the ESS.* Establishment of more and different integration cooperation models with the Member States was emphasised.

- *Reflection on conceptual approach to reprioritisation of activities* and availability of resources for implementing the CSP in order to reduce response burden and producers' costs was considered necessary.

It is worth mentioning that the current CSP 2008-2012 was one of the subjects of the Eurostat Internal Audit Capacity's audit report on the evaluation function⁸, which noted the absence of an ex-ante evaluation for the current programme and recommended that such an evaluation should be carried out for future programmes in accordance with the Financial Regulation⁹ (Article 27) and its Implementing Rules¹⁰ (Article 21).

To avoid the limitations of too detailed a programme in order to be able to adapt to new or changing political priorities and developments, the ESP 2013-2017 is designed as a general planning instrument describing in a general way the objectives to be met and actions to be undertaken, thus providing the overall framework for the preparation of annual statistical work programmes with detailed objectives and actions.

Developments in the ESS as well as the implementation of the Communication on the production method of EU statistics require the European statistical programme 2013-2017 to focus particularly on meeting future challenges and balancing demands and resources. A strong ESS partnership is crucial and more extensive consultation of stakeholders has therefore been integrated into the roadmap for the preparation of this programme.

Drawing on past experience, mechanisms are being put in place to ensure consistency in planning and reporting processes by better linking the programme's objectives with annual work programmes and improving the monitoring and evaluation of programme implementation.

The recommendations of the mid-term evaluation of the CSP 2008-20125 have been taken into account when drafting the objectives and indicators of the ESP 2013-2017. In particular, with regard to reprioritisation of statistical requirements aiming at the reduction of response burden and producers' costs, provision has been made for the

⁸ Internal Audit Capacity's Audit Report ESTAT-2009-ESTAT-002, 19.2.2010.

⁹ Consolidated version of Council Regulation No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities.

¹⁰ Consolidated version of Commission Regulation No 2342/2002 of 23 December 2002 laying down detailed rules for the implementation of Council Regulation No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities.

implementation of the priority-setting mechanism, as presented to the ESS Committee on 18 November 2010¹¹.

Finally, the ex-ante evaluation was prepared in accordance with the Financial Regulation¹² (Article 27) and its Implementing Rules¹³ (Article 21).

1.5.4 *Coherence and possible synergy with other relevant instruments*

Along with the current CSP 2008-2012, another multiannual programme, namely the Programme for the Modernisation of European Enterprise and Trade Statistics (MEETS), is being implemented from 2009 to 2013. In order to manage the programmes more efficiently, Eurostat decided to have one multiannual programme in future instead of two. This means that the objectives in the area of enterprise and trade statistics beyond 2013 and actions related to the modernisation of social statistics are part of the ESP 2013-2017.

In addition, Eurostat has a coordinating role in the area of production of European statistics in line with Commission Decision 2012/504/EU of 17 September 2012. Commission Directorates-General and other services involve Eurostat at an early stage in the development of their programmes related to statistics.

¹¹ Presented at the ESS Committee meeting on 18 November 2010 (Doc. No 2010/07/08b).

¹² Consolidated version of Council Regulation No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities.

¹³ Consolidated version of Commission Regulation No 2342/2002 of 23 December 2002 laying down detailed rules for the implementation of Council Regulation No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities.

1.6 Duration and financial impact

Proposal/initiative of **limited duration**

- Proposal/initiative in effect from [01/01] 2014 to [31/12] 2017
- Financial impact from 2014 to 2017 for commitment appropriations and from 2014 to 2021 for payment appropriations.

Proposal/initiative of **unlimited duration**

- Implementation with a start-up period from YYYY to YYYY,
- followed by full-scale operation.

1.7 Management mode(s) envisaged¹⁴

Centralised direct management by the Commission

Centralised indirect management with the delegation of implementation tasks to:

- executive agencies
- bodies set up by the Communities¹⁵
- national public-sector bodies/bodies with public-service mission
- persons entrusted with the implementation of specific actions pursuant to Title V of the Treaty on European Union and identified in the relevant basic act within the meaning of Article 49 of the Financial Regulation

Shared management with the Member States

Decentralised management with third countries

Joint management with international organisations, in particular with the OECD, the United Nations and the World Bank.

If more than one management mode is indicated, please provide details in the 'Comments' section.

¹⁴ Details of management modes and references to the Financial Regulation may be found on the BudgWeb site: http://www.cc.cec/budg/man/budgmanag/budgmanag_en.html.

¹⁵ As referred to in Article 185 of the Financial Regulation.

2 MANAGEMENT MEASURES

2.1 Monitoring and reporting rules

Specify frequency and conditions.

The ex-ante evaluation of the ESP 2013-17 was carried out on the basis of the provisions of the Financial Regulation for expenditure programmes between October 2010 and April 2011 by the Strategic Planning unit of Eurostat with the help of the Financial and Legal Affairs units. It was discussed with the internal Eurostat Task Force for the preparation of the ESP 2013-17 composed of representatives at Head of Unit level from all the Directorates of Eurostat and then approved at the Eurostat Directors' meeting on 12 April 2011.

The key findings of the ex-ante evaluation were incorporated into the Legislative Financial Statement. Lessons learnt from past experience that were taken into account when establishing the ESP are presented in the Legislative Financial Statement, Part 1.5.3 'Lessons learned from similar experiences in the past'. The objectives of the ESP are presented in the proposal itself.

Article 2 of the proposal stipulates that the ESP will be subject to annual planning through the Commission's annual statistical work programmes in line with Regulation (EC) No 223/2009. These programmes and their corresponding financing will be the subject of Commission decisions detailing the outputs and results (objectives and indicators) to be achieved during the reference period. Monitoring will be ensured through regular reports on the consumption of resources and on progress made in the achievement of objectives.

With regard to reporting it is expected that, in line with the Regulation on European statistics, an interim progress report will be prepared and, after the ESS Committee has been consulted, 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 submitted to the European Parliament and the Council by the end of 2018.

2.2 Management and control system

2.2.1 Risk(s) identified

The management mode of the proposed programme is central direct management by the Commission and to a limited extent joint management with international organisations. From a financial point of view the programme will be implemented by awarding contracts, in particular to firms specialised in statistics or informatics services, and by grants financing provided mainly to national statistical authorities. Regulation (EC) No 223/2009 on European Statistics allows for direct awards of grants to those authorities.

The main risks identified for the implementation of the programme come mainly from the **management of grant procedures**. As is apparent from the implementation of the Community Statistical Programme 2008-2012, some beneficiaries experienced difficulties in submitting the required documentation to determine the eligibility of costs incurred.

2.2.2 *Control method(s) envisaged*

The main elements of the internal control system are: Ex-ante verification of **each financial transaction's operational and financial aspects** (legality, regularity and sound financial management) according to Article 49(3) of the Implementing Rules of the Financial Regulation. Ex-ante controls cover the whole expenditure life cycle, from planning and programming to commitments and payments. To this end, for each financial transaction, controls following specific checklists have to be used by each actor in the financial circuits.

Not only financial circuits, but also appropriate supervision, financial and performance-based reporting, audit and evaluation contribute to implementation of the programme's budget in accordance with the principles of sound financial management and for ensuring that the requirements of legality and regularity are complied with. Complementarity will be ensured between the aforementioned sources of assurance, to avoid duplication of effort and allow for cost-efficiency of controls.

Against the background of the comprehensive and compulsory controls applied to each financial transaction that will be authorised under the programme, the following additional control actions will be applied to the management of grant procedures. In addition to ex-ante controls described above and based on an annual risk analysis, reinforced ex-ante and ex-post verification will be performed. **Reinforced ex-ante verifications** will be carried out on a sample basis, i.e. in-depth controls of additional supporting documentation before final payments for co-financed grant actions. Furthermore, and based on experience gained since 2005, **ex-post controls** will be carried out in order to check that operations financed by the budget are correctly implemented and in particular that the criteria set out for the ex-ante verification are complied with. Specific emphasis will be put on reducing administrative complexity and therefore the likelihood of errors linked to the management of grants. This will be achieved in particular by focusing on bigger projects (and limitation of small grants), requirements of specific audit certificates, and last but not least by the introduction of alternative options to payments based on actual costs, i.e. grants based on flat rates and scales of unit costs.

Costs and benefits of controls: The programme control strategy is deemed to limit the risk of non-compliance to under 2%, which is in line with the assessment carried out under the Annual Activity Report 2010. Given that the internal control objective for the new programme is not to exceed an average residual error rate of 2% for the whole programming period from 2013 to 2017, the internal control system as well as its costs is deemed adequate to achieve this objective. DG ESTAT considers that the costs of additional reinforced ex-ante and ex-post controls referred to above remain at around 1% of the programme budget, about the same ratio as in the previous programme. In terms of nature and intensity of controls, 100% of financial transactions (and thus 100% of the budget) will be subject to obligatory ex-ante

controls in accordance with the Financial Regulation. As outlined above, controls based on in-depth analysis of underlying documentation will be undertaken following an annual risk analysis. They may cover 4-6% of the budget.

2.3 Measures to prevent fraud and irregularities

Specify existing or envisaged prevention and protection measures.

In addition to the application of all regulatory control mechanisms, an anti-fraud strategy in line with the Commission's new anti-fraud strategy (CAFS) adopted on 24 June 2011 will be devised in order to ensure inter alia that internal anti-fraud related controls are fully aligned with the CAFS and that the fraud management risk approach is geared to identifying fraud risk areas and adequate responses. Where necessary, networking groups and adequate IT tools dedicated to analysing fraud cases related to the European Statistical Programme will be set up.

Eurostat has defined a 2013-17 control strategy accompanying the implementation of the ESP. Reducing complexity, applying cost-effective monitoring procedures as well as conducting risk-based ex-ante and ex-post controls will aim to reduce the likelihood and contribute to the prevention of fraud. Specific awareness-raising measures and relevant training with regard to fraud prevention are part of the control strategy.

3 ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE

3.1 Heading(s) of the multiannual financial framework and expenditure budget line(s) affected

- Existing expenditure budget lines

In order of multiannual financial framework headings and budget lines.

Heading of multiannual financial framework	Budget line	Type of expenditure	Contribution			
	Number [Description.....]	Diff./non-diff. (16)	from EFTA ¹⁷ countries	from candidate countries ¹⁸	from third countries	within the meaning of Article 18(1)(aa) of the Financial Regulation
	[XX.YY.YY.YY]	Diff/non-diff.	YES/N O	YES/N O	YES/N O	YES/NO

- New budget lines requested

In order of multiannual financial framework headings and budget lines.

Heading of multiannual financial framework	Budget line	Type of expenditure	Contribution			
	Number [Heading.....]	Diff./non-diff.	from EFTA countries	from candidate countries	from third countries	within the meaning of Article 18(1)(aa) of the Financial Regulation
1	29.0201 European statistical programme 2013-2017	Diff	YES/NO	YES/NO	YES/NO	YES/NO
1	29.0104 Statistical information policy — Expenditure on administrative management	Non-diff	YES/NO	YES/NO	YES/NO	YES/NO

¹⁶ Diff. = Differentiated appropriations / Non-diff. = Non-Differentiated Appropriations

¹⁷ EFTA: European Free Trade Association.

¹⁸ Candidate countries and, where applicable, potential candidate countries from the Western Balkans.

3.2 Estimated impact on expenditure

3.2.1 Summary of estimated impact on expenditure

EUR million (to 3 decimal places)

Heading of multiannual financial framework:		Number	Heading 1 - Smart and Inclusive growth (as of 2014)					TOTAL
DG: ESTAT			Year 2014 ¹⁹	Year 2015	Year 2016	Year 2017	Year 2018 and later	
• Operational appropriations	Commitments	(1)	53.391	54.922	56.443	57.960		222.716
	Payments	(2)	32.360	33.613	46.450	52.843	92.839	²⁰ 258.105
Appropriations of an administrative nature financed from the envelope for specific programmes ²¹								
29.0104		(3)	2.900	2.983	3.065	3.148		12.096
TOTAL appropriations for DG ESTAT	Commitments	=1+1a +3	56.291	57.905	59.508	61.108		234.812
	Payments	=2+2a +3	35.260	36.596	49.515	55.991	92.839	270.201

¹⁹

Year N is the year in which implementation of the proposal/initiative starts.

²⁰

The payments appropriations are considering obligations stemming since the beginning of the European Statistical Programme in 2013

²¹

Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former "BA" lines), indirect research, direct research.

• TOTAL operational appropriations	Commitments	(4)	53.391	54.922	56.443	57.960			222.716
	Payments	(5)	32.360	33.613	46.450	52.843	92.839		258.105
• TOTAL appropriations of an administrative nature financed from the envelope for specific programmes	Commitments	(6)	2.900	2.983	3.065	3.148			12.096
	Payments								
TOTAL appropriations under HEADING 1 of the multiannual financial framework	Commitments	=4+6	56.291	57.905	59.508	61.108			234.812
	Payments	=5+6	35.260	36.596	49.515	55.991	92.839		270.201

Heading of multiannual financial framework:	5	" Administrative expenditure "
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EUR million (to 3 decimal places)

	Year 2014	Year 2015	Year 2016	Year 2017	Year 2018 and later	TOTAL
DG: ESTAT						
• Human resources	92.335	91.479	90.615	89.829		364.258
• Other administrative expenditure						13.948
TOTAL DG ESTAT	95.822	94.966	94.102	93.316		378.206

TOTAL appropriations under HEADING 5 of the multiannual financial framework	95.822	94.966	94.102	93.316		378.206
	(Total commitments = Total payments)					

EUR million (to 3 decimal places)

	Year 2014	Year 2015	Year 2016	Year 2017	Year 2018 and later 1.6)	TOTAL
TOTAL appropriations under HEADINGS 1 to 5 of the multiannual financial framework	152.113	152.871	153.610	154.424		613.018
	131.082	131.562	143.617	149.307	92.839	648.407
	Commitments					
	Payments					

3.2.2 Estimated impact on operational appropriations

- The proposal/initiative does not require the use of operational appropriations
- The proposal/initiative requires the use of operational appropriations, as explained below:

Commitment appropriations in EUR million (to 3 decimal places)

		Year 2014	Year 2015	Year 2016	Year 2017	TOTAL
OUTPUTS						

Indicate objectives and outputs	Type of output ²²	Average cost of the output	Number of outputs	Cost	Number of outputs	Cost	Number of outputs	Cost	Number of outputs	Total number of outputs	Total cost
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SPECIFIC OBJECTIVES No 1 and 4 ²³												
Provide quality statistical information to support the development, monitoring and evaluation of the policies of the European Union												
- Output	Statistical projects	0.304	85	23.694	67	21.480	62	21.204	58	22.129	272	88.507

SPECIFIC OBJECTIVE No 2												
Implement the new method of production of European statistics												
Sub-total for specific objective No 1												
			85	23.694	100	30.102	94	31.555	87	32.194	365	117.545
- Output	Statistical projects	0.298	84	23.694	100	30.102	94	31.555	87	32.194	365	117.545

Sub-total for specific objective No 2												
			84	23.694	100	30.102	94	31.555	87	32.194	365	117.545

²² Outputs are products and services to be supplied (e.g. number of student exchanges financed, number of km of roads built).
²³ As described in Section 1.4.2. 'Specific objective(s) ...'.

SPECIFIC OBJECTIVE No 3
Strengthen the partnership within the ESS and beyond

- Output	Statistical projects	0.306	19	6.003	9	3.340	8	3.684	7	3.637	43	16.664	
Sub-total for specific objective No 3				19	6.003	9	3.340	8	3.684	7	3.637	43	16.664
TOTAL COST				188	53.391	176	54.922	164	56.443	152	57.960	680	222.716

3.2.3 Estimated impact on appropriations of an administrative nature

3.2.3.1 Summary

- The proposal/initiative does not require the use of administrative appropriations
- The proposal/initiative requires the use of administrative appropriations, as explained below:

EUR million (to 3 decimal places)

	Year 2014	Year 2015	Year 2016	Year 2017	Year 2018 and later	TOTAL
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HEADING 5 of the multiannual financial framework						
Human resources	92.335	91.479	90.615	89.829		364.258
Other administrative expenditure						13.948
Subtotal HEADING 5 of the multiannual financial framework	95.822	94.966	94.102	93.316		378.206

Outside HEADING 5²⁴ of the multiannual financial framework						
Human resources	2.285	2.285	2.285	2.285		9.140
Other expenditure of an administrative nature (IT; meetings; studies; missions; subscriptions)	0.615	0.698	0.780	0.863		2.956
Subtotal outside HEADING 5 of the multiannual financial framework	(1)	(2)	(3)	(4)		(5)

TOTAL	98.722	97.949	97.167	96.464		390.302
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²⁴ Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former 'BA' lines), indirect research, direct research.

3.2.3.2 Estimated requirements of human resources

- The proposal/initiative does not require the use of human resources
- The proposal/initiative requires the use of human resources, as explained below:

Estimate to be expressed in full amounts (or at most to one decimal place)

	Year 2014	Year 2015	Year 2016	Year 2017			
• Establishment plan posts (officials and temporary agents)							
29 01 01 01 (Headquarters and Commission's Representation Offices)	651	645	639	633			
XX 01 01 02 (Delegations)	-	-	-	-			
XX 01 05 01 (Indirect research)	-	-	-	-			
10 01 05 01 (Direct research)	-	-	-	-			
• External personnel (in Full Time Equivalent unit: FTE)²⁵							
29 01 02 01 (CA, INT, SNE from the 'global envelope')	94	93	92	92			
XX 01 02 02 (CA, INT, JED, LA and SNE in the delegations)	-	-	-	-			
XX 01 04 yy²⁶	- at Headquarters ²⁷						
	- in delegations						
XX 01 05 02 (CA, INT, SNE - Indirect research)							
10 01 05 02 (CA, INT, SNE - Direct research)							
Other budget lines (29 01 04 01)	41	41	40	40			
TOTAL	789	779	771	765			

29 is the policy area or budget title concerned.

The human resources required will be met by staff from the DG who are already assigned to management of the action and/or have been redeployed within the DG, together if necessary with any additional allocation which may be granted to the managing DG under the annual allocation procedure and in the light of budgetary constraints.

Description of tasks to be carried out:

Officials and temporary agents	The tasks to be performed concern mainly methodological work on the one hand and on the other hand the collection, validation, processing and dissemination of the statistical information related to the domains set out in Regulation XXX. They also refer to Eurostat's two horizontal ABB activities ('Administrative support for Eurostat' and 'Policy strategy and coordination of Eurostat')
External personnel	Support the officials and temporary agents in performing the above-mentioned tasks

²⁵ CA= Contract Agent; INT= agency staff ('Intérimaire'); JED= 'Jeune Expert en Délégation' (Young Experts in Delegations); LA= Local Agent; SNE= Seconded National Expert; .

²⁶ Under the ceiling for external personnel from operational appropriations (former 'BA' lines).

²⁷ Essentially for Structural Funds, European Agricultural Fund for Rural Development (EAFRD) and European Fisheries Fund (EFF).

3.2.4 Compatibility with the current multiannual financial framework

- Proposal/initiative is compatible the multiannual financial framework for 2014-2020.
- Proposal/initiative will entail reprogramming of the relevant heading in the multiannual financial framework.

Explain what reprogramming is required, specifying the budget lines concerned and the corresponding amounts.

- Proposal/initiative requires application of the flexibility instrument or revision of the multiannual financial framework²⁸.

Explain what is required, specifying the headings and budget lines concerned and the corresponding amounts.

3.2.5 Third-party contributions

- The proposal/initiative does not provide for co-financing by third parties
- The proposal/initiative provides for the co-financing estimated below:

Appropriations in EUR million (to 3 decimal places)

	Year 2014	Year 2015	Year 2016	Year 2017				Total
<i>Contribution of Switzerland</i>	4.851	4.948	5.047	5.147				19.933
TOTAL appropriations co-financed	4.851	4.948	5.047	5.147				19.933

²⁸ See points 19 and 24 of the Interinstitutional Agreement.

3.3 Estimated impact on revenue

- Proposal/initiative has no financial impact on revenue.
- Proposal/initiative has the following financial impact:
 - on own resources
 - on miscellaneous revenue

EUR million (to 3 decimal places)

Budget revenue line:	Appropriations available for the ongoing budget year	Impact of the proposal/initiative ²⁹								
		Year N	Year N+1	Year N+2	Year N+3	... insert as many columns as necessary in order to reflect the duration of the impact (see point 1.6)				
Article										

For miscellaneous assigned revenue, specify the budget expenditure line(s) affected.

Specify the method for calculating the impact on revenue.

²⁹ As regards traditional own resources (customs duties, sugar levies), the amounts indicated must be net amounts, i.e. gross amounts after deduction of 25 % for collection costs.