



REPLIES OF THE EUROPEAN COMMISSION

TO THE EUROPEAN COURT OF
AUDITORS' SPECIAL REPORT

European statistics: Potential to further
improve quality

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This document presents the replies of the European Commission to observations of a Special Report of the European Court of Auditors, in line with Article 259 of the [Financial Regulation](#) and to be published together with the Special Report.

EXECUTIVE SUMMARY (I-X)

Commission replies

I European statistics are developed, produced, and disseminated in accordance with the principles enshrined in Article 338 of the Treaty on the Functioning of the European Union and further elaborated in Regulation (EC) 223/2009 on European statistics, as well as the European Statistics Code of Practice. By aiming to provide reliable and comparable statistical information, Eurostat supports evidence-based Union policies and the implementation of the Commission's political priorities and informs all users as well including businesses and the public at large.

The Union statistical priorities are defined in multi-annual statistical programmes proposed by the Commission and adopted by the European Parliament and the Council. Eurostat implements the budget of the statistical programmes through grants and public procurement contracts.

Eurostat produces fit-for-purpose European statistics in partnership with the Member States' national statistical institutes and other national authorities designated to produce official statistics as part of the European Statistical System (ESS) and based on shared statistical standards, methods, procedures, practices, and tools. The European Statistical System Committee (ESSC) provides professional guidance to the ESS; it is chaired by Eurostat and composed of representatives of the member national statistical institutes. Close cooperation inside the ESS aims to the development of statistical methodology to harmonise data and produce comparable data across Member States, which are published on Eurostat's website according to publicly available release calendars.

IV Based on the results of Eurostat user satisfaction survey, the quality of Eurostat data is rated by the majority of users as being of very good or good quality (26% rated it as very good and another 46% as good in the last survey in 2020). That is confirmed by the results of the new user satisfaction survey 2022, with 30% of very good and 41% of good ratings.

V Since 2018 a more robust monitoring system based on better indicators has been put in place. In the Commission's opinion, the new indicators will allow to measure objectively, using digital technologies, the relevance, timeliness and comparability across time of European statistics. Two interim evaluations and a final one of the implementation of the programme were done covering its whole duration (2013-2020), which were published on Eurostat's website.

The composition of the predecessor of the European Statistical Advisory Committee (ESAC), i.e. the European Advisory Committee on Statistical Information in the Economic and Social Sphere (CEIES, in the French acronym) was wider. The CEIES was then streamlined in the form of ESAC to make it more focused and effective in conveying views of the various users.

As for user needs, Eurostat disseminates a wealth of statistics on which users can base their work in the audited areas even if further improvements are needed on some aspects, currently being reviewed by Eurostat.

VI Eurostat finances statistical activities when this financing is set out in legislation. For all statistical activities, including compulsory activities, Eurostat financing can relate to projects that bring or test innovative solutions, new data sources, pilot and feasibility studies, new policy topics for possible future implementation, producing experimental statistics, to introduce improvements

also in the form of more efficient statistical processes or innovative methodology. The Commission agrees that sufficient resources should be allocated to Eurostat and National Statistical Authorities through the European statistical programme, with high priority given to innovative projects. Access to additional resources from other Union programmes is a common practice to support specific additional statistical needs of Commission policies, which cannot be covered with the ESP's resources. In the Commission's opinion, this does not put into question the professional independence of Eurostat in relation to other Commission departments.

VII In the areas covered by the audit, verification work on-the-spot in Member States like in the excessive deficit procedure and gross national income is not statistically necessary for ensuring the reliability of the statistics. In the Commission's opinion, in the areas concerned, Eurostat carries out in-depth assessments regarding the comparability and coherence of data and those assessments are based on robust validation procedures, quality reports as well as discussions with Member States' statisticians.

Eurostat will work on further harmonising the quality reports from Member States and their presentation, as well as improving timeliness in the mentioned areas (health and business statistics) in cooperation with Member States.

VIII Eurostat's release calendars are complete and in line with the practices of OECD and National Statistical Institutes in terms of the details provided. In line with the international practices, more details are provided in the metadata or inside the statistical products.

Eurostat is reviewing its revision policies in response to a recommendation of European Statistical Governance Advisory Board (ESGAB).

Eurostat's current practice of pre-release access is in line with the Code of Practice. However, Eurostat will reassess the modalities of its current pre-release practices.

IX Peer reviews are based on a complete and efficient methodology, including their frequency and coverage, approved by the ESSC. The Commission considers that the current frequency and coverage of peer reviews are fit for purpose.

X As regards the recommendations from the ECA:

- The Commission partially accepts the first recommendation.
- The Commission accepts the second recommendation.
- The Commission partially accepts the third recommendation.
- The Commission partially accepts the fourth recommendation.
- The Commission rejects the fifth recommendation.

INTRODUCTION (Paragraphs 1-11)

11 In accordance with Decision 234/2008, ESAC's mission is to assist the European Parliament, the Council and the Commission in ensuring that user requirements and the costs borne by

information providers and producers are taken into account in coordinating the strategic objectives and priorities of the Union's statistical information policy. The composition of ESAC is also legally prescribed.

ESGAB mandate is to provide an independent overview of the ESS as regards the implementation of the European Statistics Code of Practice, as defined in Decision No 235/2008/EC of the European Parliament and of the Council.

AUDIT SCOPE AND APPROACH (Paragraphs 12-20)

No Commission replies.

OBSERVATIONS (Paragraphs 21-89)

Commission replies:

23 Since 2018 a more robust monitoring system based on better indicators and links between the activities and the European Statistical Programme's objectives has been put in place as shown in Figure 4. In the Commission's opinion, the new indicators will allow to measure objectively, using digital technologies, the relevance, timeliness and comparability across time of European statistics. Two interim evaluations and a final one of the implementation of the programme were done covering its whole duration (2013-2020). This final evaluation assessed whether the objectives of the programme were met. The evaluation is composed by a Report to the European Parliament and the Council and its accompanying Commission staff working document, both published on Eurostat's website.

25 The consultations on specific products aim at studying user satisfaction with those products of a specific target group, i.e. experimental statistics seeks consultation with academia on the solidity of methods and outcomes, consultation with people with disabilities aims at testing the accessibility of statistics through various channels.

Eurostat's channels to identify users' needs also include the wide-scale and inclusive of various user groups consultation in 2017 called [Power from statistics](#). It brought together eminent representatives of different perspectives of society, to consult them on what future information needs would be and how they could be met by the European official statistics. Full details are available on Eurostat's website.

26 The users, respondents, and other stakeholders in European statistics (including the scientific community, the social partners and civil society) are represented by the 12 members who are appointed by the Commission (after consulting the European Parliament and the Council), in line with Decision 237/2008/CE of 11 March 2008.

The composition of the predecessor of ESAC (CEIES European Advisory Committee on Statistical Information in the Economic and Social Sphere) was wider. The CEIES was then streamlined in the form of ESAC to make it more focused and effective in conveying views of the various users.

28 Concerning health care resources and activities statistics, the Joint Eurostat-OECD-WHO Health Care non-Expenditure data collection already provides significant data for the needs of users. In order to further improve quality and completeness and to ensure sustainability of the data collection, Eurostat has developed a draft implementing regulation on healthcare facilities, healthcare human resources and healthcare utilisation. The draft implementing regulation is foreseen to be adopted by the end of 2022.

Morbidity is recognized internationally by experts as a very complex phenomenon to measure from a statistical point of view. The topic of morbidity statistics has been discussed with the representatives from the Member States in a number of expert groups in Eurostat (Task Force on Morbidity Statistics, Technical Group on Morbidity statistics, Working Group on Public Health statistics) and with data users from Directorate-General for Health and Food Safety (SANTE). Eurostat has provided grants for the Member States to carry out pilot data collection with the aim of testing the feasibility of using the data sources identified through methodological developments. The results of the pilot data collection will be analysed in 2023.

29 Eurostat applies the definition of small and medium-sized enterprises (SMEs) according to the Commission Recommendation concerning the definition of micro, small and medium-sized enterprises (2003/361/EC), Article 7 of which recognises that – for statistical purposes – the only criteria needed is the number of employees.

However, Eurostat acknowledged the need to review the currently used definition and consider enriching the set of criteria with financial ones to reflect better the evolving economic reality.

31 The grants are also used for developing new statistical methodologies and data sources, for developing quality assurance frameworks for statistics based on a new single data source or combination of data sources (e.g. administrative data and big data).

32 In the opinion of the Commission, funding statistical activities via sub-delegated credits is carried out in respect of the professional independence of Eurostat in relation to other Commission departments.

Specific Directorates'-General needs reflect policy user priorities or the requirement to monitor and evaluate the impact of concrete spending programmes based on robust high quality data and statistics, not on the basis of ad hoc commissioned studies only. The data needs of other Commission services are not ad hoc and short-term. These grants can also cover pilot studies or focus on paving the way to using new methodologies or new data sources – activities that would not otherwise be financed nationally.

Legislative acts adopted by the European Parliament and the Council sometimes provide for financing of activities necessary for the implementation of the act. Those activities can refer to voluntary pilot studies to assess the feasibility of new data collections improvement of certain aspects of the statistics to be produced such as granularity at territorial level, or to the development of methodologies for the statistics concerned. In other cases, they refer to the actual collection and production of statistics, for instance on ad hoc subjects required by the users like in Social statistics Reg. 2019/1700 and in the Business statistics Reg. 2019/2152.

33 Eurostat finances statistical activities when this financing is set out in legislation. For all statistical activities, including compulsory activities, Eurostat financing can relate to projects that bring or test innovative solutions, new data sources, pilot and feasibility studies, new policy topics

for possible future implementation, producing experimental statistics, to introduce improvements also in the form of more efficient statistical processes or innovative methodology.

Regarding staff costs, Eurostat applies art. 186.4e of the EU Financial Regulation.

34 The Commission is aware of the importance of qualitative assessment. Improvements have been made with the introduction of eGrants since 2018 with the aim of having detailed justifications for all grants. The Commission takes note of the ECA's observation and will further work in this direction.

For EU Labour Force Survey (LFS) modules, the syntheses of all national reports related to grants are publicly available via the [Eurostat website](#).

39 Complex methodological problems need careful investigation and discussions with Member States. It is in the interest of data quality and consistency if such discussions are made in detail before methodological guidance is issued.

42 Health non-expenditure is a joint Eurostat-OECD-WHO data collection that follows the Organisation for Economic Cooperation and Development (OECD) standard regarding the metadata requested. Underlying sources and methods are available in the metadata files.

Statistics differ in terms of methods and data sources used as well as in the pace of developing them over time. Therefore, the regularity of providing quality reports differs across statistical domains.

43 While the Commission acknowledges the need for further harmonising the quality reports from Member States and their presentation, those quality reports follow the ESS Single Integrated Metadata System standard in LFS and business statistics and the ESS Standard for Quality Reports Structure in Health Expenditure.

44 and 45 In the areas covered by the audit, verification work on-the-spot in Member States like in domains such as the excessive deficit procedure and gross national income is not statistically necessary for ensuring the reliability of the statistics. In the Commission's opinion, in the areas concerned, Eurostat carries out in-depth assessments regarding the comparability and coherence of data and those assessments are based on robust validation procedures, quality reports as well as discussions with Member States' statisticians. For health statistics and LFS, on-the-spot visits are carried out when needed but are different in nature by those implemented in the excessive deficit procedure and gross national income.

46 Eurostat proactively and swiftly follows up on issues linked to the transmission deadlines, completeness of data, methodology, and data quality of the statistical data provided by the national statistical authorities. The required actions are taken, at the appropriate level, to solve potential outstanding issues directly between Eurostat and the National Statistical Institute. When those compliance monitoring actions at service level are unsuccessful, Eurostat considers if formal action at Commission level should be initiated.

48 Eurostat will work to further improve the documentation of its quality assessments.

Box 1 - Examples of weaknesses related to accuracy

All countries tackled the increased unit non-response for LFS over time by moving to a multi-mode data collection (online, by phone, physical) or using statistical techniques to replace missing values. Eurostat has supported the Member States via dedicated grants to explore ways for limiting non-response and provides trainings and workshops to facilitate the exchange of good practice.

Concerning the compliance with the precision requirements, for which countries are asked to provide standard errors, Eurostat cannot calculate standard errors by itself as Eurostat does not have access to all the needed information for calibration coming from other national data sources.

Unlike LFS, structural business statistics is not a sample survey and that is why does not require calculation of confidence intervals. Eurostat analysed systematically the level of compliance with the Regulation on Structural Business Statistics (SBS) (No. 295/2008) with respect to the correct application of the "enterprise" as statistical unit as defined in the Statistical Unit Regulation (No. 696/93) and requested in 2015 all non-compliant Member States to set up an action plan to reach full compliance. Member States are progressively implementing their action plans, however, this is a complex topic that requires time and resources from them. Follow-up is ensured by Eurostat via stocktaking exercise in the context of the Business Statistics Directors Group. Eurostat agrees that the full implementation of the Statistical Unit 'enterprise' in many cases causes a break in the time series, however this is unavoidable. It is not needed to recalculate the time series for aggregate indicators when the time series break does not entail significant changes in the magnitude of the numbers.

While Eurostat acknowledges the importance of embracing new digital technologies to reduce the costs of statistical production and minimising the risk of a human error, different data collection systems (on paper or electronically) are not equal to a compromised quality.

Quality management of individual records is a national competency and Member States have the primary responsibility to ensure the correct coding and training of coders.

As regards Italy, the national metadata contains information of the quality management, the coding and the outcome of the audit.

Finland has not signalled any quality problems to Eurostat in the national metadata file neither has Cyprus.

50 See specific replies to Box 2.

Box 2 - Examples of weaknesses affecting the comparability of data

Concerning structural business statistics, the full implementation of the Statistical Unit 'enterprise' may cause a break in the time series in many cases. However, this is unavoidable due to the differences in concepts. It is not needed to recalculate the time series for aggregate indicators when the time series break does not entail significant changes in the magnitude of the numbers.

Concerning health expenditure statistics, Eurostat has worked together with the experts from the Member States on links and differences between national accounts and System of Health Accounts (SHA) in the context of the ESS Task Force Health Care Expenditure (TF HCE) since 2019. The valuation of expenditure by non-market providers in SHA is part of it.

51 All countries are required to code causes of death according to the WHO International Classification of Diseases (ICD) (in accordance with Regulation 1338/2008).

Countries are required to report any updates in their automated coding systems, as well as to provide information about the selection and modification of the underlying cause of death in their metadata. Eurostat is aware of the significant differences across the countries for the pneumonia and dementia as causes of death and therefore the topics are currently being discussed in the Technical Group on Causes of Death.

55 The delays in data submission by the Member States do not automatically mean that these data are out of date and the process is ineffective. The duration of the delay is the key factor to assess the usability of data. If the delay is short, the data may still be published to meet user needs.

Box 3 - Examples of delays in the submission of data

Health expenditure

In 2020, the deterioration of punctuality was due to the Covid-19 crisis. Four countries informed Eurostat about potential delays due to their work on national Covid-19 statistics. Eurostat shortened the internal validation deadlines to ensure that the data were disseminated on time.

56 Concerning causes of death, data collection is based on microdata i.e. individual deaths. There is no agreed methodology regarding the estimation of individual deaths. Such estimation entails the risk of missing important changes in trends, thus leading to possible erroneous interpretations from an epidemiological perspective. Therefore, no such estimates of causes of death were made for France and EU aggregates for 2018.

57 While the Commission recognises the differences in the level of details between the two reports examined by the ECA, it must be taken into account that the reports reflect the content and

the structure required by the EU legislators in each of the two cases. In addition, Commission reports to the European Parliament and to the Council should be limited to 15 pages that in turn limits the level of details to be provided. Eurostat makes available detailed data on quality on its website, not linked to the reporting requirements by the Parliament and the Council.

Box 4 - Weaknesses in reporting on quality to the Parliament and the Council

Regarding the Report to the European Parliament and the Council on LFS implementation answers to the request of Article 7 of Council Regulation (EC) No 577/98 stipulating that:

'A report on the implementation of this Regulation shall be submitted by the Commission to the Parliament and the Council every three years, beginning in the year 2000. This report shall evaluate in particular the quality of the statistical methods envisaged by the Member States to improve the results or to lighten the survey procedures.'

Concerning the report to the European Council and the Parliament on structural business statistics answers to the request of Article 13(1) of Regulation (EC) No 295/2008 on structural business statistics stipulating that:

'The Commission shall, by 29 April 2011 and every three years thereafter, submit a report to the European Parliament and the Council on the statistics compiled pursuant to this Regulation and in particular on their quality and the burden on business.'

58 The reports are prepared according to the provisions in the regulations and considering which level of detail a report to the European Parliament and Council is supposed to provide.

Complementary information is available from Eurostat's website. Also Eurostat regularly provides information and answers requests from the European Parliament and the Council e.g. via Parliament's questions, contacts with the Parliament, regular meetings at Council, the annual statistical package addressed to the Council etc.

61 Eurostat disseminates LFS data in bulks of several countries to respond to the user demand to have national data available as soon as possible, even if the EU aggregate is not available yet. There is always a time lag between submission and dissemination of data. This is due to the fact that Eurostat receives micro-data, validates the data, Member States possibly resend corrected datasets, Eurostat computes indicators and requests Member States to confirm aggregated main results before dissemination.

Concerning health expenditure data, the dissemination occurs in the same year as the submission of data. In 2020 due to delays in the Member States transmission of data linked with the health crisis, Eurostat accelerated its validation checks not to create a gap in the dissemination of data.

62 Eurostat's release calendars are complete and in line with the practices of OECD and National Statistical Offices in terms of the details provided. In line with the international practices, details on the breakdowns, classification used and methodologies including revisions are provided in the metadata or inside the statistical products. ESGAB has also indicated in its 2021 report that "a detailed public release calendar covering different periods and statistical products is available for users" is one of Eurostat's strengths in relation to its compliance with the Code of Practice.

63 Eurostat will look into the subject of revision policies and will investigate whether the existing guidelines could be extended to other statistical domains or data sets.

65 Eurostat has implemented actions in response to the ESGAB recommendations 2015/5 and 2015/7. The Recommendation 2021/4 states that Eurostat shall evaluate critically whether the current practice of pre-releasing statistics complies with Eurostat's position as a standard bearer of the ESS.

66 Principle 6 specifies conditions under which the pre-release shall be implemented. Namely, that it shall be limited, justified, controlled and publicised. Eurostat considers that its pre-release access is limited, justified, controlled and publicised in line with principle 6 of the Code of Practice. Eurostat provides pre-release access for certain key data to the Communication Adviser and the member of the cabinet responsible for coordination with Eurostat in cabinet Gentiloni, Directorate-General for Economic and Financial Affairs, Directorate-General Employment, Social Affairs and Inclusion and the European Central Bank, as well as to few accredited news agencies that receive news releases in advance under embargo through electronic means.

67 Eurostat considers that its pre-release access is limited, justified, controlled and publicised in line with the Code of Practice. Eurostat will mitigate those risks mentioned by strictly monitoring its pre-release practices.

Box 5 - Research on the potential impact of pre-release on capital markets

See reply to paragraph 67.

69 Pre-release access is an established practice in a large majority of Member States.

Indicator 6.7 of the European Statistics Code of Practice sets out the rules regarding pre-release access, thus offering the framework for harmonised practices that should be applied independently by statistical authorities in the ESS.

73 Concerning recommendations 1-4 in the ESGAB peer review 2014 for the legislation on the appointment and dismissal of senior management, Eurostat expressed divergent views that it had communicated to ESGAB. Notably, Eurostat considered that the EU staff regulations, in combination with the Commission Decision on Eurostat, which are publicly available, correspond to the requirements of the Code of Practice.

Further details are provided in the reply to paragraph 74.

Concerning pre-release access Eurostat did investigate the matter and have taken actions to limit it further, and made it controlled and publicised, in line with Principle 6 of the Code of Practice (see replies to paragraphs 66-69).

Nevertheless, Eurostat will still further critically evaluate its current practice in response to the ESGAB Recommendation 2021/4.

74 In its reply to the 2021 report Eurostat confirms its previous position and comments regarding the recruitment and dismissal of Eurostat's senior management.

Upon proposal of the Commission, in 2015 the Regulation (EC) 223/2009 was amended to include an explicit provision ensuring that the procedure for appointing the Director General of Eurostat is transparent and based on professional criteria. In practice, the Commission recruited the current Director General, Deputy Director General and Directors based on open competitions. Furthermore, the call for candidates in 2016 described explicitly the role of the Director General of Eurostat, making clear that the candidates for the post were expected to demonstrate that they have the necessary statistical competences to fulfil the responsibilities of the post. Articles 7 and 8 of Commission Decision on Eurostat describe the role and responsibilities of the Director General of Eurostat in terms that ensures that he/she has relevant professional competencies.

75 See reply to paragraph 73.

76 The follow-up of peer review improvement actions was not only based on trust. Controls have been exercised by Eurostat in verifying their implementation, with regular reporting to the ESSC. Cross-scrutiny was therefore ensured also at the level of that Committee.

77 Among the 155 improvements actions mentioned in paragraph 77, 8 relate to the UK, for which no follow-up is needed since the UK left the EU. There are also 29 actions that have already been integrated in the activities of the national statistical institutes (NSI) concerned such as planning, reporting, quality reviews, thus they must be considered as implemented. As a result, 118 actions remain as not implemented, constituting 13% out of 910 improvement actions. Eurostat will continue to follow the implementation of these actions.

79 It is not unusual that an amendment of statistical legislation takes a long time as only the preparation phase is within the direct authority of the NSI, consultations and adoption by the government and then by the Parliament are not in the direct authority of the NSI and may take a longer time.

To remedy to the not-early involvement of senior representatives of key stakeholders, for the third round of ESS peer reviews a communication campaign was developed and the involvement especially of the supervising ministry/responsible government body was proposed, so they are informed about the process and are aware of the reasons for recommendations on revising statistical legislation.

85 The preparation and conduct of robust peer reviews takes time. It necessitates drawing lessons from previous rounds, revising the Code of Practice if necessary, developing methodology and supporting documents to be agreed by the ESSC and conduct of the peer reviews.

The observed time lag between two rounds of peer reviews is not considered to be an issue of significance. It should be also noted that the Covid-19 impacts shifted the implementation period of the third round from 2020-2022 to 2021-2023. Regarding Slovakia it must be considered that its peer review in 2013 was a pilot review aimed at testing peer review methodology and that is why it was done before the other peer reviews in the second round.

86 There are four recommended concrete criteria for selecting other national authorities (ONA). Member States had to choose at least two of them.

Countries with peer reviews taking place in 2021 were asked to inform Eurostat about the selected ONAs to participate in the peer reviews and justification of their choice. This information was shared with the ESSC thus providing room for a transparent and critical assessment of ONAs by all peers. For example, the progress report on peer reviews presented at the meeting of the ESSC in

May 2021 included information on the procedure and results of selecting ONAs for the countries peer reviewed in 2021 (item 2.4). ESGAB chair attends every ESSC and receives all the documents including peer reviews progress reports that provides opportunity to express opinion on any issue related to the peer reviews.

87 The thresholds of minimum three and maximum six ONAs have been agreed by the ESSC. Based on the criteria agreed by the ESSC, no key ONAs have been excluded in the context of the peer reviews. The review of a selected number of ONAs allows to conclude for the entire system.

88 In accordance with Decision 235/2008 of the European Parliament and of the Council establishing ESGAB, the purpose of ESGAB is to provide an independent overview of the European Statistical System as regards the implementation of the European Statistics Code of Practice.

Therefore, ESGAB has a clear mandate linked to the implementation of the Code of Practice. It makes valuable contributions to activities aiming at safeguarding the independence, integrity and accountability of the ESS members. Its legal framework is adapted to that role.

89 Peer reviews are self-regulatory mechanism and their methodology is developed and approved by the ESSC. In this procedure, the Commission considers that the EU perspective has been fully taken into account.

ESGAB has been included since the beginning in the design of the peer reviews methodology. It has participated in the dedicated ESS Task Force and ESSC meetings. Eurostat has regularly informed ESGAB on the progress with the peer reviews. Recommendations by ESGAB have been appreciated and carefully considered.

CONCLUSIONS AND RECOMMENDATIONS (Paragraphs 90-103)

90 Based on the last published results of Eurostat user satisfaction survey 2020, the quality of Eurostat data is rated by the majority of users as being of very good or good quality (26% rated it as very good and another 46% as good). That is confirmed by the results of the new user satisfaction survey 2022, with 30% of very good and 41% of good ratings.

91 Since 2018 a more robust monitoring system based on better indicators has been put in place. In the Commission's opinion, the new indicators will allow to measure objectively, using digital technologies, the relevance, timeliness and comparability across time of European statistics. Two interim evaluations and a final one of the implementation of the programme were done, assessing whether its objectives were met, which were published on Eurostat's website.

92 The users, respondents, and other stakeholders in European statistics (including the scientific community, the social partners and civil society) are represented by the 12 members who are appointed by the Commission.

The composition of the predecessor of ESAC (CEIES European Advisory Committee on Statistical Information in the Economic and Social Sphere) was wider. The CEIES was then streamlined in the form of ESAC to make it more focused and effective in conveying views of the various users.

Eurostat applies the definition of SMEs according to the Commission Recommendation concerning the definition of micro, small and medium-sized enterprises (2003/361/EC), which recognises that – for statistical purposes – the only criteria needed is the number of employees. Eurostat will review the current definition and consider the addition of financial criteria.

Recommendation 1 – Better meet user needs

The Commission partially accepts this recommendation.

The Commission will look, in cooperation with ESAC, into the activities and ways of working of ESAC with a view to reinforcing inclusiveness. However, the Commission considers that the current selection procedure of ESAC members is appropriate.

93 The Commission agrees that sufficient resources should be allocated to Eurostat and National Statistical Authorities through the European statistical programme, with high priority given to innovative projects.

Eurostat finances statistical activities when this financing is set out in legislation. For all statistical activities, including compulsory activities, Eurostat financing can relate to new methodologies, new data sources or new policy topics.

The Commission is aware of the importance of qualitative assessment. Improvements have been made with the introduction of eGrants since 2018 with the aim of having detailed justifications for all grants. The Commission takes note of the ECA's observation and will further work in this direction

For LFS modules, the syntheses of all national reports related to grants are publicly available via the Eurostat website.

Recommendation 2 – Aim to enhance the European statistical programme's financial independence and prioritise innovative projects

The Commission accepts recommendation 2 (a) and (b).

The Commission will evaluate the feasibility of making the next European statistical programme less reliant on multiple sources of financing, in the context of the mid-term review of the current European statistical programme in 2024.

The Commission agrees that sufficient resources should be allocated to Eurostat and National Statistical Authorities through the European statistical programme, with high priority given to innovative projects. This should enable the ESS to develop and use the full potential of new data sources and digital technologies, in particular to better meet the fast-changing data requirements related to the digital transformation, the green transition and climate change and provide the expected EU value added in this regard.

94 Complex methodological problems need careful investigation and discussions with Member States. It is in the interest of data quality and consistency if such discussions are made in detail before methodological guidance is issued.

Eurostat will further discuss with Member States any possible improvements in terms of support and examine whether internal notes would be helpful in that regard.

95 While the Commission acknowledges the need for further harmonising the quality reports from Member States and their presentation, those quality reports follow the ESS Single Integrated Metadata System standard in LFS and business statistics and the ESS Standard for Quality Reports Structure in Health Expenditure.

96 In the areas covered by the audit, verification work on-the-spot in Member States like in the excessive deficit procedure and gross national income is not statistically necessary for ensuring the reliability of the statistics.

In the Commission's opinion, in those areas, Eurostat's quality assessments are based on robust validation procedures, quality reports, discussions with Member States' statisticians. Eurostat will work to further improve the documentation of these quality assessments.

97 Where a country does not submit data on time, Eurostat has used estimates for the purpose of obtaining an EU aggregate and ensuring timely data release.

Concerning causes of death, data collection is based on microdata i.e. individual deaths. There is no agreed methodology regarding the estimation of individual deaths. Such estimation entails the risk of missing important changes in trends, thus leading to possible erroneous interpretations from an epidemiological perspective. Therefore, no such estimates of causes of death were made for France and EU aggregates for 2018.

98 The reports are prepared according to the provisions in the regulations and considering which level of detail a report to the Parliament and Council is supposed to provide.

Complementary information is available from Eurostat's website. Also Eurostat regularly provides information and answers requests from the European Parliament and the Council e.g. via Parliament's questions, contacts with the Parliament, regular meetings at Council, the annual statistical package addressed to the Council etc. The Commission will look into the possibility to bring improvements to future reports where appropriate.

Recommendation 3 – Improve Member States' quality reports and the quality assessment of European statistics

The Commission accepts recommendation 3 a).

The Commission partially accepts recommendation 3 b). The Commission will work to further improve the documentation of its quality assessments. With regard to quality assessments, the Commission considers that in the areas covered by the audit, it carries out thorough quality assessments based on robust validation procedures, quality reports and discussions with Member States' statisticians.

99 Eurostat's release calendars are complete and in line with the practices of OECD and National Statistical Institutes in terms of the details provided.

In line with the international practices, details on the breakdowns, classification used and methodologies including revisions are provided in the metadata or inside the statistical products.

Eurostat disseminates LFS data in bulks of several countries to respond to the user demand to have national data available as soon as possible, even if the EU aggregate is not available yet.

100 See reply to paragraph 66.

Recommendation 4 – Reconsider the current practice of pre-releasing statistics

The Commission does not accept recommendation 4 a), because Eurostat's practice of pre-release access is in line with the Code of Practice and will be pursued.

The Commission accepts recommendation 4 b) and will reassess the modalities of its current practices accordingly.

101 The ECA's observations refer to ESGAB recommendations.

Concerning recommendations 1-4 in the ESGAB peer review 2014 for the legislation on the appointment and dismissal of senior management, Eurostat expressed divergent views that it had communicated to ESGAB.

Concerning pre-release access Eurostat's current practice is in line with the Code of Practice.

See detailed replies to paragraph 73.

102 The follow-up of peer review improvement actions was not only based on trust. Controls have been exercised by Eurostat in verifying their implementation, with regular reporting to the ESSC. Cross-scrutiny was therefore ensured also at the level of that Committee.

For the last round of monitoring, Eurostat implemented a verification of the reported progress by the NSIs, e.g. by verifying that information was available on the website, that documents had been prepared, etc. Letters were sent to Member States asking for more information when needed.

To remedy to the not-early involvement of senior representatives of key stakeholders, for the third round of ESS peer reviews a communication campaign was developed and the involvement especially of the supervising ministry/responsible government body was proposed.

103. The preparation and conduct of robust peer reviews takes time. It necessitates drawing lessons from previous rounds, revising the Code of Practice if necessary, developing methodology and supporting documents to be agreed by the ESSC and conduct of the peer reviews.

The observed time lag between two rounds of peer reviews is not considered to be an issue of significance. It should be also noted that the Covid-19 impacts shifted the implementation period of the third round from 2020-2022 to 2021-2023.

Recommendation 5 – Assess the feasibility of strengthening the mandate of the European Statistical Governance Advisory Board

The Commission does not accept this recommendation.

In accordance with decision 235/2008 establishing ESGAB, the purpose of ESGAB is to provide an independent overview of the European Statistical System as regards the implementation of the European Statistics Code of Practice. The peer reviews are used to assess Eurostat's and the ESS' adherence with the Code of Practice based on a transparent methodology. Eurostat takes the view that ESGAB has extensive powers to take actions and express its views on peer reviews.