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## COMMISSION STAFF WORKING DOCUMENT

on progress in the implementation of the European statistical programme 2013-2020

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# Glossary

Term or acronym	Meaning or definition
DGs	Directorates-General
ECB	European Central Bank
EFC	The Council's Economic and Financial Committee
EMOS	European Master in Official Statistics
EMU	Economic and Monetary Union
ENP	European neighbourhood policy
ESA	European system of accounts
ESP	European statistical programme
ESS	European Statistical System
ESSC	European Statistical System Committee
ESSnet	European Statistical System collaboration network
ESTP	European statistical training programme
GNI	Gross national income
IESS	Integrated European social statistics
MFF	Multiannual financial framework
MNE	Multinational enterprise group
NACE	EU statistical classification of economic activities
NSIs	National statistical institutes
PEEIs	Principal European economic indicators
SDGs	Sustainable Development Goals

#### 1. Introduction

With Regulation (EU) 2017/1951<sup>1</sup>, the European Parliament and the Council extended the 2013-2017<sup>2</sup> **European statistical programme** (ESP) to 2020. Under Article 15(2a) of Regulation (EU) No 99/2013, Eurostat has to submit a progress report on the implementation of the ESP to the European Statistical System Committee (ESSC), including the outlook for the programme under the multiannual financial framework starting in 2021. That report shall also be submitted to Parliament and the Council.

The requirement for the progress report to have the Commission's view on the next multiannual statistical programme as input for the preparation of the next MFF starting in 2021 was introduced by Parliament and the Council.

In practice, the Commission decided to anticipate the proposals of all spending programmes for the new MFF 2021-2027, including the future statistical programme. Based on an <u>evaluation</u> and an <u>impact assessment</u>, the Commission proposed that the new ESP be included in the single market programme<sup>3</sup>. This proposal is currently under discussion by Parliament and the Council.

Given that the impact assessment and the previous evaluation already incorporated an outlook for the next MFF, the present report focuses on the main results and progress in implementing the current programme for the period not covered by previous evaluations. At the end, it also recalls briefly the outlook for the next MFF in line with lessons learnt, as reported previously.

# 2. MAIN RESULTS AND PROGRESS IN THE IMPLEMENTATION OF THE EUROPEAN STATISTICAL PROGRAMME IN 2018 AND IN THE FIRST HALF OF 2019

Regulation (EU) No 99/2013 provides the programming framework for the development, production and dissemination of European statistics. The ESP has the following strategic objectives:

1. provide statistical information in a timely and cost-effective manner, without necessary duplication of effort, in response to ever increasing user needs;

Regulation (EU) 2017/1951 of the European Parliament and of the Council of 25 October 2017 amending Regulation (EU) No 99/2013 on the European statistical programme 2013-17, by extending it to 2020 (OJ L 284, 31.10.2017, p. 1).

Established by <u>Regulation (EU) No 99/2013 of the European Parliament and of the Council of 15 January 2013 on the European statistical programme 2013-17 (OJ L 39, 9.2.2013, p. 12).</u>

Proposal for a Regulation of the European Parliament and of the Council establishing the Programme for single market, competitiveness of enterprises, including small and medium-sized enterprises, and European statistics and repealing Regulations (EU) No 99/2013, (EU) No 1287/2013, (EU) No 254/2014, (EU) No 258/2014, (EU) No 652/2014 and (EU) 2017/826 — COM(2018) 441 final — 2018/0231 (COD) (for details on the single market programme's legal texts and factsheets, see https://ec.europa.eu/commission/publications/single-market-programme-legal-texts-and-factsheets en).

- 2. implement new methods of producing European statistics aiming at efficiency gains and quality improvements;
- 3. strengthen the partnership within the European Statistical System (ESS) and beyond in order to further enhance its productivity and its leading role in official statistics worldwide;
- 4. ensure that delivery of statistics is kept consistent throughout the whole duration of the programme, provided that this does not interfere with the priority-setting mechanisms of the ESS.

To reach its objectives, Eurostat implements the budget of the ESP through **grants** and public procurement **contracts**, which help produce European statistics. Eurostat awards contracts mainly to firms specialised in statistics or IT services. Grants are mainly given to the national statistical authorities, which produce official European statistics.

In 2018, in total €77.3 million were spent to achieve the goals of the ESP.

We set out below the key initiatives and outputs of 2018 and of the first half of 2019 towards achieving the ESP objectives in various statistical domains.

#### EU economic governance

In 2018 and 2019, Eurostat continued to support the economic governance of the EU by providing a high-quality statistical service on the excessive deficit procedure (EDP) and Member States' underlying government finance statistics. The government deficit and debt data, based on figures reported in the first 2019 EDP notification by Member States for the years 2015-2018, were published in a news release of 23 April 2019 (reservations were issued on data reported by Hungary and Slovakia) together with additional accompanying notes. On the macroeconomic imbalances procedure, Eurostat took steps to improve the quality assurance of statistics underlying the procedure, in tandem with the ECB's 'Statistics' Directorate-General. The steps included: (i) regular comparison of the relevant data in the Eurostat and ECB databases and their harmonisation; (ii) alignment of the balance of payments quality reports between the ESS and the European System of Central Banks; and (iii) joint missions to Member States. Eurostat carried out successful visits to Germany and Malta in 2019 in connection with the macroeconomic imbalances procedure, in cooperation with the ECB.

Eurostat has also contributed to the prompt and effective implementation of the **Investment Plan for Europe** by clarifying the statistical rules for recording investments. In May 2018, Eurostat published jointly with the European Investment Bank a <u>detailed guide to the statistical recording of energy performance contracts</u>.

Following the November 2017 Economic and Financial Affairs Council conclusions, Eurostat analysed the effectiveness of the new 'Procedures for the development and implementation of methodology underpinning EDP data' after one year of their implementation. The November 2018 Economic and Financial Affairs Council welcomed the structured and scheduled progress on introducing methodological changes, as well as the procedures for providing new statistical guidance. The

Council encouraged Eurostat to continue applying the new procedure in a strict manner while giving due consideration to the Member States' time and resource constraints when implementing the guidance and action points resulting from EDP dialogue visits.

Eurostat presented EDP issues at the following forums (among others):

- the Economic and Financial Committee (EFC), the EFC Sub-committee on Statistics, and the EFC-Alternate;
- the European Statistical System Committee;
- the Committee for Monetary, Financial and Balance of Payments Statistics;
- the Director Group for Macroeconomic Statistics;
- the French Senate.

Eurostat liaised continuously on the EDP issue with the Commission's Directorate- General for Economic and Financial Affairs (DG ECFIN), and provided ad hoc advice on request on:

- the accounting implications of issues related to the <u>European stability</u> mechanism/European financial stability facility;
- the <u>Juncker Plan 2.0</u>;
- the common defence initiative.

At the request of the Maltese government, Eurostat presented rules on public-private partnerships and development banks in a conference in Malta chaired by the Maltese Minister of Finance.

In 2018, **regular visits on the EDP** took place in 13 Member States, with an additional 10 from January to June 2019. On request, Eurostat provided Member States with 23 technical and methodological notes including *ex ante* or *ex post* methodological advice on the statistical treatment of various transactions. An update of the 'Manual on Government Deficit and Debt' was prepared, and finalised in August 2019. The 'Classification of the Functions of Government' statistics manual is planned before the end of 2019 and the 'Manual on quarterly non-financial accounts for general government' is due to follow in 2020.

### Principal European economic indicators

Further improvement in the timeliness and availability for all Member States of the **principal European economic indicators (PEEIs)** has been a Eurostat priority for a number of years. **Timeliness** targets in the 'Status Report on Information Requirements in EMU' have been reached for the consumer price indicators, and for first GDP and national accounts-based total employment estimates, industrial import prices, the unemployment rate, international trade in goods balance and the house price index. For the other indicators, the timeliness targets have been almost reached and work is ongoing to close the remaining, relatively minor gaps. On the

**availability** of PEEIs, most of the indicators are fully available and progress is being made on country coverage for some indicators such as on services producer price indices.

Since November 2018, Eurostat has published euro area/EU employment flash estimates within the national accounts framework. The estimates appear after about 45 days. This follows the successful introduction of euro area/EU flash estimates for quarterly GDP, which appear after about 30 days. These initiatives come in response to a long-standing recommendation of the EFC. The first flash estimate of European aggregates after 45 days, combining GDP and employment data, was published in February 2019. Regular estimates of European main GDP aggregates (published after about 65 days) were extended in December 2018 to include European employment and labour productivity estimates.

#### National accounts

Eurostat has pursued its work to ensure exhaustive and accurate aggregate measurement of the economy, including initiatives to measure emerging societal phenomena such as the collaborative, digital and social economies. A new 'Handbook on compilation of statistics on illegal economic activities' was also prepared. The handbook provides guidance on how to compile statistics on activities such as prostitution, production and trafficking, of illegal drugs and smuggling. It represents the first comprehensive overview of the conceptual and practical issues related to the measurement of illegal economic activities. It also contains country cases that provide practical guidance to Member States to help them improve their current compilation of statistics on illegal economic activities. Progress has been made on improving consistency between balance of payments statistics and national accounts data and, in particular, on reducing statistical asymmetries in bilateral trade and foreign direct investment flows. In particular, Eurostat and the ECB have established an asymmetry resolution mechanism in the context of foreign direct investment data. Eurostat also published two important working papers, one under the 'Full international and global accounts for research in Input-Output analysis' project and one in the domain of balance of payments ('Current account symmetries in EU-US statistics'). A special workshop on asymmetries was organised and a quarterly asymmetry feedback process initiated.

A quality assessment framework for the **European system of accounts (ESA) 2010** was introduced in 2017 to compile the first quality reviews of national and regional accounts data. In June 2018, the Commission reported to Parliament and the Council on the application of Regulation (EU) No 549/2013, including the first quality report and a review of data availability and the application of granted derogations<sup>4</sup>. The availability of ESA 2010 data has improved significantly and continuously since the start of data transmission in September 2014, and a significant number of Member States have adapted their administrative and statistical systems to provide fully the data covered by derogations, even before the legal expiration date. Based on the review of granted derogations, the Commission amended Implementing Decision

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Report from the Commission to the European Parliament and to the Council on the application of Regulation (EU) No 549/2013 of the European Parliament and of the Council of 21 May 2013 on the European System of national and regional accounts in the European Union and on the application of the granted derogations (COM(2018) 506).

2014/403/EU<sup>5</sup>, reducing the number of valid derogations from 365 to 267, and changing the description of 23 of the derogations. All derogations expire on 1 January 2020, and under the transmission programme, Member States should ensure the complete transmission of all ESA 2010 data by the end of 2020.

The <u>first summary report</u> on the quality of ESA 2010 data was produced by Eurostat in June 2018, covering data transmissions in 2016. In December 2018, Eurostat produced the <u>second summary report</u> on the quality of ESA 2010 data transmitted in 2017. Also in 2018, a pilot project was undertaken to prepare the second stage of quality reporting. This will include quantitative indicators on the revision rates of annual and quarterly data and on cross-domain consistency between non-financial and financial accounts, in addition to the indicators on completeness, punctuality and consistency reported in the first two summary reports. These new indicators will be included in Eurostat's third summary report on the ESA 2010 data transmitted in 2018, to be published by end-2019.

Eurostat has undertaken thorough preparation for the forthcoming national accounts and balance of payments benchmark revisions, including preparation of a communication strategy. Practical guidelines for the revision of national accounts were published in January 2019. All these activities are also of direct relevance to the process of improving the evidence base for the macroeconomic imbalances procedure. In the first half of 2019, Eurostat also completed the pilot studies requested in Regulation (EC) No 184/2005 on balance of payments<sup>6</sup> (i.e. the ultimate ownership concept and greenfield transactions versus takeovers). A report to describe the outcome of the pilot studies is currently under preparation. There was also significant progress on setting European public sector accounting standards. A staff working document on European public sector accounting standards was published in June 2019, which sets out the main achievements during the first phase of the initiative.

#### **Globalisation**

New and important initiatives are in place to better measure **globalisation** and its economic and social impact, in close cooperation between national accounts and business statistics. On the profiling of multinational enterprise groups (MNEs), Eurostat has put in place an early warning system that monitors large-scale restructuring and relocation of MNEs and their impact on economic statistics. The system gives advance notice of possible restructuring and relocation of MNEs and facilitates statistical coordination to record statistics consistently. Development of the EuroGroups Register also continued, and now covers more than 121,000 MNE groups operating in Europe. These two initiatives are indicative of the important work Eurostat is undertaking to better portray the activities of MNEs in business and

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Commission Implementing Decision (EU) 2018/1891 of 30 November 2018 amending Implementing Decision 2014/403/EU on granting derogations to Member States with respect to the transmission of statistics pursuant to Regulation (EU) No 549/2013 of the European Parliament and of the Council concerning the European system of national and regional accounts in the European Union (OJ L 309, 5.12.2018, p. 5).

Regulation (EC) No 184/2005 of the European Parliament and of the Council of 12 January 2005 on Community statistics concerning balance of payments, international trade in services and foreign direct investment (OJ L 35, 8.2.2005, p. 23).

macroeconomic statistics. In addition, in the first 6 months of 2019, Eurostat worked closely together with the Member States to prepare a more **systematic and comprehensive approach to MNEs** that could be promoted throughout the ESS. On top of the gross national income (GNI) cycle, the GNI MNE pilot advanced, with final reports received on the 25 MNEs selected for the pilot. The conclusions from the pilot are under analysis. The number of cases handled by the globalisation early warning system reached 18, with half of them closed.

#### Prices and real estate indicators

New initiatives and preparatory work for the future took place on **price statistics**. A first discussion of the draft implementing act on the harmonised indices of consumer prices was held at the Price Statistics Working Group in April 2019. The new legal act will: (i) include the still relevant provisions of existing legal acts in the field (which will be repealed); and (ii) prepare the legal framework for harmonised indices of consumer prices for a future in which new data sources such as scanner data are becoming more and more important. Eurostat also participated in the meeting of the Technical Advisory Group of the International Comparison Program in Paris in May 2019. In this meeting, progress on the 2017 International Comparison Program round was discussed and measures were taken to ensure the publication of high-quality results in spring 2020.

Interest in **commercial real estate indicators** has increased from public institutions, policy-makers and market investors, and notably from stability analysts and financial supervisors. The European Systemic Risk Board has issued a recommendation giving Eurostat a central role in the development of reliable indicators for this complex domain. Eurostat is working with the Member States in task forces to develop the methodology for indicators on prices, rents, yields, vacancy rates, construction starts and construction completions. To stimulate this work, Eurostat organised a major international conference on real estate statistics in Luxembourg in February 2019.

#### European business statistics

Work continued on the production of high-quality business and trade statistics to support the Commission priorities on jobs, growth and investment, the digital single market and the internal market. Special emphasis is now systematically put on further development of statistics on the services sector. The timeliness of indices on services production further improved in 2018. More short-term statistics on the services sectors were received in the first months of 2019 (in particular from those Member States supported by grants). Business statistics on the service sectors are being expanded to include international trade in services by modes of supply, the 'services trade by enterprise characteristics' and infra-annual business statistics. A statistical article on international trade in services by modes of supply was published in March 2019. The data for Member States were calculated in close cooperation with them, but also in the context of the worldwide World Trade Organization initiative; the data are comparable with other international partners like the United States. The publication of the whole data set as experimental statistics is due before the end of 2019. Eurostat has also intensified work to explore the potential for data collection generated by internet platforms for measuring the collaborative **economy**. Following the successful informal workshop on collaborative economy which was held in Eurostat on 15 May 2019, the Director-Generals of the ESS mandated the business statisticians to draft an action plan that was discussed at the ESSC in October 2019.

Eurostat is exploring new and innovative data sources via pilot projects. New experimental business statistics are ready to be disseminated in tourism statistics (based on big data sources) and on services production.

The revised **classification list of industrial products** (Prodcom list 2019) was finalised in the first quarter of 2019 with the inclusion of new products meeting users' needs (e.g. raw materials). On 6 November 2019, the Commission adopted the new classification<sup>7</sup> and the first data produced on the basis of this enriched list will be released in June 2020.

**Information and communication technology statistics, research and development and innovation statistics** continued to follow the fast pace in digitalisation and innovation. New official statistics were published on topics like e-commerce, cloud computing, big data analysis and 3D printing, as well as data on research and development expenditures, human resources in science & technology, government budget appropriations in R&D and the results of the innovation survey.

Lastly, finalising the **new legal framework for the future European business statistics**<sup>8</sup> remains a very high priority. During the first half of 2019, a political agreement was achieved between Parliament and the Council on the legislative act dealing with this. Formal adoption of the act will take place in November 2019. Eurostat is now working on the preparation of the related implementing and delegated acts that should be adopted by the Commission in 2020. Meanwhile, technical implementation was initiated for all the business and trade statistics covered by the framework. More specifically, Eurostat progressed according to plan with the drafting of the methodological manuals and on preparedness for microdata exchange among Member States, which is a key part of the **modernisation of intra-EU trade in goods statistics**.

#### Modernisation of social statistics

Several modernisation initiatives are ongoing in the area of social statistics. The **framework regulation on social statistics**<sup>9</sup> (also known as 'IESS' – Integrated European Social Statistics) has recently entered into force and shall apply from 1 January 2021. This regulation constitutes an essential step in improving the timeliness, relevance and efficiency of social statistics to better support the needs of the <u>EU Social Agenda</u>, e.g. the <u>European Semester (including the integration of the</u>

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Not yet published in the Official Journal.

Proposal for a Regulation of the European Parliament and of the Council on European business statistics amending Regulation (EC) No 184/2005 and repealing 10 legal acts in the field of business statistics - COM/2017/0114 final - 2017/048 (COD).

Regulation (EU) 2019/1700 of the European Parliament and of the Council of 10 October 2019 establishing a common framework for European statistics relating to persons and households, based on data at individual level collected from samples, amending Regulations (EC) No 808/2004, (EC) No 452/2008 and (EC) No 1338/2008 of the European Parliament and of the Council, and repealing Regulation (EC) No 1177/2003 of the European Parliament and of the Council and Council Regulation (EC) No 577/98 (OJ L261I, 14.10.2019, p. 1).

<u>SDG</u> in the <u>Semester</u>), <u>European Pillar of Social Rights</u>, <u>Europe 2020</u> and other key policy initiatives. In parallel, eight Commission acts (three delegated and five implementing acts) are currently in preparation and will be adopted by end 2019...

Eurostat pursued its work on more timely and integrated data on major components of social expenditure (such as social protection, education and health). Preparatory work has progressed and more timely indicators are under testing for social protection. Challenges will continue to be discussed with Member States to further assess feasibility in terms of better timeliness and integration. The publication of quarterly **labour market flows** has been extended and updated. Methodologies have been developed for annual labour market flows (transitions between labour statuses (employment/unemployment and outside work)) and the related first data. Publication of first estimates is expected for end 2019/beginning 2020. Substantial results have been achieved on the timeliness of **statistics on living conditions**: for example, data on material deprivation and poverty and social exclusion from more Member States have been published earlier than expected. Eurostat has also developed flash estimates of income inequalities and poverty indicators, which are disseminated as experimental statistics and are released a year before the final data.

Statistical work on the European Pillar of Social Rights has been particularly important. A scoreboard of indicators has been drawn up to support regular monitoring of how the European Pillar of Social Rights is implemented, with Eurostat having provided the vast majority of indicators used in the scoreboard. Regional indicators have been developed and are gradually made available to users.

The preparatory work for the 2021 **population and housing census** is well advanced and should eventually provide policy-makers with more detailed demographic data, including at local level. The preparatory work needed for the post-2021 population/demography and census strategy has also advanced. Other initiatives have explored better data collection in areas such as social protection expenditure and mobility in higher education. The **harmonised EU gender-based violence survey** has now been tested and the first grants for its implementation are being awarded.

Innovation in surveys is progressing well, with the time use survey and household budget survey being used as testbeds. Inventories of methods and devices used have been carried out, and common tools for establishing estimates are being jointly developed with the Member States.

In May 2018, the Commission adopted a proposal amending Regulation (EC) No 862/2007 on Community **statistics on migration and international protection**<sup>10</sup>. The aim of this proposal is to support the <u>European Agenda on Migration</u> with more detailed and timelier official statistics. Interinstitutional negotiations are still on going.

#### Europe 2020 and the Sustainable Development Goals

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Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EC)

No 862/2007 of the European Parliament and of the Council on Community statistics on migration and international protection — COM/2018/307 final — 2018/0154 (COD).

On 28 June 2019, Eurostat released the **2019 edition of the EU SDGs monitoring report** 'Sustainable development in the European Union — Monitoring report on progress towards the SDGs in an EU context'. The report was complemented by an updated digital publication, an updated website presenting the 2019 indicators, and a summary brochure. The report was part of the package presented by the Commission during a side event at the UN High-level Political Forum on Sustainable Development in New York in July 2019.

Eurostat has annually revised the list of SDG indicators for the EU, in consultation with Commission services; this has contributed to increasing the statistical quality and policy relevance of the indicators used, based on different data sources from the ESS and from sources beyond the ESS.

In July 2018, Eurostat released an updated edition of the annual publication <u>'Smarter, greener, more inclusive? Indicators to support the Europe 2020 strategy'</u>. The 2019 edition of the publication is due for publication in early October.

#### Sectoral and regional statistics

Eurostat produces regular statistics on agriculture, energy, environment, fisheries, forestry, transport and waste that support the common agricultural policy, the Energy Union and the monitoring of SDGs. In addition to its well-established statistical production in these fields, Eurostat has released new statistics and improved timeliness of existing ones.

In 2018, Eurostat made available first results from the farm structure survey 5 months earlier than the previous edition. The survey supports the impact assessment of the common agricultural policy and the structure of orchards. Statistics on the share of energy from renewable sources supporting the 'decarbonising the economy' pillar of the Energy Union started to be published one month earlier than previously, with the same applying to annual energy statistics and energy prices for electricity and gas to assess competition in and progress towards the 'fully integrated energy market' objective. Air emissions accounts provided early estimates 12 months earlier than was previously the case.

New statistical needs for energy statistics stem in particular from the legislative package on the Energy Union, which entered into force on 24 December 2018. Discussions on how to meet these needs have started. Work on more detailed breakdowns of final energy consumption has produced tangible results: the implementing measures for Regulation (EC) No 1099/2008 on energy statistics<sup>11</sup> are expected to enter into force in late 2019, and include a breakdown of energy consumption by industrial sector, thus complementing the existing breakdown for households. Similar work for the services sector and for transport use is progressing well. Further improving timeliness of energy statistics remains at the core of several ongoing projects. Already in 2018, more timely early estimates of energy balances were published, serving as a key input to the annual State of the Energy Union report and in particular to measure energy efficiency

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Regulation (EC) No 1099/2008 of the European Parliament and of the Council of 22 October 2008 on energy statistics (OJ L 304, 14.11.2008, p. 1).

One of Eurostat's major achievements in 2018 was the adoption of the Framework Regulation on integrated farm statistics¹² and the subsequent implementing regulation on the data to be provided for the 2020 agricultural census. Preparations for the 2020 agricultural census are progressing. A budget of approximately €40 million, co-delegated for integrated farm statistics by the Directorate- General Agriculture and Rural Development, is being distributed via grants to Member States using a new 'lump sum approach' aimed at simplifying *ex post* financial control. Economic accounts for agriculture have been aligned with the current methodology for national accounts (ESA 2010) via Commission Delegated Regulation (EU) 2019/280¹³. This is part of the project to modernise economic accounts for agriculture. In May 2019, a new harmonised risk indicator based on pesticide sales statistics was included in Directive 2009/128/EC on sustainable use of pesticides¹⁴. The indicator was developed jointly by Eurostat and the Directorate- General for Health and Food Safety (DG SANTE).

The evaluation of European fisheries statistics is progressing well, and will conclude in 2019.

An important achievement in the recent years was Eurostat's contribution to monitoring the circular economy in the EU. In January 2018 the Commission adopted the EU monitoring framework for the circular economy<sup>15</sup> and since then Eurostat publishes and maintains the EU monitoring framework for the circular economy in a dedicated website, also including a diagram on material flows in the EU economy. Eurostat also contributed to develop food waste statistics and enhance waste statistics overall, following the adoption of the revised Waste Framework Directive in 2018<sup>16</sup>. A special focus was given to plastic packaging waste and its recycling, due to the Commission proposal on a new EU budgetary own resource based on plastic packaging waste not recycled for the Multiannual Financial Framework 2021-27.

In February 2019, the ESSC endorsed a **new European strategy for environmental accounts for the period 2019-2023**, with the aim of increasing the quality and use

Regulation (EU) 2018/1091 of the European Parliament and of the Council of 18 July 2018 on integrated farm statistics and repealing Regulations (EC) No 1166/2008 and (EU) No 1337/2011 (OJ L 200, 7.8.2018, p. 1).

Commission Delegated Regulation (EU) 2019/280 of 3 December 2018 amending Regulation (EC) No 138/2004 of the European Parliament and of the Council as regards references to the European system of national and regional accounts in the European Union (OJ L 47, 19.2.2019, p. 7).

Directive 2009/128/EC of the European Parliament and of the Council of 21 October 2009 establishing a framework for Community action to achieve the sustainable use of pesticides (OJ L 309, 24.11.2009, p. 71).

Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on a monitoring framework for the circular economy - COM/2018/029 final and Commission Staff Working Document Measuring progress towards circular economy in the European Union – Key indicators for a monitoring framework Accompanying the document Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on a monitoring framework for the circular economy - SWD/2018/017 final.

Directive (EU) 2018/851 of the European Parliament and of the Council of 30 May 2018 amending Directive 2008/98/EC on waste (Text with EEA relevance) (OJ L 150, 14.6.2018, p. 109–140).

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of existing modules and further develop new areas Three new modules of environmental economic accounts are produced regularly since 2018: physical energy flows, environmental goods and services and environmental protection expenditure. Initiatives have been undertaken to enhance the quality of environmental accounts, to provide earlier estimates and 'footprint' calculations. Eurostat publishes and maintains a dedicated website on the statistics related to climate change.

Eurostat is leading the <u>Knowledge Innovation Project on Integrated Natural Capital Accounting</u> (a joint project of some Commission services and the European Environment Agency) which aims to develop a tool to assess natural capital in the EU, in line with UN standards (<u>UN System of Environmental Economic Accounting</u>).

The 5th edition of the Glossary for Transport Statistics has been produced by Eurostat, together with the International Transport Forum at the Organisation for Economic Cooperation and Development (OECD) and the UN Economic Commission for Europe (UNECE). The three organisations have made a substantial effort to harmonise transport statistics at European and international level. This glossary is the reference for all those involved in transport statistics. The new harmonised data on passenger mobility ensured better comparability of integrated urban mobility plans in line with the European Commission's White Paper on Transport.

The first **draft of the geospatial and city statistics strategy** has been prepared with the aim of developing and improving the statistical and geospatial infrastructure to enable Eurostat, and consequently the national statistical institutes, to produce policy relevant statistics at sub-national level on regions, cities, and urban and rural areas. A new publication and a leaflet were produced to promote the results of Eurostat's project on merging geospatial and statistical information within the ESS and at international level. Furthermore, Eurostat represented the Commission in international forums on geographical and regional statistical information, such as UN Global Geospatial Information Management and UNECE, presenting methodology on cities, rural and urban area definitions and results from geospatial and statistical integration projects. The **2018 land use and cover by area frame sampling survey results** were also disseminated.

#### Strengthening digital communication of statistics

Fully recognising the importance of efficient communication and dissemination of its statistical products, Eurostat **continued to further modernise its website**, making it easier to navigate and retrieve data, while also making it visually more attractive. A large part of the modernisation was done in dialogue with a range of users of European statistics, through a process of regular consultation and testing of new design features and innovative products. The objective was to make them more intuitive and user-friendly.

As a result, some particular achievements are worth mentioning. Eurostat continued working on the renovation of its dissemination chain, releasing the first stage of a new data browser for enhanced user experience in the first half of 2019. A number

of dedicated sections<sup>17</sup> were created or redesigned on the Eurostat website, simplifying their layout while highlighting key topics and guiding users towards interactive tools. 'Statistics Explained' articles were created in a new format, digital publications like 'EU economy' and 'People on the Move' were published, and a network of data journalist was created. Eurostat also held a number of webinars aimed at fact checkers, published over 300 news releases, and saw continued growth in social media audience. News items were published, together with news releases. The overarching goal was to keep enriching and extending the range of topics covered on a daily basis, and to present them in a language that is easily understandable to all audiences ranging from policy-makers, journalists and researchers to students and first-time visitors to the Eurostat website.

Good examples of those successful efforts were the new sections on the circular economy, the Sustainable Development Goals and the European Pillar of Social Rights. The redesigned dedicated section on regions and cities was accompanied by educational videos produced as part of the training materials for an extensive open online course on regional policies.

Eurostat also significantly **increased the use of infographics, social media accounts and interactive publications**. The number of Eurostat followers on Twitter and Facebook has constantly grown. At the end of June 2019, Eurostat's Twitter account had 136,400 followers, while its Facebook page had almost 37,000 followers. In fact, Eurostat's Twitter account has the largest number of followers among all of the Commission's Directorates-General.

In an ongoing effort to better explain its work to the public, Eurostat continued to organise study visits to its premises. The wide spectrum of guests included representatives from the media, academia, international organisations and civil society.

Other actions and outputs include promoting data literacy actions among young people. As part of the 'Digital communication, User analytics and Innovative products' project, more than 11,000 students aged 14-18 and their teachers participated in the first edition (2017-2018) of the **European Statistics Competition**, while the second edition (2018-2019) reached over 12,000 students across Europe. Meanwhile, the new <u>European Statistics User Forum</u> facilitates better dialogue with advanced users, aiming in particular to collect their views and feedback on experimental statistics.

Further initiatives have been undertaken to **innovate** the way statistics are communicated. The final report of the <u>European Statistical System collaboration</u> network on <u>Linked Open Statistics</u> provided strategic recommendations to increase the discoverability of European statistics by search engines and to introduce a number of reusable solutions to facilitate this work. To implement the results of its branding study, Eurostat carried out outreach activities targeting data journalists, teachers and researchers. Eurostat has developed a game concept to explore and visualise European statistics in an innovative format. The developed games will become available in the appstores<sup>18</sup>. A study on communicating uncertainty in

The app stores are (i) the Apple app store; (ii) the Google app store; and (iii) the Oculus app store.

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<sup>&</sup>lt;sup>17</sup> 'Dedicated sections' are sections of the Eurostat website which are dedicated to specific statistics.

official statistics started at the end of 2018, aiming to identify the various root causes and tackle misinterpretation of statistics. Researchers will have access to more European microdata when Eurostat starts providing scientific use files on farm structures and on time use in 2019.

Statistical training is key to updating the knowledge of statisticians in the ESS and prepare a new generation able to master new skills needed, especially in the area of data science. The implementation of the European statistical training programme (ESTP) is on target, with 60 ESTP courses on offer in 2019 — the most extensive programme in the history of ESTP. In the first half of 2019, the European Master in Official Statistics (EMOS) network was expanded to 32 programmes in 19 countries following a third call for applications (which resulted in 12 new programmes being labelled) and the re-award of the EMOS label to 10 programmes whose label was expiring. More emphasis on data science skills was included in the most recent call for applications, and EMOS programmes are gradually adapting their curricula in that direction. A new initiative for 2019 was the EMOS Master's thesis competition. In the awards ceremony at the 2019 'New Techniques and Technologies for Statistics' conference, five winners presented their thesis in the plenary and poster session. In addition, first cross-border internships have begun to take shape.

#### Towards trusted smart statistics

In 2018, the ESS completed its five-year big data action plan that included a number of pilot studies and research initiatives to enhance the use of big data sources for new and enhanced European statistics. Such sources include web-scraping from enterprise websites and online job vacancies, smart meter measurements, mobile network data and vessel positioning data. The first European Big Data Hackathon was organised in March 2018. Following the adoption of the 'Bucharest memorandum on official statistics in a datafied society' by the Directors-General of the national statistical institutes and of Eurostat, in 2019 the ESS started the implementation of trusted smart statistics. The objective is to derive new and enhanced European statistics from smart systems with new technologies. Three priority areas were identified:

- the use of the internet as a data source (e.g. for job vacancies and skills);
- the conduct of smart surveys mixing active and passive data collection modes using smart devices (e.g. on time use and household budget); and
- a methodological framework for the use of mobile network operators' data.

The priority areas build upon the results of explorative research and pilot studies carried out during recent years. A second European Big Data Hackathon was organised in March 2019, back to back with Eurostat's flagship conference on new techniques and technologies for statistics, which saw record attendance (close to 900 participants).

#### Quality in statistics

The ESS quality assurance framework was revised in 2018-2019 and its final version was endorsed by the ESSC in May 2019. This revised version of the ESS quality

assurance framework contains good practices, methods and tools for all principles of the 2017 version of the European statistics Code of Practice. It is meant to support the implementation of the Code in the ESS and to serve as inspiration for the forthcoming round of ESS peer reviews. The ESS handbook on quality and metadata reporting was also revised and will be soon published. Quality reviews are continuously implemented in Eurostat and are now in the process of being closed for 16 statistical processes. A revised methodology introducing the concept of centralised and decentralised quality reviews was developed. The third round of ESS peer reviews is being prepared with the creation of an ESS task force on peer reviews that will discuss several strategic issues such as the objectives, scope and involvement of the other national authorities.

Significant progress also took place in the implementation of standards, particularly the single integrated metadata structure and the statistical data and metadata exchange. A highlight of the first half of 2019 was the launch of the review of the EU statistical classification of economic activities (NACE), broadly supported by the ESSC members.

#### Partnership within the ESS and beyond

Eurostat continued to consolidate and enhance its coordination inside the Commission, within the ESS and beyond.

Enhanced coordination of 'other statistics' (not part of the European statistics produced by Eurostat) inside the Commission was also pursued, for example via the improved 2019 inventory of 'other' statistics, chairing of the network of statistical correspondents and strong follow-up inside Eurostat of the actions stemming from the Commission Internal Audit Service audit on 'other' statistics. The support given to DGs and Brussels-based institutions also intensified. Moreover, Eurostat provided a significant contribution to important corporate policies such as the Data4policy initiative (concerning the Commission data inventory) and the monitoring and evaluation framework for the next MFF (provision of indicators). In the first half of 2019, Eurostat launched the renewal of the framework contracts allowing harmonised data purchase for all Commission DGs.

Crucial work on priority setting in the ESS took place in 2019. It included the preparation of the 2021-2027 multiannual action plan covering the next European statistical programme, the preparation of a paper with basic directions for the future priority-setting mechanism, a review of the planning process, and the organisation of an informal workshop of ESS Directors-General on priority setting. Eurostat continued to provide opportunities for informal debate in the ESS, and two workshops were organised, one on safeguarding the value of the statistical system and one on the collaborative economy.

Eurostat successfully managed to implement and schedule all cooperation contracts in four regions: (i) the Instrument for Pre-Accession Assistance in enlargement countries; (ii) a new regional programme in European neighbourhood policy (ENP) East countries; (iii) finalisation of the MEDSTAT EU regional programme for cooperation between Euro-Mediterranean statistical institutes in the ENP South; and (iv) extension of Pan-African statistics programme I. Eurostat also coordinated the explanatory meeting with North Macedonia and Albania to present the issues

involved in implementing Chapter 18 of the EU acquis, provided all inputs on Chapter 18 for the annual country reports on enlargement countries, and organised visits to enlargement countries' national statistical institutes. In addition, Eurostat produced the latest version of the donor survey, plus seven leaflets and one statistical book with data from these countries. As for main events, several ENP South meetings took place, as well as the meeting of the Management Group on Statistical Cooperation meeting for the Heads of International Departments of EU Member States, EFTA and enlargement countries.

#### 3. CONCLUSION AND OUTLOOK

The implementation of the European statistical programme is progressing well, producing significant results under the programme's different objectives. A final evaluation of the ESP will be performed by the end of 2021, as provided for in Article 15(3) of Regulation (EU) No 99/2013.

The two mid-term evaluations of the ESP demonstrate that: (i) the current delivery mechanism works effectively; (ii) the programme is run efficiently; and (iii) is reaching its objectives. The ESP provides clear EU added value thanks to the harmonised provision of comparable and high-quality data for the EU. However, the evaluations also show the need to ensure adequate resources in the future for the modernisation of the statistical production processes. In addition, Eurostat needs to be able to respond to users' growing needs, especially concerning timeliness and coverage of new data for emerging policy needs, while becoming more agile and taking advantage of new technologies.

In June 2018, the Commission adopted the proposal for a regulation of the European Parliament and of the Council establishing the 2021-2027 programme for the single market, the competitiveness of enterprises, including SMEs, and the financing of European statistics<sup>19</sup>. The proposal includes general and detailed specific objectives on European statistics, aiming to ensure their visibility and its cross-cutting character.

The programme will in particular underpin the policies of the next multiannual financial framework, and support key initiatives such as the Investment Plan for Europe, the European Pillar of Social Rights, the Energy Union, defence and security, and the structural reform agenda.

The structure of the future programme has been simplified compared to the current programme. The list of specific and detailed objectives has been simplified, eliminating one level, and the priority areas, which created an overlapping supplementary categorisation, have been deleted. The streamlined programme would contribute to even more effective implementation.

The new programme will enable more timely and cost-effective production of European statistics, using multiple data sources, advanced data analytics methods and digital technologies to support the design, monitoring and evaluation of EU policies.

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See footnote number 3.

The programme will also ensure the provision of high-quality statistics as key instruments to enhance transparency and accountability of EU policies and enable civic engagement and democratic participation by the public in the political life of the EU.

In summary, Eurostat will provide European value added through its production of trustworthy and relevant statistics that balance user needs and the response burden for citizens and business.