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2013/0181 (COD)

Proposal for a

**REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**  
**on the provision and quality of statistics for the macroeconomic imbalances procedure**

## **EXPLANATORY MEMORANDUM**

### **1. CONTEXT OF THE PROPOSAL**

This initiative fits into the political context of improving of the economic governance of the Union. Together with the Union strategy for growth and jobs, the European semester for the coordination of economic and budgetary policies, and the Stability and Growth Pact for the correction of government excessive deficits, there is a need to detect, prevent and correct macroeconomic imbalances.

For this purpose, Regulation (EU) No 1176/2011 set out detailed rules for the early detection, prevention and correction of macroeconomic imbalances which emerge or persist in the euro area and the EU (the Macroeconomic Imbalances Procedure or MIP).

The MIP and its scoreboard of indicators require efficient statistical quality monitoring of the indicators and of the underlying statistical information.

The ECOFIN Councils of 8 November 2011 and 13 November 2012 underlined the importance for the credibility of the MIP of having timely statistics of the highest quality for inclusion in the scoreboard and invited the Commission (Eurostat) to take all necessary initiatives to assure a reliable procedure for the compilation of these statistics as well as a continuous improvement of the underlying statistical information.

There is therefore a need to develop a robust statistical monitoring system for the MIP based on a Regulation of the European Parliament and of the Council. This Regulation will cover the monitoring of data quality; the compilation and transmission of data and metadata; and the reporting/communication on the data to the different stakeholders and to the European Parliament and the Council.

The Regulation will introduce new tasks for the Commission (Eurostat) on the following main aspects: validating the quality of the MIP relevant data in relation to quality criteria that either exist already or will be further specified in certain areas; structuring, collecting and analysing Member States' compilation sources and methods; developing and implementing an improvement action plan. The work on the MIP relevant data will need to be supported by good website publication and dissemination arrangements, as well as release actions.

The implementation of the draft Regulation with a view to providing high quality statistics will require close cooperation with Member States' statistical authorities covering both the scoreboard data and the underlying statistical information.

### **2. RESULTS OF CONSULTATIONS WITH INTERESTED PARTIES AND IMPACT ASSESSMENTS**

#### **2.1. RESULTS OF CONSULTATIONS WITH INTERESTED PARTIES**

The need to have statistics of the highest quality for inclusion in the MIP scoreboard, and to develop a reliable quality monitoring procedure for this purpose, has been stressed by the ECOFIN Council.

Extensive discussions with Member States on quality and comparability issues relating to the MIP relevant data have taken place in the Economic Policy Committee. In particular some areas for improvements were identified in the 2012 EPC Report on requirements for structural statistics.

There have been contacts with other Directorates General, in particular the Economic and Financial affairs DG.

Several improvement actions relating to underlying statistical information have been undertaken in cooperation with the European Central Bank and other international organisations.

## **2.2. IMPACT ASSESSMENTS**

The successful implementation of this Regulation will mainly require close cooperation from Member States' statistical authorities with a view to improving the quality of the MIP relevant data and the underlying statistical information. No additional data collection mechanisms are foreseen.

If a robust and legally binding quality monitoring procedure were not adopted, the quality and comparability of the MIP relevant data would not be assured, as required by Commission policy. This could in turn affect the credibility and efficiency of the MIP system.

## **3. LEGAL ELEMENTS OF THE PROPOSAL**

This Regulation sets out the rules governing the way the statistical data that are relevant for the macroeconomic imbalances procedure are provided. These rules relate to the compilation, quality monitoring and release of the indicators in the macroeconomic imbalances procedure scoreboard. The main objective of the Regulation is to develop a robust quality monitoring procedure in order to ensure the highest quality of the MIP relevant data.

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

The proposal complies with both the subsidiarity and the proportionality principles.

Concerning the subsidiarity principle, the objectives of the proposal do not fall within the exclusive competence of the European Union and at the same time cannot be sufficiently achieved by the Member States.

The Member States cannot satisfy the central quality concern to the necessary extent without a clear European framework, i.e. European legislation laying down a common quality monitoring procedure for the MIP relevant data.

The objectives of the proposal can be better achieved at European Union level on the basis of a European level act, because only the Commission can develop and apply a harmonised quality monitoring procedure for the MIP relevant data at European Union level. On the other hand, successful implementation of this procedure requires close cooperation with Member States' statistical authorities covering both the MIP relevant data and the underlying statistical information. The European Union may therefore take action to this end in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty.

Concerning the proportionality principle, the Regulation confines itself to the minimum required to achieve its objective and does not go beyond what is necessary for that purpose. It does not specify an MIP relevant data collection mechanism for each Member State, nor does it duplicate existing procedures. It merely sets out a quality monitoring system in respect of the compilation, transmission and release of the scoreboard statistics and other MIP relevant data.

The proposed legal instrument is a European Parliament and Council Regulation. A regulation is preferable because it lays down the same law throughout the European Union, leaving the Member States with no leeway to apply it incompletely or selectively. It is directly applicable, which means that it does not need to be transposed in national law. The use of a regulation is in line with other European statistical legal acts adopted since 1997.

#### **4. BUDGETARY IMPLICATION**

In order to assure the high quality requirements for the MIP-relevant data in line with the Commission standards as set out in Communication COM(2011) 211 final ‘Towards robust quality management for European Statistics’, additional resources are needed. This has meant introducing a staff bid for 21 posts (12 posts and 9 external personnel) to cover the tasks required of the Commission (Eurostat).

In addition, the Commission will need assistance from Member States’ experts in the context of the MIP missions mentioned in this proposal, and would share with Member States the related costs. This assistance includes national experts’ specific expertise and experience during missions to other Member States, including for the purpose of complete transparency of the system. At this stage, it is difficult to indicate exactly how the costs to the Commission would be financed and to give a precise estimate of these, in particular because all possible synergies will be sought with Eurostat missions in related areas.

#### **5. ADDITIONAL INFORMATION**

The proposed act does not concern an EEA matter.

Proposal for a

**REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**  
**on the provision and quality of statistics for the macroeconomic imbalances procedure**

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

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

Having regard to the proposal from the Commission,

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

Having regard to the opinion of the European Central Bank,

Acting in accordance with the ordinary legislative procedure,

Whereas:

- (1) Regulation (EU) No 1176/2011 of the European Parliament and of the Council of 16 November 2011 on the prevention and correction of macroeconomic imbalances<sup>1</sup> sets up an alert mechanism to facilitate the early identification and the monitoring of imbalances. Under this mechanism, the Commission is required to prepare an annual Alert Mechanism Report (AMR) containing a qualitative economic and financial assessment and identifying Member States that the Commission considers may be affected by, or may be at risk of being affected by, imbalances.
- (2) Regulation (EU) No 1174/2011 of the European Parliament and of the Council of 16 November 2011 on enforcement measures to correct excessive macroeconomic imbalances in the euro area<sup>2</sup> lays down a system of financial sanctions against euro area Member States for the effective correction of excessive macroeconomic imbalances.
- (3) Reliable statistical data are the basis for effective surveillance of macroeconomic imbalances. To guarantee sound and independent statistics, Member States should ensure the professional independence of national statistical authorities, consistent with the European statistics code of practice laid down in Regulation (EC) No 223/2009 of the European Parliament and of the Council of 11 March 2009 on European statistics<sup>3</sup>.
- (4) The AMR, which is based on a scoreboard with a set of indicators the values of which are compared to their indicative thresholds, is an initial screening device whereby the Commission identifies Member States where it considers that developments warrant further in-depth analysis to determine whether imbalances exist or risk emerging. The AMR should include MIP relevant data. It is however in the following in-depth reviews that the driving forces behind the observed developments are analysed in detail with a view to determining the nature of the imbalances.

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<sup>1</sup> OJ L 306, 23.11.2011, p. 25

<sup>2</sup> OJ L 306, 23.11.2011, p. 8

<sup>3</sup> OJ L 87, 31.3.2009, p. 164

The scoreboard and the thresholds are not interpreted mechanically, but are subject to economic reading. When carrying out in-depth reviews, the Commission will examine a broad range of economic variables and additional information taking due account of country specific circumstances. For these reasons, all the data that may be used for the purpose of the macroeconomic imbalances procedure cannot be listed in advance in an exhaustive manner, but should be defined by reference to the procedures set out in Regulation (EU) No 1176/2011 for the detection of macroeconomic imbalances as well as the prevention and correction of excessive macroeconomic imbalances within the Union. In implementing the macroeconomic imbalances procedure, the Commission and the Council should give preference to statistics which are compiled and transmitted, by Member States, to the Commission (Eurostat). Other statistics, which are not compiled and transmitted this way, should only be used when the former statistics do not provide the required information, and taking due account of the quality of these other statistics.

- (5) A reliable procedure should be set up for the compilation, monitoring and release of the data relevant for the macroeconomic imbalances procedure (hereinafter referred to as “MIP relevant data”) as well as a continuous improvement of the underlying statistical information in line with the Commission’s quality management frameworks for European statistics<sup>4</sup>. The Group of Directors of Macroeconomic Statistics (DMES), established by the Commission, is an appropriate expert group to provide the Commission (Eurostat) with the required assistance for the application of a robust quality monitoring procedure for the MIP relevant data.
- (6) It is essential that the statistical production necessary for the performance of the activities of the Union should only be based on reliable data. In the production of MIP relevant data, which is an essential input for the detection of macroeconomic imbalances as well as the prevention and correction of excessive macroeconomic imbalances within the Union, unreliable data can have a significant impact on the interest of the Union. Additional measures to make the enforcement of the production, provision and quality monitoring of MIP relevant data more effective are necessary for the performance of the macroeconomic imbalances procedure. Those measures should enhance the credibility of the underlying statistical information as well as of the provision and quality monitoring of the MIP relevant data. In order to deter against misrepresentation, whether intentional or due to serious negligence, of MIP relevant data, a mechanism of financial sanctions should be established, which will also serve the purpose of ensuring due diligence in the production of MIP relevant data.
- (7) To supplement the rules on calculating the fines for manipulation of statistics as well as the rules on the procedure to be followed by the Commission for the investigation of such actions, the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union (“the Treaty”) should be delegated to the Commission in respect of detailed criteria for establishing the amount of the fine and for conducting the Commission’s investigations. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level. When preparing and drawing up delegated acts, the Commission should ensure the simultaneous, timely and appropriate transmission of relevant documents to the European Parliament and the Council.
- (8) Close cooperation and on-going dialogue should be established between the Commission and Member States’ statistical authorities in order to ensure the quality of the MIP relevant data reported by Member States and the underlying statistical information.

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<sup>4</sup> COM(2005)217 final and COM(2011)211 final.

- (9) Close cooperation between the European Statistical System and the European System of Central Banks should be ensured in relation to MIP relevant data, in line with Article 9 of Regulation (EC) No 223/2009, in order to minimise the reporting burden, guarantee coherence, improve the underlying statistics and ensure comparability.
- (10) In order to ensure uniform conditions for the implementation of this Regulation, implementing powers should be conferred on the Commission and exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by Member States of the Commission's exercise of implementing powers<sup>5</sup>.
- (11) Since the objective of this Regulation, namely to set up a reliable common procedure for the provision and quality monitoring of MIP relevant data as well as a continuous improvement of the underlying statistical information, cannot be achieved sufficiently by the Member States and can be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on the European Union. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve that objective.
- (12) Eurostat, as the statistical authority of the Union, should carry out the statistical tasks devolved to the Commission under this Regulation. These tasks should be performed by Eurostat in conformity with the statistical principles laid down in Regulation (EC) No 223/2009 and in accordance with Commission Decision 2012/504/EU of 17 September 2012 on Eurostat<sup>6</sup>,

HAVE ADOPTED THIS REGULATION:

## CHAPTER I

### SUBJECT MATTER

#### *Article 1*

1. This Regulation lays down the rules on the provision and quality monitoring of statistical data which are compiled or transmitted for the purpose of the procedures for the detection of macroeconomic imbalances as well as the prevention and correction of excessive macroeconomic imbalances within the Union established under Articles 3 to 11 of Regulation (EU) No 1176/2011 (hereinafter referred to as the MIP relevant data).

2. This Regulation shall apply to the MIP relevant data compiled and transmitted by Member States, irrespective of whether the Council or the Commission consider that an imbalance exists and whether an excessive imbalance has been established by the Council pursuant to Article 7 of Regulation (EU) No 1176/2011. This Regulation shall apply also to the Member States for which the macroeconomic imbalances procedure has been suspended in accordance with Article xxxx of Regulation xxxx (reference will be made to the 2-Pack Regulation when it is adopted).

## CHAPTER II

### TRANSMISSION OF DATA TO THE COMMISSION

#### *Article 2*

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<sup>5</sup> OJ L 55, 28.2.2011, p. 13

<sup>6</sup> OJ L 251, 18.9.2012, p. 49–52.

1. The MIP relevant data to be transmitted by the Member States shall cover the preceding year (n-1) and the previous nine years (n-2 to n-10).
2. The deadlines for the transmission of the MIP relevant data shall be those laid down pursuant to the relevant basic acts or shall be communicated by the Commission in specific calendars taking into account the needs of the Union.
3. The Commission shall indicate to the Member States, each year, the timetable of the annual Alert Mechanism Report established by Article 3 of Regulation (EU) No 1176/2011. Based on this timetable and on the deadlines and calendars referred to in paragraph 2, the Commission shall also decide on and communicate, to the Member States, a cut-off date for their transmission of all the most up-to-date MIP relevant data.

### CHAPTER III QUALITY REPORTS

#### *Article 3*

1. When transmitting the MIP relevant data referred to in Article 1, Member States shall send, to the Commission (Eurostat), information showing how these data are calculated, including any changes in the sources and methods, in the form of a quality report.
2. The quality criteria referred to in Article 12(1) of Regulation (EC) No 223/2009 shall apply to the data to be transmitted.
3. The Commission shall adopt implementing acts with a view to defining the modalities, structure and periodicity of the quality reports. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 14(2).

#### *Article 4*

In the event of doubt regarding the correct implementation of the rules governing the compilation and transmission of the MIP relevant data, the Member State concerned shall request clarification from the Commission (Eurostat). The Commission shall promptly examine the issue and communicate its clarification to the Member State concerned, to the relevant expert group on macroeconomic statistics established by the Commission, to all other Member States and to the public.

### CHAPTER IV QUALITY ASSESSMENT

#### *Article 5*

1. The Commission (Eurostat) shall regularly assess the quality of the MIP relevant data. The assessments shall focus mainly on areas specified in the inventories referred to in Article 6, where applicable, and the quality reports of Member States. The quality assessments shall be carried out in conformity with the statistical principles laid down in Regulation (EC) No 223/2009. The quality assessments shall, as appropriate, make full use of the work carried out, and the results obtained, in the context of existing quality frameworks for MIP relevant data.
2. Member States shall provide the Commission (Eurostat), as promptly as possible, with the data and information requested for the purposes of the data quality assessment, without prejudice to the provisions relating to statistical confidentiality of Regulation (EC) No 223/2009.
3. The Commission (Eurostat) shall assess Member States' MIP relevant data each year with the assistance of the relevant expert group on macroeconomic statistics.



4. This assessment shall be carried out in accordance with the quality criteria referred to in Article 3(2). The following elements in particular shall be considered in the assessment:
- (a) the MIP relevant data transmitted by Member States;
  - (b) the quality reports and the inventories referred to in Article 6;
  - (c) reports arising from missions to and discussions with Member States in relation to the MIP relevant data.

## CHAPTER V

### INVENTORIES OF SOURCES AND METHODS USED TO COMPILE MIP RELEVANT DATA

#### *Article 6*

1. Member States shall transmit to the Commission (Eurostat) a complete and up-to-date description of the sources and methods (hereinafter referred to as ‘the inventories’) used to compile their MIP relevant data.
2. Member States shall establish the inventories and send them to the Commission (Eurostat) at the latest on [...] *[nine months after the adoption of this Regulation– exact date to be inserted by OP upon publication]*. The Commission shall adopt implementing acts with a view to defining the structure and the modalities for the updating of these inventories by [...] *[within six months after the adoption of this Regulation– exact date to be inserted by OP upon publication]*. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 14(2).
3. Member States shall make their inventories public.

## CHAPTER VI

### MISSIONS TO MEMBER STATES

#### *Article 7*

1. Where the Commission (Eurostat) identifies problems, in particular in the context of the quality assessment under Article 5, it may decide to carry out missions to the Member State concerned.
2. The aim of such missions shall be to investigate in depth the quality of the MIP relevant data concerned. The missions shall concentrate on methodological issues, the sources and methods described in the inventories, the data and supporting statistical processes with a view to assessing their compliance with the relevant accounting and statistical rules.
3. The Commission (Eurostat) shall report to the Economic Policy Committee set up by Council Decision 74/122/EEC<sup>7</sup> on the findings of these missions, including any comments on these findings made by the Member State concerned. After having been transmitted to the Economic Policy Committee, these reports, along with any comments made by the Member State concerned, shall be made public, without prejudice to the provisions concerning statistical confidentiality in Regulation (EC) No 223/2009.
4. Member States shall, at the request of the Commission (Eurostat), provide the assistance from experts on statistical issues related to the macroeconomic imbalances procedure, including for the preparation and carrying-out of the missions. In the exercise of their duties, these experts shall provide independent expertise. A list of those experts shall be constituted by *(date to be fixed)* on the basis of

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<sup>7</sup> OJ L 63, 5.3.1974, p.21

proposals sent to the Commission (Eurostat) by the national authorities responsible for the MIP relevant data.

5. The Commission (Eurostat) shall lay down the rules and procedures related to the selection of the experts, taking into account an appropriate distribution of experts across Member States and an appropriate rotation of experts between Member States, their working arrangements and the financial details. The Commission (Eurostat) shall share with the Member States the full cost incurred by the Member States for the assistance from their national experts.

6. The Commission (Eurostat) shall ensure that officials and experts participating in these missions meet every guarantee as regards technical competence, professional independence and observance of confidentiality.

## CHAPTER VII

### PROVISION OF DATA BY THE COMMISSION (EUROSTAT)

#### *Article 8*

1. The Commission (Eurostat) shall provide the MIP relevant data used for the purposes of the macroeconomic imbalances procedure including by means of news releases and/or other channels as it considers appropriate.

2. The Commission (Eurostat) shall not delay the provision of the MIP relevant data of Member States where a Member State has not transmitted its own data.

3. The Commission (Eurostat) may express a reservation on the quality of a Member State's MIP relevant data. No later than three working days before the planned publication date, the Commission (Eurostat) shall communicate to the Member State concerned and to the President of the Economic Policy Committee the reservation it intends to express and make public. Where the issue is resolved after publication of the data and the reservation, withdrawal of the reservation shall be made public immediately thereafter.

4. The Commission (Eurostat) may amend data transmitted by Member States and provide the amended data and a justification of the amendment where there is evidence that the data reported by Member States do not comply with the requirements of Article 3(2). No later than three working days before the planned publication date, the Commission (Eurostat) shall communicate to the Member State concerned and to the President of the Economic Policy Committee the amended data and the justification for the amendment.

## CHAPTER VIII

### SANCTIONS CONCERNING THE MANIPULATION OF STATISTICS

#### *Article 9*

1. The Council, acting on a proposal by the Commission, may decide to impose a fine on a Member State that intentionally or by serious negligence misrepresents the MIP relevant data.

2. The fine referred to in paragraph 1 shall be effective, dissuasive and proportionate to the nature, seriousness and duration of the misrepresentation. The amount of the fine shall not exceed 0.05% of the GDP of the Member State concerned.

3. The Commission may conduct all investigations necessary to establish the existence of the misrepresentations referred to in paragraph 1. It may decide to initiate an investigation when it finds that there are serious indications of the existence of facts liable to constitute such a misrepresentation. In investigating the putative misrepresentations, the Commission shall take into account any comments

submitted by the Member State concerned. In order to carry out its tasks, the Commission may request the Member State to provide information, and may conduct on-site inspections and access the underlying statistical information and documents related to the MIP relevant data. If the law of the Member State concerned requires prior judicial authorisation for on-site inspections, the Commission shall make the necessary applications.

Upon completion of its investigation, and before submitting any proposal to the Council, the Commission shall give the Member State concerned the opportunity of being heard in relation to the matters under investigation. The Commission shall base any proposal to the Council only on facts on which the Member State concerned has had the opportunity to comment.

The Commission shall fully respect the rights of defence of the Member State concerned during the investigations.

4. The Commission shall be empowered to adopt delegated acts in accordance with Article 12 concerning:

- (a) detailed criteria establishing the amount of the fine referred to in paragraph 1;
- (b) detailed rules concerning the procedures for the investigations referred to in paragraph 3, the associated measures and the reporting on the investigations;
- (c) detailed rules of procedure aimed at guaranteeing the rights of the defence, access to the file, legal representation, confidentiality and provisions as to timing and the collection of the fines referred to in paragraph 1.

5. The Court of Justice of the European Union shall have unlimited jurisdiction to review the decisions of the Council imposing fines under paragraph 1. It may annul, reduce or increase the fine so imposed.

## CHAPTER IX

### NATURE AND BUDGET DISTRIBUTION OF THE SANCTIONS

#### *Article 10*

The sanctions imposed pursuant to Article 11 shall be of an administrative nature.

#### *Article 11*

The fines collected in accordance with Article 9 shall constitute other revenue, as referred to in Article 311 of the Treaty, and shall be assigned to the Union budget.

## CHAPTER X

### EXERCISE OF THE DELEGATION

#### *Article 12*

1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.

2. The power to adopt delegated acts referred to in Article 9(4) shall be conferred on the Commission for a period of three years starting after one month following the adoption of this Regulation. The Commission shall draw up a report in respect of the delegation of power not later than nine months before the end of that 3-year period. The delegation of power shall be tacitly extended for periods of an identical duration, unless the European Parliament or the Council opposes such extension not later than three months before the end of each period.

3. The delegation of power referred to in Article 9(4) may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.

4. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.

5. A delegated act adopted pursuant to Article 9(4) shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.

## CHAPTER XI

### VOTE ON THE SANCTIONS

#### *Article 13*

For the measures referred to in Article 9 the Council shall act without taking into account the vote of the member of the Council representing the Member State concerned.

## CHAPTER XII

### GENERAL PROVISIONS

#### *Article 14*

1. The Commission shall be assisted by the European Statistical System Committee established by Regulation (EC) No 223/2009. The Committee shall be a committee within the meaning of the Regulation (EU) No 182/2011.

2. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.

#### *Article 15*

In line with Article 5 of Regulation (EC) No 223/2009, the national statistical institutes of the Member States (the NSI) shall ensure the required coordination on the MIP relevant data at national level. All other national authorities shall report to the NSI for this purpose. The Member States shall take the necessary measures to ensure the application of this provision.

#### *Article 16*

1. Member States shall ensure that the MIP relevant data compiled and transmitted to the Commission (Eurostat) are provided in accordance with the principles established by Article 2 of Regulation (EC) No 223/2009.

2. Member States shall take appropriate measures to ensure that institutions and officials responsible for the compilation and transmission of the MIP relevant data to the Commission (Eurostat) are accountable and act in accordance with the principles established by Article 2 of Regulation (EC) No 223/2009.

*Article 17*

The Commission (Eurostat) shall report regularly to the European Parliament and to the Council on the activities carried out by the Commission (Eurostat) for the purpose of implementing this Regulation.

*Article 18*

1. By 14 December 2014 and every five years thereafter, the Commission shall review the application of this Regulation and report its findings to the European Parliament and the Council.

2. The review shall, among other things, evaluate:

- (a) the progress in ensuring the quality of MIP relevant data;
- (b) the effectiveness of this Regulation and the applied monitoring process.

Where appropriate, the review shall be accompanied by a proposal for amendments to this Regulation.

*Article 19*

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

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

Done at Brussels,

*For the European Parliament*  
*The President*

*For the Council*  
*The President*

## LEGISLATIVE FINANCIAL STATEMENT

### 1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

#### 1.1. Title of the proposal/initiative

Proposal for a Regulation of the European Parliament and of the Council on the provision and quality of statistics for the macroeconomic imbalances procedure

#### 1.2. Policy area(s) concerned in the ABM/ABB structure<sup>8</sup>

Statistics (3403 - Production of statistical information, 3480 - Administrative support for Eurostat, 3481 Policy strategy and coordination for Eurostat)

#### 1.3. Nature of the proposal/initiative

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

#### 1.4. Objectives

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

Strengthened and integrated economic governance in the EU based on the 2011 Six Pack

##### 1.4.2. *Specific objective(s) and ABM/ABB activity(ies) concerned*

Specific objective No.1: Provide statistical information to support the development, monitoring and evaluation of Union policies with specific regard to the Macroeconomic Imbalances Procedure (MIP) and its scoreboard of indicators based on Regulation 1176/2011, which sets out rules for the early detection, prevention and correction of macroeconomic imbalances which emerge or persist in the euro area and the EU.

##### ABM/ABB activity(ies) concerned

3403 - Production of statistical information

##### 1.4.3 *Expected result(s) and impact*

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

The Macroeconomic Imbalances Procedure (MIP) and its scoreboard statistics are based on Regulation 1176/2011, which sets out rules for early detection, prevention and correction of macroeconomic imbalances which emerge or persist in the euro area and the EU.

For the MIP to be effective, it is necessary to ensure efficient statistical monitoring of the MIP relevant data. The Council has underlined the importance for the credibility of the MIP of having timely statistics of the highest quality for inclusion in the scoreboard and invited the Commission (Eurostat) to take all necessary initiatives to assure a reliable procedure for the compilation of these statistics as well as a continuous improvement of the underlying statistical information.

Eurostat will therefore develop a robust statistical monitoring system for the MIP based on a Regulation. The results should ensure a solid statistical basis for the MIP related decisions, in the form of high quality indicators meeting the quality standards set by the Commission.

##### 1.4.4 *Indicators of results and impact*

<sup>8</sup> ABM: Activity-Based Management – ABB: Activity-Based Budgeting.

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

Eurostat will assess Member States' data, in cooperation with a group of high level national experts in macroeconomic statistics, to ensure that, for each Member State, the weaknesses detected are properly addressed and the improvement actions identified are implemented. Each year, the results of this work will be discussed in the Economic Policy Committee, and will be presented in the Commission's Alert Mechanism Report in the context of the European Semester. Also, there will be regular reporting to the European Parliament and the Council.

## **1.5. Grounds for the proposal/initiative**

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

The need to have statistics of the highest quality for inclusion in the MIP scoreboard and to develop a reliable quality monitoring procedure for this purpose has been emphasised by the Council.

Extensive discussions with Member States on quality and comparability issues relating to the MIP relevant data have taken place in the context of the Economic Policy Committee. In particular some areas for improvements were identified in the 2012 EPC Report on requirements for structural statistics. A robust quality framework needs to be set up in order to provide quality assurance for these data.

### *1.5.2. Added value of EU involvement*

EU involvement is necessary to develop and implement a harmonised quality monitoring procedure for the MIP relevant data at European level. This will draw on experience and best practices from all Member States and will facilitate the sharing of such experience and practices.

### *1.5.3. Lessons learned from similar experiences in the past*

The quality monitoring framework envisaged in this Proposal draws extensively on similar procedures that have been developed and applied for many years by Eurostat in the areas of statistics for EU own resource and for the excessive deficit procedure respectively. In this regard, very significant improvements have been achieved in these two areas.

### *1.5.4. Coherence and possible synergy with other relevant instruments*

The specific quality monitoring framework envisaged in this Proposal will be introduced in the relevant areas where no such procedure exists. Extra resources are needed for implementing and maintaining this enhanced quality monitoring system. Without these extra resources, it will not be possible to achieve the required quality level. Naturally, in evaluating the extra resources needed utmost care has been taken to avoid any duplications, and all synergies will be sought systematically with similar existing quality frameworks, e.g. in the areas of gross national income and excessive deficit procedure statistics.

**1.6. Duration and financial impact**

Proposal/initiative of **unlimited duration**

**1.7. Management mode(s) envisaged<sup>9</sup>**

**Centralised direct management** by the Commission

**2. MANAGEMENT MEASURES**

**2.1. Monitoring and reporting rules**

*Specify frequency and conditions.*

Each year, the results of this work will be discussed in the Economic Policy Committee, and will be presented in the Commission's Alert Mechanism Report in the context of the European Semester. Also, by 14 December 2014 and every five years thereafter, the Commission will publish a report to the European Parliament and the Council on how the Regulation is being applied.

**2.2. Management and control system**

2.2.1. *Risk(s) identified*

2.2.2. *Control method(s) envisaged*

**2.3. Measures to prevent fraud and irregularities**

*Specify existing or envisaged prevention and protection measures.*

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<sup>9</sup> Details of management modes and references to the Financial Regulation may be found on the BudgWeb site: [http://www.cc.cec/budg/man/budgmanag/budgmanag\\_en.html](http://www.cc.cec/budg/man/budgmanag/budgmanag_en.html)



### 3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE

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

- Existing expenditure budget lines

In order of multiannual financial framework headings and budget lines.

Heading of multiannual financial framework	Budget line	Type of expenditure	Contribution			
	Number [Description.....]	Diff./non-diff. (10)	from EFTA <sup>11</sup> countries	from candidate countries <sup>12</sup>	from third countries	within the meaning of Article 18(1)(aa) of the Financial Regulation
1	29.010405 (Union Statistical Programme 2008 to 2012 — Expenditure on administrative management)	Diff.	YES	NO	NO	YES/NO
1	29.010401 (Support expenditure for the European statistical programme)	Diff.	YES	NO	NO	YES/NO

- New budget lines requested

In order of multiannual financial framework headings and budget lines.

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

<sup>10</sup> Diff. = Differentiated appropriations / Non-diff. = Non-Differentiated Appropriations

<sup>11</sup> EFTA: European Free Trade Association.

<sup>12</sup> Candidate countries and, where applicable, potential candidate countries from the Western Balkans.

### 3.2. Estimated impact on expenditure

#### 3.2.1. Summary of estimated impact on expenditure

EUR million (to 3 decimal places)

<b>Heading of multiannual financial framework:</b>	Number	2013 inclusive: Heading 1A - Competitiveness for growth and employment From 2014: Heading 1 - Smart and inclusive Growth (other...)
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DG: ESTAT			2013	2014	2015	2016 and later	... enter as many years as necessary to show the duration of the impact (see point 1.6)			TOTAL
• Operational appropriations										
Number of budget line	Commitments	(1)								
	Payments	(2)								
Number of budget line	Commitments	(1a)								
	Payments	(2a)								
Appropriations of an administrative nature financed from the envelope for specific programmes <sup>13</sup>										
Number of budget line	29.010405	(3)	<b>0.210</b>							<b>0.840</b>
	29.010401		<b>0.210</b>	<b>0.210</b>	<b>0.210</b>					
<b>TOTAL appropriations for DG ESTAT</b>	Commitments	=1+1a+3	0.210	0.210	0.210	0.210				<b>0.840</b>
	Payments	=2+2a+3	0.210	0.210	0.210	0.210				<b>0.840</b>

<sup>13</sup> Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former "BA" lines), indirect research, direct research.

• TOTAL operational appropriations	Commitments	(4)	0	0	0	0				<b>0</b>
	Payments	(5)	0	0	0	0				<b>0</b>
• TOTAL appropriations of an administrative nature financed from the envelope for specific programmes		(6)	<b>0.210</b>	<b>0.210</b>	<b>0.210</b>	<b>0.210</b>				<b>0.840</b>
<b>TOTAL appropriations under HEADING 1A and 1</b> of the multiannual financial framework	Commitments	=4+ 6	0.210	0.210	0.210	0.210				<b>0.840</b>
	Payments	=5+ 6	0.210	0.210	0.210	0.210				<b>0.840</b>

**If more than one heading is affected by the proposal / initiative:**

• TOTAL operational appropriations	Commitments	(4)								
	Payments	(5)								
• TOTAL appropriations of an administrative nature financed from the envelope for specific programmes		(6)								
<b>TOTAL appropriations under HEADINGS 1 to 4</b> of the multiannual financial framework (Reference amount)	Commitments	=4+ 6								
	Payments	=5+ 6								

<b>Heading of multiannual financial framework:</b>	<b>5</b>	“ Administrative expenditure “
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EUR million (to 3 decimal places)

		2013	2014	2015	2016 and later	... enter as many years as necessary to show the duration of the impact (see point 1.6)			TOTAL
DG: ESTAT									
• Human resources		2.016	2.016	2.016	2.016				<b>8.064</b>
• Other administrative expenditure		0.221	0.221	0.221	0.221				<b>0.884</b>
<b>TOTAL DG ESTAT</b>	Appropriations	2.237	2.237	2.237	2.237				<b>8.948</b>

<b>TOTAL appropriations under HEADING 5 of the multiannual financial framework</b>	(Total commitments = Total payments)	2.237	2.237	2.237	2.237				<b>8.948</b>
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EUR million (to 3 decimal places)

		2013	2014	2015	2016 and later	... enter as many years as necessary to show the duration of the impact (see point 1.6)			TOTAL
<b>TOTAL appropriations under HEADINGS 1 to 5 of the multiannual financial framework</b>	Commitments	2.447	2.447	2.447	2.447				<b>9.788</b>
	Payments	2.447	2.447	2.447	2.447				<b>9.788</b>

3.2.2. *Estimated impact on operational appropriations*

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

Commitment appropriations in EUR million (to 3 decimal places)

Indicate objectives and outputs  ↓			Year N	Year N+1	Year N+2	Year N+3	... enter as many years as necessary to show the duration of the impact (see point 1.6)										<b>TOTAL</b>			
	<b>OUTPUTS</b>																			
	Type of output <sup>14</sup>	Average cost of the output	Number of outputs	Cost	Number of outputs	Cost	Number of outputs	Cost	Number of outputs	Cost	Number of outputs	Cost	Number of outputs	Cost	Number of outputs	Cost	Number of outputs	Cost	Total number of outputs	Total cost
SPECIFIC OBJECTIVE No 1 <sup>15</sup> ...																				
- Output																				
- Output																				
- Output																				
Sub-total for specific objective N°1																				
SPECIFIC OBJECTIVE No 2...																				
- Output																				
Sub-total for specific objective N°2																				
<b>TOTAL COST</b>																				

<sup>14</sup> Outputs are products and services to be supplied (e.g.: number of student exchanges financed, number of km of roads built, etc.).

<sup>15</sup> As described in Section 1.4.2. "Specific objective(s)..."

### 3.2.3. Estimated impact on appropriations of an administrative nature

#### 3.2.3.1. Summary

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

EUR million (to 3 decimal places)

	2013	2014	2015	2016 and later	... enter as many years as necessary to show the duration of the impact (see point 1.6)	TOTAL
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<b>HEADING 5 of the multiannual financial framework</b>								
Human resources	2.016	2.016	2.016	2.016				<b>8.064</b>
Other administrative expenditure – Missions (29 01 02 11 01)	0.081	0.081	0.081	0.081				<b>0.324</b>
Other administrative expenditure – Meetings & Conferences (29 01 02 11 02)	0.140	0.140	0.140	0.140				<b>0.560</b>
Other administrative expenditure - Total	0.221	0.221	0.221	0.221				<b>0.884</b>
<b>Subtotal HEADING 5 of the multiannual financial framework</b>	<b>2.237</b>	<b>2.237</b>	<b>2.237</b>	<b>2.237</b>				<b>8.948</b>

<b>Outside HEADING 5<sup>16</sup> of the multiannual financial framework</b>								
Human resources	0.210	0.210	0.210	0.210				<b>0.840</b>
Other expenditure of an administrative nature								
<b>Subtotal outside HEADING 5 of the multiannual financial framework</b>	<b>0.210</b>	<b>0.210</b>	<b>0.210</b>	<b>0.210</b>				<b>0.840</b>

<b>TOTAL</b>	<b>2.447</b>	<b>2.447</b>	<b>2.447</b>	<b>2.447</b>				<b>9.788</b>
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<sup>16</sup> Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former "BA" lines), indirect research, direct research.

### 3.2.3.2. Estimated requirements of human resources

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

Estimate to be expressed in full time equivalent units

	2013	2014	2015	2016 and later
<b>• Establishment plan posts (officials and temporary agents)</b>				
29 01 01 01 (Headquarters and Commission's Representation Offices)	12	12	12	12
XX 01 01 02 (Delegations)				
XX 01 05 01 (Indirect research)				
10 01 05 01 (Direct research)				
<b>• External personnel (in Full Time Equivalent unit: FTE)<sup>17</sup></b>				
29 01 02 01 (CA, INT, SNE from the "global envelope")	6	6	6	6
XX 01 02 02 (CA, INT, JED, LA and SNE in the delegations)				
29 01 04 05 <sup>18</sup>	- at Headquarters <sup>19</sup>	3		
	- in delegations			
29 01 04 01 <sup>20</sup>	- at Headquarters <sup>21</sup>		3	3
	- in delegations			
XX 01 05 02 (CA, INT, SNE - Indirect research)				
10 01 05 02 (CA, INT, SNE - Direct research)				
Other budget lines (specify)				
<b>TOTAL</b>	<b>21</b>	<b>21</b>	<b>21</b>	<b>21</b>

**XX** is the policy area or budget title concerned.

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

Description of tasks to be carried out:

Officials and temporary agents	The Macroeconomic Imbalances Procedure (MIP) and its scoreboard of indicators are based on Regulation 1176/2011, which sets out rules for the early detection, prevention and correction of macroeconomic imbalances which emerge or persist in
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<sup>17</sup> CA= Contract Agent; INT= agency staff ("*Intérimaire*"); JED= "*Jeune Expert en Délégation*" (Young Experts in Delegations); LA= Local Agent; SNE= Seconded National Expert;

<sup>18</sup> Under the ceiling for external personnel from operational appropriations (former "BA" lines).

<sup>19</sup> Essentially for Structural Funds, European Agricultural Fund for Rural Development (EAFRD) and European Fisheries Fund (EFF).

<sup>20</sup> Under the ceiling for external personnel from operational appropriations (former "BA" lines).

<sup>21</sup> Essentially for Structural Funds, European Agricultural Fund for Rural Development (EAFRD) and European Fisheries Fund (EFF).

	<p>the euro area and the EU.</p> <p>For the MIP to be effective, it is necessary to ensure efficient statistical monitoring of the MIP relevant data. The Council of 8 November 2011 and of 13 November 2012 underlined the importance for the credibility of the MIP of having timely statistics of the highest quality for inclusion in the scoreboard and invited the Commission (Eurostat) to take all necessary initiatives to assure a reliable procedure for the compilation of these statistics as well as a continuous improvement of the underlying statistical information.</p> <p>Eurostat will therefore develop a robust statistical monitoring system for the MIP based on a Regulation. This will cover mainly the compilation and transmission of data and metadata by Member States; monitoring of data quality by Eurostat; and reporting/communication to the different stakeholders and to the European Parliament and the Council.</p> <p>The Regulation will introduce new tasks for the Commission on the following main aspects: validating the quality of the MIP relevant data in relation to quality criteria that already exist or are to be defined/specified in certain areas (e.g. data of balance of payments statistics and net international investment position, nominal unit labour cost, deflated house prices, private sector credit flow and private sector debt, unemployment, total financial sector liabilities) including regular and more in-depth visits to countries; structuring, collecting and analysing Member States' compilation sources and methods; developing and implementing an improvement action plan; regular reporting to the Economic Policy Committee on the results of this exercise.</p>
External personnel	Support the officials and temporary agents in performing the above-mentioned tasks.

#### 3.2.4. *Compatibility with the current multiannual financial framework*

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

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

- Proposal/initiative requires application of the flexibility instrument or revision of the multiannual financial framework<sup>22</sup>.

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

#### 3.2.5. *Third-party contributions*

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

<sup>22</sup> See points 19 and 24 of the Interinstitutional Agreement.



Appropriations in EUR million (to 3 decimal places)

	Year N	Year N+1	Year N+2	Year N+3	... enter as many years as necessary to show the duration of the impact (see point 1.6)			Total
<i>Specify the co-financing body</i>								
TOTAL appropriations cofinanced								

**3.3. Estimated impact on revenue**

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

EUR million (to 3 decimal places)

Budget revenue line:	Appropriation s available for the ongoing budget year	Impact of the proposal/initiative <sup>23</sup>					
		Year N	Year N+1	Year N+2	Year N+3	... insert as many columns as necessary in order to reflect the duration of the impact (see point 1.6)	
Article .....							

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

Specify the method for calculating the impact on revenue.

<sup>23</sup> As regards traditional own resources (customs duties, sugar levies), the amounts indicated must be net amounts, i.e. gross amounts after deduction of 25% for collection costs.