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## Audit preview

Information on an upcoming audit



# The Commission's role in providing high-quality European statistics

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Official statistics are published by dedicated national authorities and international organisations, providing policy-makers with reliable, up-to-date information to monitor economic, social and environmental policies.

Reliable statistics are also essential for businesses and researchers. They are therefore relevant to all of us.

The European Statistical System comprises Eurostat (a directorate-general of the European Commission) working in cooperation with statistical bodies in the Member States.

We are carrying out an audit to examine the Commission's role in providing statistics for the EU and its Member States. Our audit will look at its strategy for producing high-quality statistics, the cooperation with the national statistical institutes, and its role in applying the quality framework for European statistics.

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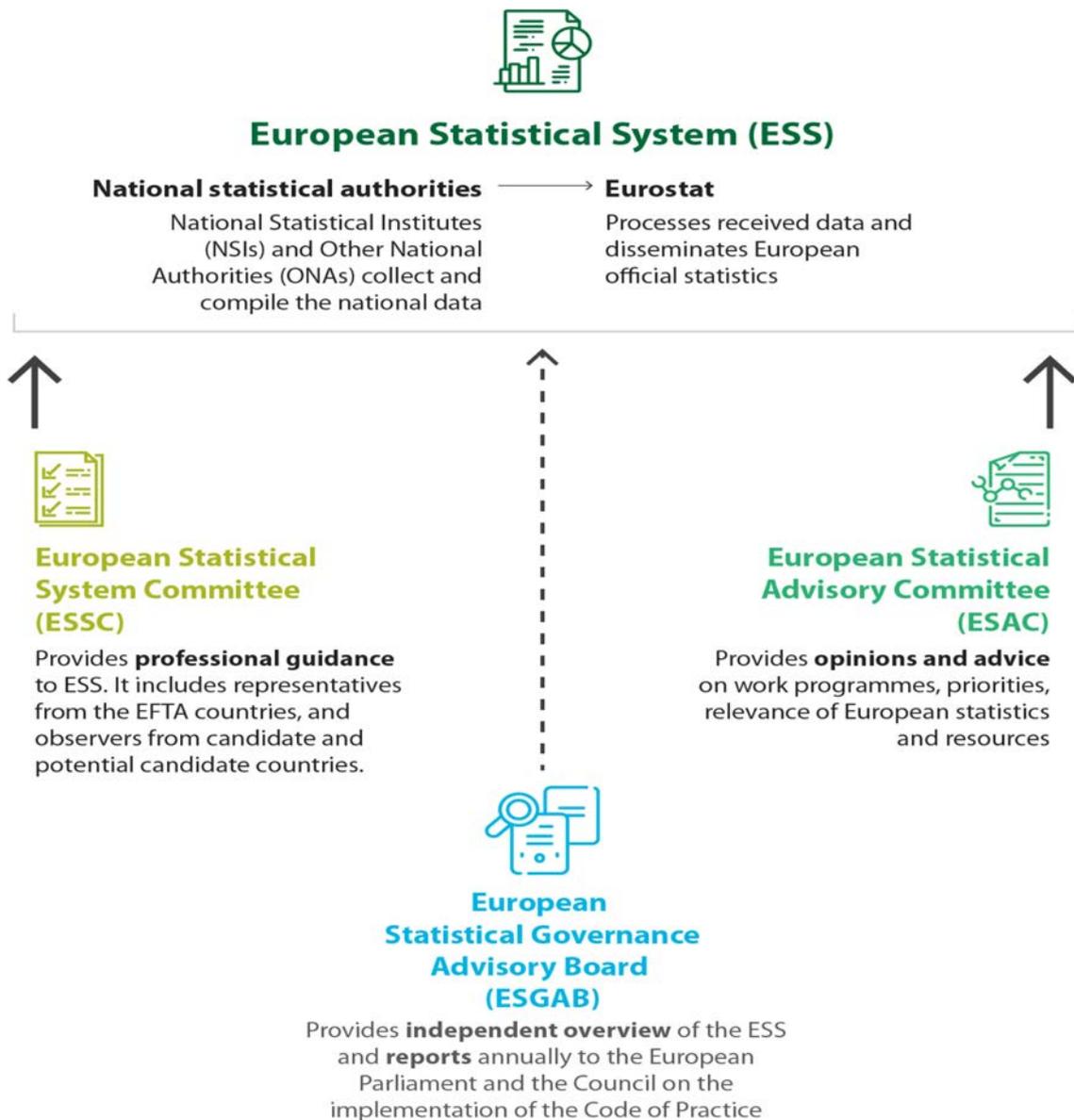
## The European Statistical System

Official statistics are published by dedicated national authorities and international organisations, providing information on economic and social development. They provide policy-makers with reliable, up-to-date information that they can use when designing, implementing, monitoring and evaluating policies. Reliable statistics are also essential for businesses and researchers. The COVID-19 pandemic highlighted once again the need for timely, comparable and reliable European statistics. They are therefore relevant to all of us.

The European Statistical System (ESS) is the partnership between the Commission (Eurostat, a directorate-general of the European Commission), and the national authorities in each Member State responsible for developing, producing and disseminating European statistics. Over the years, the European Statistical System has expanded to cover nearly all statistical fields.

The ESS's work is also coordinated with EU candidate countries and with other Commission directorates-general and agencies, the European Central Bank (ECB) and international organisations such as United Nations, Organisation for Economic Cooperation and Development, the International Monetary Fund, the World Health Organization, and the International Labour Organization. *Figure 1* provides an overview of the ESS's governance.

**Figure 1 – European Statistical System: its governance bodies**



Source: ECA, based on Eurostat.

The ESS is governed by the European Statistical System Committee, which is chaired by Eurostat and made up of representatives from the Member States' national statistical institutes (see also [Figure 1](#)). The committee also includes representatives from the European Free Trade Association countries<sup>1</sup>, and observers from candidate and potential candidate countries.

## Roles and responsibilities

### EU level

At EU level, **Eurostat** is responsible for compiling and producing European statistics. It coordinates and funds the NSIs' collection of these statistics and devises common standards to ensure they take a harmonised approach, including uniform concepts, definitions and methods. Eurostat also consolidates the data provided by national authorities to produce EU-level aggregate statistics.

Eurostat also cooperates with these national authorities to improve the efficiency and quality of European statistics, e.g. through specialist collaborative networks in specific fields of expertise, which then share their insights with the ESS as a whole.

### National level

Each EU Member State also has its own national statistical system, headed by a National Statistical Institute (NSI), for collecting and compiling the data on which European statistics are based. In some cases, other national authorities are also involved. National systems are meant to cover the same statistical activities as the European system, but may additionally include other statistics for national purposes.

## The European statistical programme

The European statistical programme (ESP) is the **EU's multiannual programme** funding the activities of the NSIs and other national authorities. EU spending on the last ESP, which ran from 2013 to 2020, amounted to **€266 million**.

The EU funding mainly takes the form of **grants** to the NSIs and other national authorities, which are generally awarded without a call for proposals and cover at least 70 % of the national authorities' costs in collecting data for the ESS (and in some cases up to 95 %), the rest being financed from national co-financing. These grants cover staff costs, general overheads and depreciation costs. They also cover the **procurement** of IT services, such as maintenance and improvement of the geographical information system, the maintenance and development of statistical infrastructure and databases and IT support in developing statistics, and **other activities**, such as the development of survey questionnaires and innovative tools.

## Legal framework

### Treaty on the Functioning of the European Union

**Article 338 of the Treaty** on the Functioning of the European Union<sup>2</sup> (TFEU) governs the production of European statistics and provides the European Parliament and the Council with the prerogative to *“adopt measures for the production of statistics where necessary for the performance of the activities of the Union”*. It also stipulates that the production of statistics *“shall conform to impartiality, reliability, objectivity, scientific independence, cost-effectiveness and statistical confidentiality; it shall not entail excessive burdens on economic operators”*.

### The “Statistical Law”

**Regulation (EU) No 223/2009** of 11 March 2009<sup>3</sup> (the **“Statistical Law”**) establishes a detailed legal framework for the development, production and dissemination of European statistics, based on the general principles set out in Article 338 TFEU.

### The European Statistics Code of Practice

The **European Statistics Code of Practice**<sup>4</sup> is a *self-regulatory instrument*, adopted in 2005 then further revised in 2011 and 2017, that complements the above legislation by setting standards for developing, producing and disseminating European statistics.

It sets out **16 principles** concerning the institutional environment, in which the EU and national statistical authorities operate, and statistical processes and outputs. Each principle includes a set of **indicators of best practices and standards** (there are 84 in total). These serve as a reference for reviewing the application of the code of practice.

The code of practice is accompanied by a **quality framework**, which provides guidance on how to apply the code of practice.

The European Statistical System’s compliance with the code of practice is monitored through **peer reviews**. The first round of peer reviews took place in 2006-2008, and the second in 2013-2015. The third round is currently being prepared and will take place in 2021-2023. The reviews cover the statistical authorities in all EU and EFTA countries, as well as Eurostat. Each year, Eurostat monitors the progress made by the various authorities in the European Statistical System in implementing the recommendations made under the peer reviews.

In turn, an independent **European Statistical Governance Advisory Body (ESGAB)** monitors and reports annually to the European Parliament and the Council on the overall implementation of the code of practice, including a summary of Eurostat's monitoring.

## Producing statistics in the context of COVID-19

The restrictions imposed in response to the COVID-19 pandemic have made traditional ways of collecting data face-to-face more difficult, and surveys have had to be postponed. This has disrupted data flow from businesses and households. COVID-19 has also posed challenges in terms of interpreting data.

The changing circumstances have required **rapid adjustment**: there has been widespread use of alternative data collection methods such as by phone, online, or using big data (e.g. satellite imagery, data from digital platforms, mobile networks, traffic tolls and energy consumption data). However, this shift may affect the quality and comparability of data.

The ESGAB's 2020 annual report<sup>5</sup> found that the European Statistical System had responded very well to the COVID-19 crisis. Despite some operational and methodological issues, continuity of key indicators had been ensured.

## Focus of the audit

The purpose of our current audit is to assess **Commission's role in providing high-quality European statistics to the EU and its Member States**. In particular, we will examine whether the Commission:

- has established a clear and comprehensive strategy to produce high-quality statistics;
- appropriately assesses the quality of European statistics, and disseminates them effectively; and
- was effective in implementing and monitoring the peer review recommendations towards compliance with the European Code of Practice.

The audit will cover the period from **2013 until 2021**. For this audit, we have selected three thematic statistical areas: **“Labour market”**, **“European businesses”** and **“Health”**. We will analyse a sample of projects related to these three areas in five selected Member States (Italy, Croatia, Cyprus, Lithuania and Finland) to assess to which extent the projects were effective in producing sustainable results.

Our **last audit**<sup>6</sup>, in 2012, found weaknesses in the European Statistical System and in the application of the code of practice that governs it. Our current audit will assess the progress made since then. It will also provide input to the ongoing debate about the role of Eurostat within the European Statistical System.

### **ABOUT ECA SPECIAL REPORTS AND AUDIT PREVIEWS**

The ECA's special reports set out the results of its audits of EU policies and programmes or management topics related to specific budgetary areas.

Audit previews provide information in relation to an ongoing audit task. They are based on preparatory work undertaken before the start of the audit and are intended as a source of information for those interested in the policy and/or programme being audited.

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- <sup>1</sup> Iceland, Liechtenstein, Norway and Switzerland.
  - <sup>2</sup> The Treaty On The Functioning Of The European Union ([https://eur-lex.europa.eu/resource.html?uri=cellar:9e8d52e1-2c70-11e6-b497-01aa75ed71a1.0006.01/DOC\\_3&format=PDF](https://eur-lex.europa.eu/resource.html?uri=cellar:9e8d52e1-2c70-11e6-b497-01aa75ed71a1.0006.01/DOC_3&format=PDF)).
  - <sup>3</sup> Statistical Law (<https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:02009R0223-20150608&from=EN>).
  - <sup>4</sup> European Statistics Code of Practice (<https://ec.europa.eu/eurostat/web/quality/european-statistics-code-of-practice>).
  - <sup>5</sup> ESGAB's 2020 annual report (<https://ec.europa.eu/eurostat/documents/34693/37190/2020+ESGAB+Annual+Report.pdf/6abc714f-9acb-15d8-635c-e29b0443c77c?t=1611302642333>).
  - <sup>6</sup> ECA special report 12/2012 "Did the Commission and Eurostat improve the process for producing reliable and credible European statistics?".

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Figure 1: Icons made by Pixel perfect from <https://flaticon.com>.

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