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PROPOSAL

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Subject: Proposal for a Regulation of the European Parliament and of the Council on the European statistical programme 2013-2017

Delegations will find attached a proposal from the Commission, submitted under a covering letter from Mr Jordi AYET PUIGARNAU, Director, to Mr Uwe CORSEPIUS, Secretary-General of the Council of the European Union.

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EUROPEAN COMMISSION

Brussels, 21.12.2011
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Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

on the European statistical programme 2013-2017

(Text with EEA relevance)

{SEC(2011) 1623 final}

{SEC(2011) 1625 final}

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

1.1. GROUNDS FOR AND OBJECTIVES 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 its components at national and regional level. European statistics are also indispensable for Europe to be understood by the general public and for citizens to take part in the democratic process and debate about the present and future of the EU.

In recent years the European Statistical System (ESS) has been faced with a number of challenges. Firstly, the need for European statistics has been constantly increasing, and this trend is unlikely to change in future. Secondly, the nature of statistics has changed — evidence-based decision making requires statistics that meet quality criteria linked to specific purposes they are serving, and there is a growing need for complex multidimensional statistics supporting composite policy areas. Thirdly, due to the appearance of new actors on the information market, including those providing information in nearly real time, the priority for the ESS in the future is quality and, in the case of short-term statistics, timeliness in particular. Fourthly, budget constraints at both national and European level as well as the need to further reduce the burden on enterprises and citizens make the situation even more challenging. The Commission Communication to the European Parliament and the Council on the production method of EU statistics: a vision for the next decade¹ and the ESS strategy for its implementation² address all these challenges by aiming to reengineer the ways of working in the ESS in order to make it more efficient and flexible. Implementation of the Communication and the joint ESS strategy constitute the core of the European statistical programme (ESP).

Against this background, the objective of the proposal for the European Statistical Programme is to establish a comprehensive programme providing an overall framework for the development, production and dissemination of European statistics over the period from 2013 to 2017 while putting in place the new production method of European statistics as described in the above Communication.

1.2. GENERAL CONTEXT

The establishment of a multiannual European statistical programme has its legal basis in Article 13(1) of Regulation (EC) No 223/2009 of the European Parliament and of the Council on European statistics³. Under the Regulation, 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 is to lay down priorities concerning the needs for information for the purpose of carrying out the activities of the European Union. Those needs are to be weighed against the resources needed at EU and national level to provide the required statistics and also against the response burden and the respondents' associated costs.

¹ COM(2009) 404 final, 10.8.2009.

² Presented at the ESS Committee meeting on 20.5.2010, doc. No 2010/05/6/EN.

³ OJ L 87, 31.3.2009, p. 164.

The objectives of the ESP will be spelled out in detail in annual work programmes in accordance with Regulation 223/2009³. The programme will be the subject of an interim progress report and a final evaluation report after the expiry of the programme period.

1.3. EXISTING PROVISIONS IN THE AREA OF THE PROPOSAL

The current Community Statistical Programme, adopted by a European Parliament and Council Decision and covering the period from 2008 to 2012⁴, is the seventh of its kind.

1.4. CONSISTENCY WITH OTHER POLICIES OF THE UNION

The main purpose of European statistics is to underpin the development, monitoring and evaluation of European policies with reliable, objective, comparable and coherent factual information.

The current proposal is consistent with the Union's priorities as statistics developed, produced and disseminated under this programme will contribute to the implementation of the EU's priority policies, such as the Europe 2020 strategy for smart, sustainable and inclusive growth⁵ and other policies addressed in the Commission's strategic priorities for 2010-2014⁶ (i.e. strengthened and integrated economic governance, climate change, growth and social cohesion, people's Europe and globalisation).

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

2.1. CONSULTATION OF INTERESTED PARTIES

Consultation methods, main sectors targeted and general profile of respondents

Prior to the preparation of this proposal, the users of European statistics, i.e. the Directorates-General of the Commission, the European Central Bank and the European Statistical Advisory Committee⁷, were consulted during July 2010 on their needs for European statistics during the period 2013-2017.

Member States, EFTA Countries and Candidate Countries have been directly involved in the preparation of the proposal. The consultation was carried out in the following way:

Firstly, the Directors' Groups in different statistical domains, representing producers of European statistics in different areas of statistics, were consulted on their needs for the period 2013-2017 in July 2010.

Secondly, the DGINS (Directors General of the National Statistical Institutes)⁸ were consulted on priorities for the period 2013-2017 during their meeting on 29-30 September 2010.

⁴ Decision No 1578/2007/EC, OJ L 344, 28.12.2007, p. 15.

⁵ COM(2010) 2020 final.

⁶ http://ec.europa.eu/commission_2010-2014/president/pdf/press_20090903_en.pdf, 3.9.2009.

⁷ Established by Decision No 234/2008/EC of the European Parliament and of the Council.

⁸ The DGINS Conference is held once a year with the aim of discussing topics related to the statistical programme and methods and processes for the production of European statistics. It is hosted each year by a different Member State and the Director-General of the host country chairs the conference.

Based on the outcome of ESS consultations with stakeholders on their statistical needs for the period 2013-2017, the first draft of the ESP 2013-2017 was prepared for internal and external consultation. It was presented to the European Statistical System Committee (ESSC) in May 2011. The European Statistical Advisory Committee (ESAC), the Committee on Monetary, Financial and Balance of Payments Statistics (CMFB) and the Working Group ESS Programming and Coordination were consulted in parallel.

Summary of responses and how they have been taken into account

Summary of responses of users of European statistics

A total of 14 Directorates-General of the Commission and the European Central Bank replied to Eurostat's request for information on their needs for European statistics for 2013-2017. Most of them listed detailed requirements for statistics needed to back up European policies under their responsibility. Although all these requirements are not mentioned explicitly in the proposal, they have been carefully analysed by Eurostat and taken into account when drafting the objectives of the programme.

Summary of responses of producers of European statistics

In all, six Directors' Groups replied to Eurostat's request for information on their needs for 2013-2017 (Directors' Group on Methodology, IT Directors' Group, Directors of Social Statistics, Directors' meeting on regional, spatial, environment statistics and accounts, Standing Committee for Agricultural Statistics, and Business Statistics Directors' Group). The Directors' Groups emphasised the need to balance the increasing need for new statistics with reduced available resources. In this context, it was recommended to maximise the use of existing data instead of launching new data collections; liaise with other data providers in order to optimise the use of available information; reduce the level of data required; improve efficiency in data collection by using modern ICT technologies; analyse the consistency between different legal acts and decouple statistical instruments and users by setting up single surveys for different purposes. The need to strengthen the role of Eurostat as the coordinator of the production of statistics was also mentioned. These and other concrete comments have, to the extent possible, been taken into account when drafting the objectives of the ESP.

At its meeting on 29-30 September 2010 the DGINS endorsed the approach proposed for the ESP and the priority areas of the ESP, stressing the need for a sufficiently flexible ESP allowing concrete actions to be included in the annual programming cycle. Due to serious resource constraints at both national and European level and the need to further reduce the administrative burden, the DGINS stressed the importance of priority-setting in the next multiannual programme based on a strategy-driven approach.

Summary of main comments on the first draft of the ESP 2013-2017

The ESSC meeting in May 2011 expressed general support for the conceptual approach.

A number of delegations pointed to the level of ambition of the ESP and expressed their concerns about the gap between the resource constraints at national level and the number of new initiatives mentioned in the ESP.

Although acknowledging the need for a flexible programme, some delegations questioned the general nature and the lack of detail of the ESP and stressed the need to link it with future Annual Work Programmes.

Doubts were expressed by some delegations as to whether financing new initiatives through efficiency gains in the new production method of European statistics was realistic. Some delegates stressed the need to contemplate other ways of achieving such gains (e.g. increased priority-setting, improved efficiency, better use of administrative data, increased use of technology and sharing of good practices).

The importance of emphasising more clearly the need to reduce the response burden was underlined by some delegations and one delegation suggested strengthening the part on priority-setting by stating concrete actions.

The need for a cautious approach regarding quality labelling was expressed by many delegations; thorough discussion was called for.

Several delegations welcomed the strengthening of partnership in the ESS and beyond and stressed the importance of increased cooperation, both within the ESS and with the European System of Central Banks and international organisations.

The above points were also the main outcome of the consultation of the Working Group Programming and Coordination.

General support for the ESP was expressed by the majority of the NSIs, but reservations were voiced concerning the formulation of objective on the new method of production of European statistics and regarding the legislative policy.

Specific comments were made on particular statistical areas or clarification was requested of certain parts of the ESP.

All comments received on the draft ESP were carefully analysed by Eurostat and taken into account when preparing a revised version of the ESP 2013-2017.

In order to serve as a general and flexible planning instrument allowing new developments to be taken into account, the ESP describes in general terms the strategic objectives to be achieved and outputs to be produced for the next programming period.

The ESP reflects the commitment to the strategy-driven priority-setting approach established by Eurostat. Following this approach, the exercise on negative priorities forms an integral part of the preparation of annual work programmes and will thus be carried out for the period covered by the ESP. The ESP provides the general framework for the development, production and dissemination of European statistics by establishing the main fields and objectives of actions envisaged for the next five years. These objectives will be spelled out and planned in more detail in the Annual Work Programmes. In this way, a clear link is established between the ESP and the Annual Work Programmes.

The ESP is fully in line with the joint ESS strategy on the new production system already adopted by the ESSC; no new elements have been introduced, and the ESP reflects the implementation of the strategy.

2.2. COLLECTION AND USE OF EXPERTISE

In the process of preparation of the ESP, external experts have also been consulted. In particular, the European Statistical Advisory Committee (ESAC) and the Committee on Monetary, Financial and Balance of Payments Statistics (CMFB) were asked to express their opinion on the draft programme.

In its opinion on the draft programme, the European Statistical Advisory Committee addressed the issue of resource constraints and the need to continue to work on priority-setting to identify negative priorities. In this context ESAC highlighted the need to boost efficiency through greater use of technology and exploitation of data collected for other purposes while acknowledging that the different stages of maturity of statistical systems in the Member States was problematic. ESAC also stressed the importance of knowledge sharing, calling for this to include development activities to reduce the cost of new research. Furthermore, ESAC highlighted the importance of maximising data use and further integration and use of existing data.

In its opinion on the draft programme, the Committee on Monetary, Financial and Balance of Payments Statistics expressed its general support for the ESP and the main priorities and objectives set for the development and coordination of monetary, financial and balance of payments statistics. The CMFB stressed the importance of integration across statistical domains and across the ESS for producing multi-purpose statistics and also highlighted the need to aim at developing statistical information on the globalisation phenomenon and the importance of increased use of administrative data and focusing more closely on the most expanding parts of the economy. In addition, the CMFB welcomed wider use of statistical matching and data linking techniques as well as standard IT tools. Finally, the CMFB stressed the importance of strengthened cooperation with the ESCB, European and international organisations through common projects and coordinated developments.

All comments received from external experts on the draft ESP were carefully analysed by Eurostat and taken into account when preparing a revised version of the programme.

2.3. ANALYSIS OF EFFECTS AND CONSEQUENCES

An ex-ante evaluation has been prepared in accordance with the principle of sound financial management, in order to focus the programme on the need for effectiveness in achieving the objectives set and in order to incorporate budgetary constraints from the design phase of the programme and onwards.

In the context of the ex-ante evaluation, four options have been identified:

The first option considered for the ESP was to propose for adoption another five-year programme, i.e. lasting from 2013 to 2017.

The current CSP 2008-2012 includes a specific indication with regard to the duration of the next multiannual programme, namely that the period to be covered should take into account the term of office of the European Parliament. The current term of office of the European Parliament is from July 2009 to June 2014; the next term will start in July 2014 and finish in June 2019. As the current CSP 2008-2012 lasts until the end of 2012, this would mean that there would be a need to prepare a new intermediate ESP for a period of two years (for 2013-2014) or to extend the current CSP 2008-2012 until 2014.

Other possible options that could be envisaged are, thirdly, a ‘zero’ option, i.e. no ESP 2013-2017 would be prepared and adopted, and, fourthly, that in general the information would be supplied by other producers, i.e. not necessarily by the ESS.

Then in the framework of the impact assessment, after thorough consideration and analysis of the different scenarios, the number of options has been reduced to three, the effects and consequences of which have been examined in detail. These three options and their estimated impacts are the following:

Option 1: "zero option" with no European Statistical Programme

Without a legal framework of the European Statistical Programme, European Statistics will be collected and/or produced by different Commission services in an independent way, with their own resources, with the help of the ESS institutional providers and/or private providers. Having no five-year statistical programme at European level would implicate the lack of long-term planning which is an inherent prerequisite of the development, production and dissemination of statistical information. If no European Statistical Programme exists, it is unlikely that the objectives defined will be achieved. No legal framework for the production of European statistics would then exist and no operational budget would be provided. The users of statistics (Commission Directorates-General, the ECB, etc.) would have to produce or look for statistics themselves, in an uncoordinated and inefficient way, and there would not be a commonly agreed assurance of quality of European statistics. Without a European Statistical Programme, there will be no budget for and no overall planning of statistical production. This would also contribute to an increase in the response burden of individuals, households, enterprises and ESS institutional providers of statistics.

Option 2: ESP 2013-17 will be a repetition of the CSP 2008-2012

This option means no change in terms of statistics covered in the current Community Statistical Programme. This could be considered as the baseline scenario against which the other options can be compared. The statistics provided would correspond to policy needs of the period 2008-2012 and would not take into account new developments and needs for priority policies of the European Union such as the Europe 2020 strategy for smart, sustainable and inclusive growth and other policies addressed in the Commission's strategic priorities for 2010-2014. In addition, these statistics would be produced according to the stovepipe model⁹, i.e. without taking advantage of new method of production of European statistics aiming at efficiency gains and quality improvements.

Option 3: a new five-year European Statistical Programme is established

A new European Statistical Programme would be proposed for adoption covering a period of five years, i.e. lasting from 2013 to 2017. With this option European statistics will better correspond to users' needs. There will be an agreed assurance of quality and the production of statistics will be more cost-effective as a result of the new method of production. The objectives defined for the ESP 2013-2017 will be in line with the Commission's strategic priorities and will address the challenges that the European Statistical System is faced with in the coming years.

2.3.4. Summary of risks

The risks related to Option 1 are high because in this case no legal framework for the production of European statistics would exist, so that their quality and the efficiency of

⁹ In the stovepipe model, statistics are traditionally produced in numerous parallel processes, country by country (in some cases even region by region) and domain per domain. In such a model every single product stovepipe corresponds to a specific domain of statistics together with the corresponding production system. For each domain, the whole production process from survey design over data collection and processing to dissemination takes place independently of other domains, and each domain has its own data suppliers and user groups. The stovepipe model is also reflected in the way statistical domains are regulated at the European level.

statistical production would not be ensured. In these cases statistics would be produced in an uncoordinated way by different producers.

The risks involved in Option 2 are linked to the fact that statistics provided would correspond to partially outdated policy priorities which are produced according to the traditional method, i.e. without taking advantage of the new method of production of European statistics aiming at efficiency gains and quality improvements. The costs of inadequate statistics would be considerable.

Finally, the risks linked to Option 3 are considered to be relatively low as in this case European statistics would be produced under the established legal framework, i.e. the quality of statistics and the efficiency of the production method would be ensured as European statistics would be developed, collected and disseminated in a coordinated way.

2.3.5. The preferred option

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

According to this scenario, the next ESP will start on 1 January 2013 and end on 31 December 2017.

3. LEGAL ELEMENTS OF THE PROPOSAL

3.1. SUMMARY OF THE PROPOSED ACTION

The proposal establishes the European statistical programme for the period from 2013 to 2017. The programme provides the framework for the development, production and dissemination of European statistics, the main fields and the objectives of the actions envisaged for the programming period.

3.2 LEGAL BASIS

Article 338 of the Treaty on the Functioning of the European Union provides the legal basis for European statistics. Acting in accordance with the ordinary legislative procedure, the European Parliament and the Council adopt measures for the production of statistics where necessary for the performance of the activities of the Union. This Article sets out the requirements relating to the production of European statistics, stating that they must conform to standards of impartiality, reliability, objectivity, scientific independence, cost-effectiveness and statistical confidentiality.

3.3 SUBSIDIARITY PRINCIPLE

The subsidiarity principle applies insofar as the proposal does not fall within the exclusive competence of the EU.

The objective of the proposed action, namely the development, production and dissemination of European statistics under the ESP 2013 to 2017, cannot be sufficiently achieved by the Member States and is therefore better achieved at EU level on the basis of a European Union

legal act, because only the Commission can coordinate the necessary harmonisation of statistical information at European level in all statistical domains covered by this act, while the data collection itself can be carried out by the Member States. Consequently, the European Union may adopt measures in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty.

3.4 PROPORTIONALITY PRINCIPLE

The proposal complies with the proportionality principle for the following reason(s).

In line with the principle of proportionality, this Regulation confines itself to the minimum required to achieve its objective and does not go beyond what is necessary for this purpose. The proposal sets objectives for the five-year period. These objectives are spelled out and planned in more detail in the Commission's annual statistical work programmes, which are prepared in close cooperation with the Member States and adopted taking into account the opinion of the ESS Committee. Furthermore, new statistical requirements will be subject to specific legislation prepared with early and direct involvement of the Member States.

3.5 CHOICE OF INSTRUMENTS

Proposed instrument: a Regulation.

Other means would not be appropriate for the following reason(s).

Given the objectives and content of the proposal a Regulation is the most appropriate instrument.

4. BUDGETARY IMPLICATION

Total amount to be borne by the budget of the EU is 299.4 million EUR (current prices) for the duration of the programme from 2013 to 2017, of which 57.3 million EUR is covered by the programming period 2007 to 2013 and 242.1 million EUR by the programming period 2014 to 2017.

5. OPTIONAL ELEMENTS

Review/revision/sunset clause

The proposal includes a review and a sunset clause.

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

on the European statistical programme 2013-2017

(Text with EEA relevance)

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) Pursuant to Regulation (EC) No 223/2009 of the European Parliament and of the Council on European statistics¹⁰, a multiannual European statistical programme should be established, providing a framework for funding EU actions.
- (2) In accordance with that Regulation, the European statistical programme should 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 should lay down priorities concerning the needs for information for the purpose of carrying out the activities of the European Union. Those needs should be weighed against the resources needed at Union and national level to provide the required statistics, and also against the response burden and the respondents' associated costs.
- (3) The development, production and dissemination of European statistics within the legislative framework of the multiannual programme should be achieved through close and coordinated cooperation within the European Statistical System between the European Union statistical authority, which is the Commission (Eurostat), and the national statistical institutes and other national authorities¹¹.

¹⁰ OJ L 87, 31.3.2009, p. 164.

¹¹ Without prejudice to Article 5 of the Protocol on the Statute of the European System of Central Banks and the European Central Bank.

- (4) Statistics developed, produced and disseminated under this programme should contribute to the implementation of the policies of the European Union, as reflected in the Treaty on the Functioning of the European Union, the Europe 2020 strategy for smart, sustainable and inclusive growth¹² and other policies addressed in the Commission's strategic priorities for 2010-2014 (i.e. strengthened and integrated economic governance, climate change, reformed agricultural policy, growth and social cohesion, people's Europe and globalisation¹³) and should be fostered through actions financed under this programme where the European Union can bring a clear added value.
- (5) In recent years the European Statistical System has been faced with a number of challenges.
- Firstly, the need for European statistics has been constantly increasing, and this trend is unlikely to change in future.
 - Secondly, the nature of statistics has changed — evidence-based decision making requires statistics that meet high quality criteria linked to the specific purposes they are serving, and there is an increasing need for complex multidimensional statistics supporting composite policy areas.
 - Thirdly, due to the appearance of new actors on the information market, including those providing information in nearly real time, the priority for the ESS in future is high quality and, in the case of short-term statistics, timeliness in particular.
 - Fourthly, budget constraints at both national and European level as well as the need to further reduce the burden on enterprises and citizens make the situation even more challenging.

The Commission Communication to the European Parliament and the Council on the production method of EU statistics: a vision for the next decade¹⁴ and the ESS strategy for its implementation¹⁵ address all these challenges by aiming to reengineer the ways of working in the ESS in order to make it more efficient and flexible. The implementation of this Communication constitutes the core of the European statistical programme.

- (6) With a view to better matching the limited resources of national and European producers available for producing European statistics with the increasing needs for statistics, the preparation of the Commission's annual statistical work programmes, which spell out in detail this multiannual programme, should include a thorough review of statistical priorities that will reduce less important requirements and simplify existing processes, while at the same time maintaining the high quality standards of official statistics. Account should also be taken of the burden on respondents, be they businesses, central, regional or local government units, households or individuals.

¹² COM(2010) 2020 final.

¹³ http://ec.europa.eu/commission_2010-2014/president/pdf/press_20090903_en.pdf, 3.9.2009.

¹⁴ COM(2009) 404 final, 10.8.2009.

¹⁵ Presented at the ESS Committee meeting on 20.5.2010, doc. No 2010/05/6/EN.

- (7) In this context, reasonable financial burden-sharing between the budgets of the European Union and the Member States should be achieved. In addition to the financial allocation set by this Regulation, the National Statistical Institutes or other national authorities should therefore receive at national level the appropriate funding for carrying out the individual statistical actions decided for the implementation of this programme.
- (8) In the development, production and dissemination of European statistics under this Regulation, the national and European statistical authorities should respect the principles set out in the European Statistics Code of Practice, attached to the Recommendation of the Commission of 25 May 2005 on the independence, integrity and accountability of the national and Community statistical authorities, and the Commission Communication to the European Parliament and the Council of 15 April 2011 on robust quality management for European statistics¹⁶.
- (9) Pursuant to Article 15 of Regulation (EC) No. 223/2009 of the European Parliament and of the Council on European statistics, an adequate financial structure should be developed to support collaborative networks.
- (10) Provision should be made to open the Programme to participation of the countries of the European Free Trade Association participating in the European Economic Area (hereinafter referred to as 'the EFTA/EEA countries'). Provisions should also be made to open the Programme to participation by other countries, in particular the neighbouring countries of the European Union and countries which are applying for, are candidates for or are acceding to, membership of the European Union.
- (11) In the context of the implementation of the Programme, where appropriate, cooperation with third countries not participating in the Programme should be encouraged, taking into account any relevant agreements between those countries and the Union.
- (12) In order to be considered as financing decisions according to Article [] of Regulation [...] on the financial rules applicable to the general budget of the European Union [New financial Regulation], the annual work programmes adopted by the Commission for implementation of the Programme have to set out the objectives pursued, the expected results, the method of implementation and their total amount. They should also contain a description of the actions to be financed, an indication of the amount allocated to each action and an indicative implementation timetable. They shall include for grants the priorities, the essential evaluation criteria and the maximum rate of co-financing.
- (13) Since the objective of this Regulation, namely to establish the European Statistical Programme 2013 to 2017, cannot be sufficiently achieved by the Member States and can therefore be better achieved at the level of the European Union, the European Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve that objective.

¹⁶ COM(2011) 211 final.

- (14) An ex-ante evaluation has been performed in accordance with the principle of sound financial management, in order to focus the programme established by this Regulation on the need for effectiveness in achieving the objectives and in order to incorporate budgetary constraints from the design phase of the programme onwards. The value and impact of the measures taken under the Programme should be regularly monitored and evaluated, including by independent external evaluators. For the purpose of evaluating the programme, measurable objectives have been formulated and indicators developed.
- (15) This Regulation lays down a financial allocation for the entire duration of the programme which is to be the prime reference for the budgetary authority, within the meaning of point 37 of the Inter-institutional Agreement of 17 May 2006 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management¹⁷, in the framework of the annual budgetary procedure.
- (16) The financial interests of the European Union should be protected through proportionate measures throughout the expenditure cycle, including the prevention, detection and investigation of irregularities, the recovery of funds lost, wrongly paid or incorrectly used and, where appropriate, penalties.
- (17) In accordance with Regulation (EC) No 223/2009 the draft European statistical programme has been submitted for prior examination to the European Statistical System Committee, the European Statistical Advisory Committee established by Decision No 234/2008/EC of the European Parliament and of the Council¹⁸ and the Committee on Monetary, Financial and Balance of Payment Statistics established by Council Decision 2006/856/EC¹⁹,

HAVE ADOPTED THIS REGULATION:

Article 1

Establishment of the European statistical programme

The European statistical programme for the period from 2013 to 2017 (hereinafter referred to as ‘the programme’) is hereby established.

Article 2

Added value

The programme represents the added value of ensuring that European statistics are focused on the information needed to design, implement, monitor and evaluate Union policies. In addition, it contributes to the effective use of resources by fostering actions which provide an essential contribution to the development, production and dissemination of harmonised, comparable and reliable statistical information.

¹⁷ Reference to the legal basis will be updated once the new Agreement with the EP is adopted.

¹⁸ OJ L 73, 15.3.2008, p. 13.

¹⁹ OJ L 332, 30.11.2006, p. 21.

Article 3

Scope

1. This Regulation provides the programming framework for the development, production and dissemination of European statistics, the main fields and the objectives of the actions envisaged during 2013 to 2017, in accordance with Articles 13 and 14 of Regulation (EC) No 223/2009 of the European Parliament and of the Council on European statistics.
2. The programme does not cover measures provided for by the Programme for the Modernisation of European Enterprise and Trade Statistics²⁰ (hereinafter referred to as ‘the MEETS Programme’) until the end of the MEETS Programme on 31 December 2013 but includes objectives in the area of enterprise and trade statistics planned to be implemented from 2014 to 2017.

Article 4

Objectives

1. The general objective of the programme is for the European Statistical System to be the leading provider of high-quality statistics on Europe.
2. The following specific objectives shall be pursued in all statistical actions undertaken for the implementation of this programme:
 - Objective 1: provide quality statistical information to support the development, monitoring and evaluation of the policies of the European Union properly reflecting priorities;
 - Objective 2: implement new methods of production of European statistics aiming at efficiency gains and quality improvements;
 - Objective 3: strengthen the partnership within the European Statistical System and beyond in order to further enhance its productivity and its leading role in official statistics worldwide.
3. The objectives referred to in this Article are specified in the Annex together with the indicators used for monitoring the implementation of the programme. In accordance with Regulation (EC) No 223/2009 they shall be subject to detailed annual planning that will include a priority-setting mechanism as an integral part of the process. They shall be achieved through a close and coordinated cooperation in the European Statistical System, which is the partnership between the Union statistical authority and the national statistical institutes and other national authorities.

Article 5

Statistical governance and quality

²⁰ OJ L 340, 19.12.2008, p. 76.

The programme shall be implemented in accordance with the principles of the European Statistics Code of Practice with a view to producing and disseminating high-quality, harmonised European statistics and ensuring the proper functioning of the European Statistical System as a whole. Appropriate measures shall be taken to ensure good coordination and effective priority setting within the ESS in order to contribute to the reduction of administrative burden on statistical respondents. National authorities and the Union statistical authority shall ensure that European statistics comply with the European quality standards and serve the needs of European Union institutional users, governments, regional authorities, research institutions, civil society organisations, enterprises and the public.

Article 6

Financing

1. The financial envelope for the implementation of this programme is hereby set at 299.4 million Euros, including 57.3 million Euros covered by the programming period 2007 to 2013 and 242.1 million Euros covered by the programming period 2014 to 2017.
2. The Commission shall implement the Union financial support in accordance with Regulation XX/2012 on the Financial Regulation applicable to the general budget of the European Union.
3. In addition to the financial envelope set by this Regulation, the individual statistical actions decided for the implementation of this programme, in particular by means of agreement between the National Statistical Institutes or other national authorities and the Commission (Eurostat), shall receive appropriate funding at national level.

Article 7

Administrative and technical assistance

The financial allocation for the Programme may also cover expenses pertaining to preparatory, monitoring, control, audit and evaluation activities which are required for the management of the programme and the achievement of its objectives; in particular, studies, meetings of experts, expenses linked to the reimbursement of statistical experts, information and communication actions, expenses linked to IT networks focusing on information processing and exchange, together with all other technical and administrative assistance expenses incurred by the Commission for the management of the Programme.

Article 8

Annual work programmes

In order to implement the programme the Commission shall adopt annual work programmes which shall satisfy the requirements laid down in Article 17 of Regulation (EC) No 223/2009 and shall set out the objectives pursued and the expected results.

Article 9

Types of intervention

Financial contributions by the Union may take the form of either grants or public procurements contracts or any other interventions needed for the purposes of achieving the objectives referred to in Article 2.

Article 10

Eligible actions

1. Financial contribution by the Union shall support actions for the development, production and dissemination of European Statistics needed for the purposes of achieving objectives referred to in Article 3. Priority will be given to actions with high added value for the European Union in accordance with Article 2.
2. Financial contribution to support collaborative networks in accordance with Article 15 of Regulation (EC) N°223/2009 may take the form of grants for action and may cover up to 95% of the eligible costs.
3. When appropriate, operating grants may be awarded for the functioning of organisations referred to in Article 11(3) not exceeding 50% of the eligible costs.
4. As a contribution to expenses incurred by the Member States in carrying out actions based on surveys, a lump sum per set of data, for which complete survey results are forwarded to the Commission, may be paid up to a maximum threshold defined per survey. The amounts are defined by the Commission taking due account of the complexity of the survey.

Article 11

Beneficiaries eligible for grants

1. In accordance with Article 5(3) of Regulation (EC) N°223/2009, grants to beneficiaries identified therein may be awarded without a call for proposals.
2. Collaborative networks may involve beneficiaries referred to in paragraph 1 and other bodies without call for proposals in accordance with the Financial Regulation.
3. Operating grants referred to in Article 10(3) may be awarded to organisations which comply with all of the following criteria:
 - (a) They are non-profit-making, independent of industry, commercial and business or other conflicting interests, and have as their primary objectives and activities the promotion and support of the implementation of the European statistics Code of Practice and the implementation of new methods of production of European statistics aiming at efficiency gains and quality improvements at European level.
 - (b) They have provided the Commission with satisfactory accounts of their membership, internal rules and sources of funding.

Article 12

Protection of the financial interests of the European Union

1. The Commission shall take appropriate measures ensuring that, when actions financed under this Regulation are implemented, the financial interests of the European Union are protected by the application of preventive measures against fraud, corruption and any other illegal activities, by effective checks and, if irregularities are detected, by the recovery of the amounts wrongly paid and, where appropriate, by effective, proportionate and deterrent penalties.
2. The Commission or its representatives and the Court of Auditors shall have the power of audit, on the basis of documents and on-the-spot checks, over all grant beneficiaries, contractors and subcontractors who have received funding within the framework of this Regulation.

The European Anti-fraud Office (OLAF) may carry out on-the-spot check and inspections on economic operators concerned directly or indirectly by such funding in accordance with the procedures laid down in Regulation 2185/96 with a view to establishing whether there has been fraud, corruption or any other illegal activity affecting the financial interests of the European Union in connection with a grant agreement or grant decision or contract funded under this Regulation.

Without prejudice to the first and second subparagraphs, cooperation agreements with third countries and international organisations and grant agreements and grant decisions and contracts resulting from the implementation of this Regulation shall expressly empower the Commission, the Court of Auditors and OLAF to conduct such audits, on-the-spot checks and inspections.

Article 13

Participation of third countries in the Programme

Participation in the European Statistical Programme shall be open to:

- (a) the EFTA/EEA countries, in accordance with the conditions established in the EEA Agreement;
- (b) countries to which the European Neighbourhood Policy applies, countries that are applying for, are candidates for, or are acceding to, membership of the European Union, and the western Balkan countries included in the stabilisation and association process, in accordance with the conditions laid down in the respective bilateral or multilateral agreements with those countries establishing the general principles for their participation in European Union programmes.

Article 14

Reports

1. The Commission shall, after consulting the European Statistical System Committee, submit an intermediate progress report to the European Parliament and the Council no later than June 2015.
2. By the end of 2018, the Commission, after consulting with the European Statistical System Committee, shall submit a final evaluation report on the implementation of the programme to the European Parliament and the Council.

Article 15

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

Done at [...],

For the European Parliament
The President

For the Council
The President

ANNEX

Statistical infrastructure and objectives of the European Statistical Programme 2013-2017

Introduction

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

The European statistical programme provides the legislative framework for the development, production and dissemination of European statistics over the period 2013-2017.

European statistics are developed, produced and disseminated under that legislative framework through close and coordinated cooperation in the European Statistical System.

Statistics developed, produced and disseminated under the programme contribute to the implementation of the EU's policies, as reflected in the Treaty on the Functioning of the European Union, the Europe 2020 strategy for smart, sustainable and inclusive growth and its respective Flagships and other policies addressed in the Commission's strategic priorities.

Given the fact that the ESP 2013-2017 is a multiannual programme covering a period of five years and that the European Statistical System aims at being and maintaining its role as a key player in the statistical field, the ESP 2013-2017 is ambitious in terms of scope and objectives, but the implementation of the Programme will follow a step-wise approach.

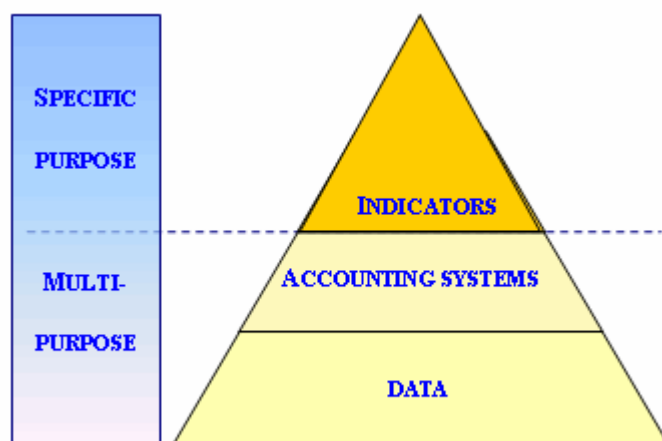
Statistical infrastructure

The ESP will establish an infrastructure of statistical information. This infrastructure has to be prepared for the wide and intensive use of various applications.

Policy-making drives the decisions to produce European statistics, but these statistics should also be available to other decision-makers, researchers, businesses and European citizens in general as they are a public good and are paid for by citizens and businesses, who should benefit equally from the services provided. For the infrastructure to fulfil this role it has to be designed according to a sound conceptual framework, which, on the one hand, ensures fitness for a range of purposes and, on the other hand, allows flexible adaptation to evolving users' needs in the years ahead.

The infrastructure of statistical information is presented below:

INFRASTRUCTURE OF STATISTICAL INFORMATION



Legend

Data: information collected by statistical authorities, via traditional statistical activities (sample surveys, censuses, etc.)/data from other sources, re-used for statistical purposes. This information is tailored to serve needs in specific policy areas, e.g. the labour market, migration or agriculture.

The term also includes data collected for administrative purposes but used by statistical authorities for statistical purposes (usually referred to as data from administrative sources).

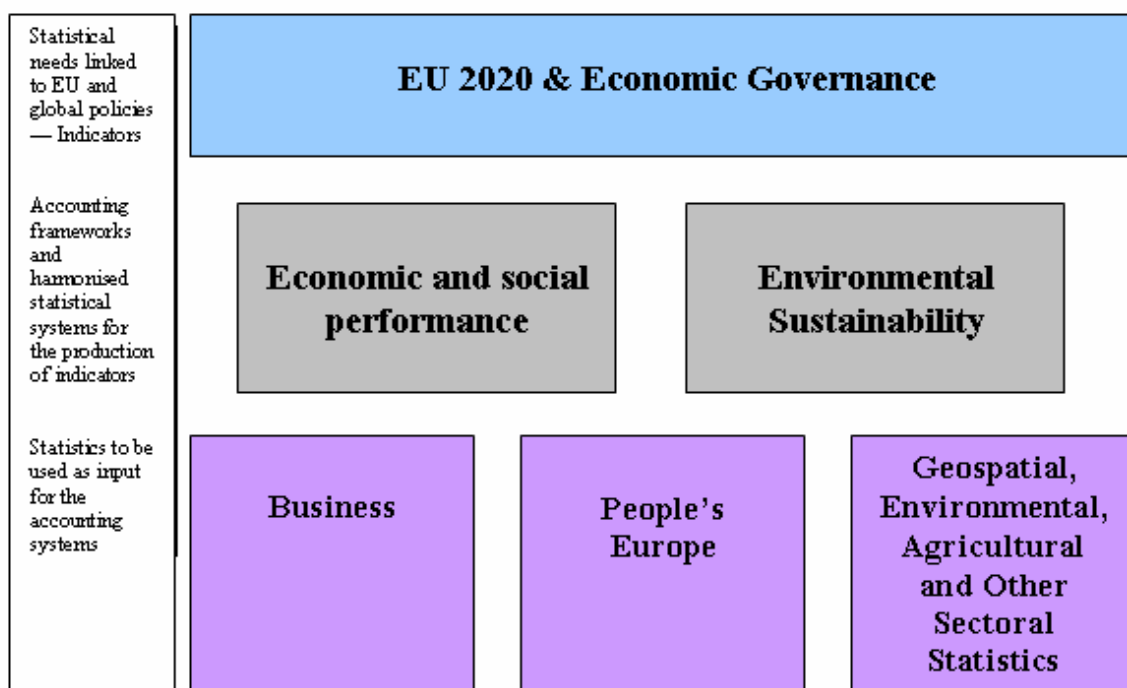
Accounting systems: coherent and integrated accounts, balance sheets and tables based on a set of internationally agreed rules. An accounting framework ensures a high profile of consistency and comparability; statistical data can be compiled and presented in a format that is designed for the purposes of analysis and policy-making.

Indicators: an indicator is a summary measure related to a key issue or phenomenon and derived from a series of observed facts. Indicators can be used to reveal relative positions or show positive or negative change. Indicators are usually a direct input into EU and global policies. In strategic policy fields they are important for setting targets and monitoring their achievement.

Within this overarching scheme, the ESP will further distinguish three groups of statistical information: Business; People's Europe; and Geospatial, environmental, agricultural and other sectoral statistics.

EU and relevant global policies are the instruments that specify the statistical requirements to which the ESP will respond through the re-engineered structure and corresponding production processes. Therefore, each individual EU and global policy is reflected in the different components of the statistical infrastructure and covered by specific activities in the ESP. New policies identified in the years ahead will be covered by establishing new derivation paths of indicators/accounts based on the statistical information produced within the three pillars.

STATISTICAL INFORMATION – STRUCTURE AND DYNAMICS



Objectives

The general objective of the programme is for the European Statistical System to be the leading provider of high-quality statistics on Europe which will be achieved via the following specific objectives:

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

These specific objectives are split into different priority areas described below. Objective 1 is covered by 'I. Statistical outputs', Objective 2 by 'II. Production methods of EU statistics' and Objective 3 by 'III. Partnership'.

I. STATISTICAL OUTPUTS

INDICATORS

1.1. EUROPE 2020

Endorsement of the Europe 2020 strategy for ‘smart, sustainable and inclusive’ growth by the June 2010 European Council has shaped to a large extent the strategic agenda for the European Union and national policies in the years ahead. This agenda establishes a number of headline targets and flagship initiatives for which statistical indicators have to be delivered by the ESS in a number of areas (i.e. improving the conditions for innovation, research and development, promoting employment, meeting EU climate change and energy objectives, resource efficiency, improving education levels, including learning mobility, active and healthy ageing, and promoting social inclusion through the reduction of poverty).

Objective:

Provide quality statistical information to monitor the implementation of Europe 2020 policy for smart, sustainable, inclusive growth.

The objective will be implemented by:

- Updated headline target indicators for Europe 2020 (in the area of employment, research and development, innovation, energy/climate change, education, environment, social protection and social inclusion) available on the Eurostat website;
- Statistics available to support the monitoring of the implementation of Europe 2020 flagship initiatives;
- Additional indicators available as an input for the ex-ante and ex-post evaluation of the economic, social and environmental policy of the European Union.

1.2. ECONOMIC GOVERNANCE

The crisis and the tensions in the financial markets have highlighted the need to strengthen the economic governance of the Union. Decisive steps in economic governance and coordination have already been taken by the EU, some of which will have major statistical implications in addition to ongoing statistical activities.

Objective:

Develop new and enhance existing statistical information relevant for EU decision-makers and the public at large in relation to the strengthened and integrated economic governance of the EU and the surveillance cycle integrating the Stability and Growth Pact and the economic policy.

The objective will be implemented by:

- Statistical input for the macroeconomic imbalances scoreboard and the underlying analysis;

- Statistical input for an enhanced Stability and Growth Pact;
- A set of indicators to measure competitiveness developed and produced;
- A robust quality management implemented in the production chain, also covering upstream public finance data and the underlying workflows in Member States.

Objective:

Provide European decision-makers with reliable statistics and indicators for administrative and regulatory purposes and for monitoring specific EU policy commitments.

The objective will be implemented by:

- The scope of statistics for administrative and regulatory purposes defined and agreed with users, including the monitoring of statistics for GNI and VAT own resources, Structural Funds, and requirements for the remuneration and pensions as well as biennial mission allowances calculations under the EU Staff Regulations;
- A robust quality management framework for these indicators defined, implemented and explained.

1.3 ECONOMIC GLOBALISATION

The effects of the financial crisis, the increase in cross-border flows and the fragmentation of production processes have highlighted the need for a more coherent framework and enhanced measurement of globalised production.

Objective:

To enhance the indicators and statistical information available on economic globalisation and global value chains for EU decision-makers and the public at large.

The objective will be implemented by:

- Updated of existing and development of new indicators on economic globalisation and global value chains, including flows of and dependency on natural resources, available on Eurostat's web-site;
- Analysis of the global value chains, possibly through appropriate input/output tables, and foreign trade and business statistics, including micro-data linking.

ACCOUNTING FRAMEWORKS

The Commission Communication on GDP and beyond and the publication of the Stiglitz-Sen-Fitoussi Report have given new impetus to the key challenge for the statistical system, namely how to achieve better statistics on cross-cutting issues and more integrated statistics to describe complex social, environmental and economic phenomena beyond the traditional measures of economic output. The European System of Accounts (ESA) offers an integrated and consistent framework for all economic statistics that should be complemented by other indicators in order to provide more comprehensive information for policy and decision making.

2.1 ECONOMIC AND SOCIAL PERFORMANCE

The economic crisis has reinforced the need to have a set of high-quality macroeconomic indicators to better understand and analyse economic fluctuations and thereby facilitate the decision-making process. Increasingly globalised production makes it necessary to develop a consistent framework that facilitates the interpretation and integration of statistics from different domains.

Objective:

Supplement measurement of economic performance by different dimensions of globalisation, the quality of life, environmental sustainability, health, well-being and social cohesion. Develop a framework for the analysis of globalised production.

The objective will be implemented by:

- Indicators on income/consumption distribution across households produced (by reconciling National Accounts (NA) aggregates with household survey data);
- Implementation and compilation of annual, quarterly and regional National Accounts in accordance with ESA 1995/2010;
- Compilation of timely and quality price statistics, notably the harmonised indices of consumer prices;
- Satellite accounts developed for at least two new areas (e.g. research and development, health, social accounts);
- A database for growth and productivity measurement created;
- A conceptual framework for the analysis of globalised production developed.

Objective:

Provide key macroeconomic and social indicators and PEEIs (Principal European Economic Indicators) as a coherent set of indicators addressing the EU and global statistical data requirements and adjust PEEIs to meet evolving users' needs.

The objective will be implemented by:

- Coordinated development of the dashboards of key macroeconomic, social and sustainable development indicators;
- A harmonised methodology for key macroeconomic and social indicators and PEEIs;
- Enhanced international comparability of indicators;
- Improved tools to facilitate the interpretation and communication of indicators;
- Harmonised housing and related statistics available for all Member States.

2.2 ENVIRONMENTAL SUSTAINABILITY

Protecting, preserving and improving the environment for present and future generations, as well as combating the effects of climate change, are very high on the European agenda and an objective of the EU Treaties. Efficient policies in these domains require statistical information across various areas.

Objective:

Provide environmental accounts, and climate change-related statistics, taking into account international developments in this area.

The objective will be implemented by:

- A coherent system of environmental accounts developed as ‘satellite accounts’ to the main National Accounts, providing information on atmospheric emissions, energy consumption, flows and reserves of material natural resources and water, trade in basic and in critical raw materials, environmental taxation and spending on environmental protection, possibly including green growth/procurement;
- Indicators that show secondary pressures, impacts of climate change, including on health, vulnerabilities and adaptation progress, upgraded, developed, produced and disseminated.

DATA

3.1 BUSINESS

European enterprises are the focus of a large number of EU policies. In addition, they are responsible for the provision of basic data. Accordingly, business statistics in the broad sense are in heavy demand to support the decision-making process but also to help European citizens and businesses understand the impact of these policies differentiating between large enterprises, Mid-Caps and SMEs for which there is an increased need for detailed and harmonised statistics. There is simultaneously a need to reduce the administrative and reporting burden.

Objective:

Increase the efficiency and effectiveness of production processes. Provide quality statistics on key areas where enterprises are the centre of interest, such as business statistics, short-term indicators, their investment in human capital and skills, international transactions, globalisation, single market monitoring, R&D and innovation, and tourism. Special attention should be paid to the availability of data in high value-added industrial or services sectors.

The objective will be implemented by:

- Data available in the statistical system or in society reused, and common infrastructure and tools produced;
- Statistical information and indicators on business on an annual and infra-annual basis provided;

- Statistical information describing the place of Europe in the world and the EU's relationships with the rest of the world provided;
- Statistical information for the analysis of global value chains provided and the Euro Group Register developed as a backbone for collecting cross-domain information on globalisation;
- Trade in goods and trade in services rebalanced with improved availability of data on services and actions to rebalance statistical information on services and products;
- Single market monitoring tools developed, such as the food price monitoring tool and related indicators;
- Quality statistics on key areas of innovation and R&D performance provided through extended use of patent registers and extended research and statistical use of individual micro-data;
- Quality statistics on tourism supply and demand provided through optimised data collection and better integrated data from tourism with other domains;
- Streamlined data collection on Continuing Vocational Training (CVT) in enterprises.

3.2 PEOPLE'S EUROPE

European citizens are at the heart of a large number of EU policies. Consequently, social statistics in the broad sense are in heavy demand to support the decision-making process but also to help European citizens assess the impact of these policies on their lives.

Objective:

Provide quality statistics on key areas of social policy where the citizen is the centre of interest, such as social cohesion, poverty, demographic challenges (elderly people and migration in particular), the labour market, education and training, including learning mobility of young people, culture, physical activity, quality of life, safety, health, disability, consumption, free movement and the single market, mobility of young people, technological innovation and new lifestyle choices.

The objective will be implemented by:

- A consolidated basic infrastructure for European Social Statistics, including a range of survey and administrative-based data collections in place;
- Modernised surveys on the Labour Force (LFS) and Income and Living Conditions (SILC) in the context of which the content, the design and the data collection aspects (particularly the mode of data collection) of all social surveys, especially of LFS and SILC, will be reviewed;
- Statistics provided on education and training, including a rationalization and modernization of the Adult Education Survey (AES) into regular modules corresponding to data needs on education and training
- Statistics provided on physical activity and culture;

- Statistics provided on safety²¹, health²² and disability;
- Actions of the work programme on mainstreaming of migration statistics implemented;
- Quality of life indicators to measure progress of societies provided.

3.3 GEOSPATIAL, ENVIRONMENTAL, AGRICULTURAL AND OTHER SECTORAL STATISTICS

The combination of statistics with spatially referenced data and geospatial analysis will offer new and far-reaching opportunities that the ESS will explore further. Specific issues, such as confidentiality and statistical validity of small area estimations, will need to be given particular attention.

Quality energy and transport statistics to support the EU 2020 strategy and climate change policy will be of high importance in the future.

The significance of the agriculture among the European policies will remain during 2013-2017. The statistical work will be strongly influenced by the outcome of the reflection on the Common Agricultural Policy after 2013. Focus will be on environmental, biodiversity/ecosystem-related, economic, human health and safety and social dimensions.

Objective:

Support evidence-based policy-making by a more flexible and increased use of spatial information combined with social, economic and environmental statistical information.

The objective will be implemented by:

- The Infrastructure for Spatial Information in the European Community (INSPIRE) and in particular by the EU geo-portal further development, maintenance and operation;
- A range of geographic information through cooperation with EU programmes for land use surveys and remote sensing available;
- Integration of statistical data when relevant, thus creating a multisource flexible infrastructure for the provision of targeted spatio-temporal analysis.

Objective:

Provide quality environmental statistics to support the policy-making process of the EU.

²¹ In this context, Eurostat should use results of EU funded projects such as, for example, the [Joint Action on Monitoring Injuries in Europe \(JAMIE\)](#) and the [Injury Database \(IDB\)](#).

²² As agreed under the framework [Regulation \(EC\) No 1338/2008](#) of the European Parliament and of the Council of 16 December 2008 on Community statistics on public health and health safety at work (Health status and health determinants, Health care, Causes of death, Accidents at work, Occupational diseases).

The objective will be implemented by:

- A set of key environmental statistics on resources, such as on waste and recycling, water, raw materials deposits, ecosystems services and biodiversity at national and where possible regional level, and a set of key climate change related statistics to support mitigation and adaptation actions and policies at all relevant levels from local to EU level.

Objective:

Provide quality energy and transport statistics to support the policies of the EU.

The objective will be implemented by:

- Statistics on renewable energy produced and disseminated;
- Statistics on energy savings/energy efficiency produced and disseminated;
- Statistics on transport safety, passenger mobility, road traffic measurement and intermodal freight transport produced and disseminated.

Objective:

Provide quality agriculture, fisheries and forestry statistics for the development and monitoring of the Common Agricultural and Fisheries Policies reflecting key European strategic objectives related to sustainability as well as rural development by carrying out regular activities related to the development, production and dissemination of statistics.

The objective will be implemented by:

- The agricultural data collection reviewed and simplified in line with the Common Agricultural Policy review post 2013;
- Agricultural data collection processes redesigned, in particular with the objective of improving quality and timeliness of the data provided;
- The land use/cover data management system elaborated and implemented;
- The data collection system for coherent agri-environmental indicators implemented;
- Appropriate breakdowns by region provided;
- A set of key forestry data from Integrated Environmental and Economic Accounting for Forestry (IEEAF), such as forest area, volume and value of standing timber and economic accounts for forestry and logging, implemented and disseminated.

II. PRODUCTION METHODS OF EU STATISTICS

The ESS is currently facing a number of challenges: increasing demand for high-quality statistics, a growing need for complex multidimensional statistics, the appearance of new actors on the information market, constraints on resources, the need to further reduce the statistical burden on respondents as well as the diversification of communication tools. This implies adapting the production and dissemination methods of European official statistics in a progressive way.

1. ESS QUALITY MANAGEMENT

Objectives:

Implement a quality management system in the ESS based on the revised European Statistics Code of Practice, introducing new monitoring mechanisms to assess compliance with the Code of Practice based on Commitments on confidence in statistics agreed with the Member States.

Strengthen the sharing of good practices in the implementation of the Code of Practice and ensure that quality reporting is targeting different user needs.

The objectives will be implemented by:

- The Code of Practice fully implemented;
- Commitments of confidence in statistics agreed with Member States;
- ESS and ESCB quality assurance frameworks aligned;
- Users' needs for quality reporting met.

2. PRIORITY SETTING AND SIMPLIFICATION

The European Statistical System is facing a major challenge: how to provide high-quality European statistics to satisfy increasing needs for statistics in a context of substantially reduced budgets of Member States and zero-growth human resource policy at the Commission and in Member States. Given these resource constraints at European and national level, it is important to strengthen priority-setting and simplification measures, which requires the commitment of all ESS partners. A priority-setting mechanism has been introduced as an integrated part of the preparation of Annual Work Programmes and will be implemented throughout the duration of the ESP 2013-2017. This involves, among other things, an annual review of existing statistical requirements replacing an administrative mechanism by a strategic approach taking into account users', producers' and respondents' interests.

Objective:

Implement a priority-setting mechanism for the ESS in order to simplify reporting requirements and increase the flexibility of the ESS to adjust to new needs for statistics while taking into account the constraints of the producers and the response burden.

The objective will be implemented by:

- Priorities defined and resources allocated accordingly;
- Priorities for the ESS defined as part of the Annual Work Programme (AWP);
- Results of user and producer consultations reflected in the AWP;
- Statistical areas to be simplified and data collections to be reduced/discontinued communicated to users.

3. MULTI-PURPOSE STATISTICS AND EFFICIENCY GAINS IN PRODUCTION

Objectives:

Put in place gradually an ESS business architecture allowing more integrated production of EU statistics; harmonise and standardise statistical production methods and metadata; enhance the horizontal (across statistical domains) and vertical (across ESS partners) integration of statistical production processes in the ESS in respect of the principle of subsidiarity; use and integrate multiple data sources; produce multi-purpose statistics.

The objectives will be implemented by:

- Greater use of appropriate administrative data in all statistical areas;
- New data sources for European statistics identified and used;
- Increased involvement of European and national statistical authorities in the design of administrative records;
- Wider use of statistical matching and data linking techniques for increasing the offer of EU statistics;
- The European approach to statistics for quick policy response used;
- More integration of EU statistics production processes through ESS coordinated actions;
- Further harmonisation of statistical concepts across statistical domains;
- Development and implementation of flexible IT reference infrastructure and technical standards for improving interoperability, sharing of data and metadata, and common data modelling;
- Standard IT tools used across statistical business processes;
- Increased use and availability of harmonised methodologies (including mixed-mode approaches to data collection) and harmonised metadata;
- The role of statistical business registers strengthened as the place where the statistical units for all business related statistics is maintained and used as a source for national accounts sectors.

Objective:

Ensure the good functioning and coherence of the ESS through effective collaboration and communication.

The objective will be implemented by:

- Effective and efficient support for partnership in the ESS;
- Processes for burden and work sharing within the ESS defined and implemented;
- Collaborative networks further developed and made operational.

4. DISSEMINATION AND COMMUNICATION**Objectives:**

Make the ESS the first data source on EU statistics for all users and, in particular, for public and private decision-makers, by providing a quality statistical information service based on the principles of free access to European statistics.

Intensifying and extending the dialogue between users and producers of statistics to meet user needs for quality statistics. An early involvement of users in new developments is key to improve effectiveness and efficiency of the ESS.

Extend and rationalise the range of dissemination products to meet the needs of users using new technologies.

Set up a cost-efficient and integrated secure infrastructure within the ESS for access to official statistics confidential data for scientific purposes.

Start producing public use files.

The objectives will be implemented by:

- The ESS recognised as the first reference point for users of European statistics;
- An integrated secure infrastructure in place for access to EU micro-data;
- A system put in place to address users' requests for immediate access and advice in interpretation of statistical information;
- Dissemination products adjusted to the users' needs using new technologies;
- An increased number of statistical outputs on cross-cutting issues;
- Increased use of new communication and dissemination technologies (e.g. SDMX-based);
- An increased offer of micro-data sets for statistical research purposes.

5. TRAINING, INNOVATION AND RESEARCH

Objectives:

Satisfy learning and development needs in the ESS based on a combination of training courses and learning and development opportunities.

Improve the collaboration between ESS members for the transfer of knowledge and sharing and implementation of best practices and common innovative approaches in statistical production.

Organise the activities, participation and contribution of the research communities in the improvement of the statistical production chains and of the quality of official statistical information.

The objectives will be implemented by:

- Postgraduate degree (e.g. Master in Official Statistics) developed;
- Training programmes offered addressing user needs;
- Results of research projects applied in statistical production and dissemination;
- The ESS recognised as a reference point for the statistical research communities;
- Extensive involvement of the research communities in research activities in official statistics;
- Adequate instruments in place for the exchange of practices and implementation of common solutions in the ESS.

III. PARTNERSHIP

PARTNERSHIP WITHIN THE ESS AND BEYOND

Objective:

Implement the enhanced ESS governance framework.

The objective will be implemented by:

- Implementation of the revised Statistical law, Decision on the role of Eurostat;
- Framework regulations covering entire statistical areas adopted.

Objective:

Enhance the coordinating role of Eurostat as the European Union's Statistical Office.

The objective will be implemented by:

- Eurostat associated with all Commission initiatives with regard to statistical aspects at an early stage;

- Regular stakeholder dialogues at top management level organised.

Objective:

Strengthen the cooperation with the European System of Central Banks and the European and international organisations involved in the production of data for statistical or administrative purposes through common projects and coordinated developments. Ensure consistency between European and international standards.

The objective will be implemented by:

- A common quality framework for the ESS and the ESCB implemented;
- Eurostat increasingly involved in international advisory groups;
- New ways of cooperation defined and implemented;
- The new SNA²³/ESA²⁴, SEEA²⁵/EEEA²⁶ and Balance of Payments manuals implemented.

Objective:

Promote and implement statistical advisory and statistical assistance activities in countries outside the EU in line with the priorities of the foreign policy of the EU with particular emphasis on enlargement and the European Neighbourhood Policy.

The objective will be implemented by:

- ESS leadership exercised in the international arena;
- Quality data for EU foreign policy purposes delivered;
- Support to Commission services for the implementation of development and international cooperation policies, in their relations with international organisations and in matters of common statistical interest with non-European regions or countries;
- Relevant statistical data to support the enlargement process and negotiations disseminated;
- Requests for derogations from new Member States leading to unavailability of data minimised;
- Agreements/Memoranda of Understanding signed with countries outside the EU;
- Technical cooperation programmes designed and implemented;
- Technical assistance focused on data harmonisation and delivery.

²³ System of National Accounts (United Nations).

²⁴ European System of Accounts.

²⁵ System of Environmental and Economic Accounts (United Nations); adoption foreseen for 2012

²⁶ European Environmental Economic Accounts

LEGISLATIVE FINANCIAL STATEMENT FOR PROPOSALS

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)
- 1.5. Grounds for the proposal/initiative
- 1.6. Duration and financial impact
- 1.7. Management method(s) envisaged

2. MANAGEMENT MEASURES

- 2.1. Monitoring and reporting rules
- 2.2. Management and control system
- 2.3. Measures to prevent fraud and irregularities

3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE

- 3.1. Heading(s) of the multiannual financial framework and expenditure budget line(s) affected
- 3.2. Estimated impact on expenditure
 - 3.2.1. *Summary of estimated impact on expenditure*
 - 3.2.2. *Estimated impact on operational appropriations*
 - 3.2.3. *Estimated impact on appropriations of an administrative nature*
 - 3.2.4. *Compatibility with the current multiannual financial framework*
 - 3.2.5. *Third-party participation in financing*
- 3.3. Estimated impact on revenue

LEGISLATIVE FINANCIAL STATEMENT FOR PROPOSALS

1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

1.1. Title of the proposal/initiative

Proposal for a European Parliament and Council Regulation on the European statistical programme 2013-2017

1.2. Policy area(s) concerned in the ABM/ABB structure²⁷

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**²⁸

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 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 objective(s) and ABM/ABB activity(ies) concerned*

Specific objective No 1: Provide quality statistical information to support the development, monitoring and evaluation of the policies of the European Union

ABM/ABB activity(ies) concerned

3403 — Production of statistical information

Specific objective No 2: Implement the new method of production of European statistics

²⁷

ABM: Activity-Based Management — ABB: Activity-Based Budgeting.

²⁸

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

ABM/ABB activity(ies) 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

3481 — Policy strategy and coordination for Eurostat

More detailed objectives will be provided in the Commission's annual statistical work programmes.

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 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, 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 subsidiary 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 ensured 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 2013-2017, the main actions and indicators are listed. The objectives of the ESP 2013-2017 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 statistics³, 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 at large.

1.5.2. Added value of EU involvement

Political decision-makers and actors in the market constantly need statistics in order to make their 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.

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 the 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 that we are facing with the current Community Statistical Programme 2008-2012⁴ 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 2020⁵) 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 Group²⁹ 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 EP and the Council on the ex-post evaluation of the CSP 2003-2007³⁰ 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 respective CSP.

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

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:

²⁹ 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.

³⁰ COM(2009) 1 final.

- *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 function³¹, 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 Regulation³² (Article 27) and its Implementing Rules³³ (Article 21).

To avoid the limitations of a too detailed 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 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 a particular focus of the European statistical programme 2013-2017 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 in the roadmap for the preparation of this programme.

Drawing on past experience, mechanisms are 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, the implementation of the priority setting mechanism, presented to the ESS Committee on 18 November 2010³⁴, has been foreseen.

³¹ Internal Audit Capacity's Audit Report ESTAT-2009-ESTAT-002, 19.2.2010.

³² 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.

³³ 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.

³⁴ Presented at the ESS Committee meeting on 18 November 2010 (Doc. No 2010/07/08b).

Finally, the ex-ante evaluation was prepared in accordance with the Financial Regulation³⁵ (Article 27) and its Implementing Rules³⁶ (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 improve the efficiency of the management of the programmes, 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 97/281/EC of 21 April 1997. Commission Directorates-General and other services involve Eurostat at an early stage in the development of their programmes related to statistics.

1.6. **Duration and financial impact**

Proposal/initiative of limited duration

- **Proposal/initiative in effect from [01/01] 2013 to [31/12] 2017**
- **Financial impact from 2013 to 2017 for commitment appropriations and from 2013 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) envisaged³⁷**

Centralised direct management by the Commission

Centralised indirect management with the delegation of implementation tasks to:

- executive agencies
- bodies set up by the Communities³⁸

³⁵ 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.

³⁶ 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.

³⁷ 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.

³⁸ As referred to in Article 185 of the Financial Regulation.

- 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.

Comments

Based on the experience gained with the Community Statistical Programme 2008-2012, limited use of Joint Management with International Organisations will be considered, when appropriate, to support the achievement of the objectives of the European Statistical Programme 2013-2017.

2. MANAGEMENT MEASURES

2.1. Monitoring and reporting rules

Specify frequency and conditions.

The ex-ante evaluation of the ESP 2013-2017 was carried out on the basis of the provisions of the Financial Regulations 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 consulted with the internal Eurostat Task Force for the preparation of the ESP 2013-2017 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 Explanatory Memorandum and 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. The results of the evaluation of stakeholder consultations, alternative delivery mechanisms, cost-effectiveness and risk analysis are presented in the Explanatory Memorandum, Part 2 Results of consultations with the interested parties and impact assessments.

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. The 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 foreseen 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 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 fall mainly in the **management of grant procedures**. As it appears from the experience in the implementation of the Community Statistical Programme 2008-2012, some beneficiaries experienced consistent difficulties to submit 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 47 (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. Complementarily 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 based, 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. A specific emphasis will be put to 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 2013-2017, 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 antifraud strategy (CAFS) adopted on 24 June 2011 will be devised on 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 identify 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 control strategy 2013-2017 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]	DA/NDA ⁽³⁹⁾	from EFTA ⁴⁰ countries	from candidate countries ⁴¹	from third countries	within the meaning of Article 18(1)(aa) of the Financial Regulation
		DA/DNA	YES/NO	YES/NO	YES/NO	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
1A	29.0205 European statistical programme 2013-2017	Diff	YES/NO	YES/NO	YES/NO	YES/NO
1A	29.010405 Statistical information policy — Expenditure on administrative management	Non-diff	YES/NO	YES/NO	YES/NO	YES/NO

³⁹ DA= Differentiated appropriations / DNA= Non-Differentiated Appropriations.

⁴⁰ EFTA: European Free Trade Association.

⁴¹ 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). All figures in current prices.

Heading of multiannual financial framework:		Number	HEADING 1A — Competitiveness for growth and employment (2013) HEADING 1 – Smart and Inclusive Growth (as of 2014)							TOTAL
DG: ESTAT			Year 2013 ⁴²	Year 2014	Year 2015	Year 2016	Year 2017	Year 2018 and later		
• Operational appropriations										
29.0205	Commitments	(1)	53.800	54.876	55.974	57.115	58.235		280.000	
	Payments	(2)	5.380	24.856	39.879	51.439	56.239	102.207	280.000	
Appropriations of an administrative nature from the envelope of specific programmes ⁴³	nature financed									
29.010405		(3)	3.500	3.841	3.919	3.998	4.076		19.334	
	Commitments	=1+1a +3	57.300	58.717	59.893	61.113	62.311		299.334	
	Payments	=2+2a +3	8.880	28.697	43.798	55.437	60.315	102.207	299.334	
TOTAL appropriations for DG ESTAT										

⁴²

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

⁴³

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)	53.800	54.876	55.974	57.115	58.235		280.000
	Payments	(5)	5.380	24.856	39.879	51.439	56.239	102.207	280.000
• TOTAL appropriations of an administrative nature financed from the envelope of specific programmes		(6)	3.500	3.841	3.919	3.998	4.076		19.334
	TOTAL appropriations under HEADING 1a	=4+6	57.300	58.717	59.893	61.113	62.311		299.334
of the multiannual financial framework	Payments	=5+6	8.880	28.697	43.798	55.437	60.315	102.207	299.334

Heading of multiannual financial framework:	5	‘Administrative expenditure’
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EUR million (to 3 decimal places). All figures in current prices.

	Year 2013	Year 2014	Year 2015	Year 2016	Year 2017	Year 2018 and later	TOTAL
DG: ESTAT							
• Human resources	91.306	91.306	91.306	91.306	91.306		456.530
• Other administrative expenditure	4.038	4.118	4.201	4.285	4.371		21.013
TOTAL DG ESTAT	95.344	95.424	95.507	95.591	95.677		477.543
Appropriations							

TOTAL appropriations under HEADING 5	95.344	95.424	95.507	95.591	95.677		477.543
of the multiannual financial framework							

EUR million (to 3 decimal places)

	Year 2013	Year 2014	Year 2015	Year 2016	Year 2017	Year 2018 and later	TOTAL
Commitments							
TOTAL appropriations under HEADING 1 to 5	152.644	154.141	155.400	156.704	157.988		776.877
of the multiannual financial framework	104.224	124.121	139.305	151.305	155.992	102.207	776.877
Payments							

Heading of multiannual financial	Number	HEADING 1A - Competitiveness for growth and employment (2013)
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framework:

HEADING 1 – Smart and Inclusive Growth (as of 2014)

DG: ESTAT		Year 2013 ⁴⁴	Year 2014	Year 2015	Year 2016	Year 2017	Year 2018 and later	TOTAL
• Operational appropriations								
29.0205	Commitments	53.800	54.876	55.974	57.115	58.235		280.000
	Payments	5.380	24.856	39.879	51.439	56.239	102.207	280.000
Appropriations of an administrative nature financed from the envelop of specific programs ⁴⁵								
29.010405		(3)	3.841	3.919	3.998	4.076		19.334
TOTAL appropriations for DG ESTAT								
Commitments		57.300	58.717	59.893	61.113	62.311		299.334
Payments		8.880	28.697	43.798	55.437	60.315	102.207	299.334
• TOTAL operational appropriations		(4)	53.800	54.876	55.974	57.115		280.000
Payments		(5)	5.380	24.856	39.879	51.439	102.207	280.000
• TOTAL appropriations of an administrative nature financed from the envelop of specific programs		(6)	3.500	3.841	3.919	3.998	4.076	19.334
TOTAL appropriations		=4+6	57.300	58.717	59.893	61.113		299.334

⁴⁴

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

⁴⁵

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.

under HEADING 1a of the multiannual financial framework	Payments	=5+6	8.880	28.697	43.798	55.437	60.315	102.207	299.334
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If more than one heading is affected by the proposal / initiative:

• TOTAL operational appropriations	Commitments	(4)							
	Payments	(5)							
• TOTAL appropriations of an administrative nature financed from the envelop of specific programs		(6)							
TOTAL appropriations under HEADINGS 1 to 4 of the multiannual financial framework (Reference amount)	Commitments	=4+6							
	Payments	=5+6							

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

DG: ESTAT	Year 2013	Year 2014	Year 2015	Year 2016	Year 2017	Year 2018 and later	TOTAL
• Human resources	91.306	91.306	91.306	91.306	91.306		456.530
• Other administrative expenditure	4.038	4.118	4.201	4.285	4.371		21.013
TOTAL DG ESTAT	95.344	95.424	95.507	95.591	95.677		477.543

TOTAL appropriations under HEADING 5 of the multiannual financial framework	95.344	95.424	95.507	95.591	95.677		477.543
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EUR million (to 3 decimal places)

	Year 2013	Year 2014	Year 2015	Year 2016	Year 2017	Year 2018 and later	TOTAL
TOTAL appropriations under HEADING 1 to 5 of the multiannual financial framework	152.644	154.141	155.400	156.704	157.988		776.877
Commitments	104.224	124.121	139.305	151.028	155.992	102.207	776.877
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 2013	Year 2014	Year 2015	Year 2016	Year 2017	TOTAL
OUTPUTS						

Indicate objectives and outputs	Type of output ⁴⁶	Average cost of the output	Number of outputs	Cost of outputs	Number of outputs	Cost of outputs	Number of outputs	Cost of outputs	Total number of outputs	Total cost				
SPECIFIC OBJECTIVE No 1⁴⁷														
Provide quality statistical information to support the development, monitoring and evaluation of the policies of the European Union														
- Output	Statistical projects	0.315	90	24.210	85	24.694	67	21.270	62	21.704	58	22.129	362	114.007

Sub-total for specific objective No 1		90	24.210	85	24.694	100	31.906	94	32.555	87	33.194	455	146.559	
SPECIFIC OBJECTIVE No 2														
Implement the new method of production of European statistics														
- Output	Statistical projects	0.322	90	24.210	84	24.694	100	31.906	94	32.555	87	33.194	455	146.559
Sub-total for specific objective No 2														114.007

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

⁴⁶
⁴⁷

Sub-total for specific objective No 2	90	24.210	84	24.694	100	31.906	94	32.555	87	33.194	455	146.559
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SPECIFIC OBJECTIVE No 3
Strengthen the partnership within the ESS and beyond

- Output Statistical 0.308 20 5.380 19 5.488 9 5.488 9 2.798 8 2.856 7 2.912 63 19.434
projects

Sub-total for specific objective No 3	20	5.380	19	5.380	20	53.800	188	54.876	176	55.974	164	57.115	152	58.235	880	280.000
TOTAL COST																

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 2013	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	91.306	91.306	91.306	91.306	91.306		456.530
Other administrative expenditure	4.038	4.118	4.201	4.285	4.371		21.013
Subtotal HEADING 5 of the multiannual financial framework	95.344	95.424	95.507	95.591	95.677		477.543

Outside HEADING 5⁴⁸ of the multiannual financial framework							
Human resources	2.752	2.752	2.752	2.752	2.752		13.760
Other expenditure of an administrative nature (IT; meetings; studies; missions; subscriptions)	0.748	1.089	1.167	1.246	1.324		5.574
Subtotal outside HEADING 5 of the multiannual financial framework	3.500	3.841	3.919	3.998	4.076		19.334

TOTAL	98.844	99.265	99.426	99.589	99.753		496.877
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⁴⁸ 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 time equivalent units

	Year 2013	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)	655	655	655	655	655
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)					
29 01 02 01 (CA, INT, SNE from the 'global envelope')	118	118	118	118	118
XX 01 02 02 (CA, INT, JED, LA and SNE in the delegations)	-	-	-	-	-
XX 01 04 yy - at Headquarters - 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)	43	43	43	43	43
TOTAL	816	816	816	816	816

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 the annexes to the proposed Regulation. 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	

3.2.4. *Compatibility with the current multiannual financial framework*

- Proposal/initiative is compatible with the current multiannual financial framework for appropriations related to year 2013, and is compatible with the multiannual financial framework for 2014-2020 for appropriations related to years 2014 to 2017.
- Proposal/initiative will entail reprogramming of the relevant heading in the multiannual financial framework.

An amount of €53.8 million for 2013 is foreseen in the current multiannual financial frame for Community statistics. Implementation of the programme in 2013 is compatible with this amount.

- Proposal/initiative requires application of the flexibility instrument or revision of the multiannual financial framework⁴⁹.

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 2013	Year 2014	Year 2015	Year 2016	Year 2017	Total
<i>Contribution of Switzerland</i>	4.755	4.851	4.948	5.047	5.147	24.748
TOTAL appropriations co-financed	4.755	4.851	4.948	5.047	5.147	24.748

⁴⁹ 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:

(a) on own resources

on miscellaneous revenue

EUR million (to 3 decimal places)

Budget revenue line:	Appropriations available for the ongoing budget exercise	Impact of the proposal/initiative ⁵⁰						
		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.

⁵⁰

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.