



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 18.10.2006
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2006/0199 (COD)

Proposal for a

DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

establishing the European Statistical Governance Advisory Board

(presented by the Commission)

EXPLANATORY MEMORANDUM

1) CONTEXT OF THE PROPOSAL

- **Grounds for and objectives of the proposal**

In response to invitations by the Council on 2 June 2004 and again on 17 February 2005 to strengthen statistical governance with a view to ensuring the independence, integrity and accountability of the National Statistical Institutes and Eurostat, the Commission implemented a strategy encompassing measures to address the quality of statistical data in the context of the excessive deficit procedure and to reinforce the operational capacity of Eurostat. As a third line of action, on 25 May 2005 the Commission adopted a Communication and a Recommendation on the independence, integrity and accountability of the national and Community statistical authorities promulgating a European Statistics Code of Practice which had been prepared by the National Statistical Institutes and Eurostat and had been endorsed by the Statistical Programme Committee as a self-regulatory instrument.

To balance this self-regulatory approach with the need for accountability, in the same Recommendation the Commission declared its intent to put into place a reporting system to monitor adherence to the Code within the European Statistical System¹, which could include an external advisory body playing an active role in monitoring implementation of the Code and, consequently, in enhancing independence, integrity and accountability.

The ECOFIN Council's conclusions of 8 November 2005 underlined the usefulness of such a body which "...would enhance the independence, integrity and accountability of Eurostat and, in the context of the peer review assessment of implementing the European Statistics Code of Practice, of the European Statistical System" and gave some guidelines for its composition and tasks. At the same time they pointed out the need to set up a new separate body rather than redefining the European Advisory Committee on Statistical Information in the Economic and Social Spheres in the course of its reform.

The proposal for a European Parliament and Council Decision to set up a European Statistical Governance Advisory Board responds to the considerations set out above, and therefore complements the European statistical governance structure.

- **Existing provisions in the area of the proposal**

There are no existing provisions in the area of the proposal.

- **Consistency with other policies and objectives of the Union**

Not applicable.

¹ i.e. the partnership comprising the Statistical Office of the European Communities (Eurostat) and the National Statistical Institutes and other national authorities responsible in each Member State for producing and disseminating European statistics.

2) CONSULTATION OF INTERESTED PARTIES AND IMPACT ASSESSMENT

- **Consultation of interested parties**

Consultation methods, main sectors targeted and general profile of respondents

The proposal is based on consultations of the Statistical Programme Committee and the Economic and Financial Committee.

Summary of responses and how they have been taken into account

One of the main outcomes of the consultation process was that it revealed the need for the Board to be set up in a way underpinning its independence and in line with the ECOFIN conclusions of 8 November 2005.

- **Collection and use of expertise**

There was no need for external expertise.

- **Impact assessment**

An alternative option considered was to give the European Advisory Committee on Statistical Information in the Economic and Social Spheres a mandate covering the tasks of the Board, subject to substantial reform of the Committee, in particular in terms of reducing its membership to maintain a manageable size of the Committee following enlargement.

3) LEGAL ELEMENTS OF THE PROPOSAL

- **Summary of the proposed action**

This proposal aims at setting up a European Statistical Governance Advisory Board to enhance the credibility of European statistics, advise the Commission and report on implementation of the European Statistics Code of Practice by Eurostat.

- **Legal basis**

Article 285 of the Treaty provides the legal basis for measures adopted by the European Parliament and the Council for the production of Community statistics and defines the principles to which they must conform. The European Statistical Governance Advisory Board should be made up of high-level persons, appointed by the Commission after consultation of the European Parliament and the Council, who are able to deliver an outside view on the European Statistical System. To strengthen the Board's independence and as a sign of the legislators' commitment, the legal instrument for setting up the European Statistical Governance Advisory Board should take the form of a Decision of the European Parliament and the Council.

- **Proportionality principle**

The proposal complies with the proportionality principle as it covers the Commission's activities related to European statistics and the functioning of the European Statistical System as a whole. It is not within the competence of the Board to address individual countries' practices or institutions.

The tasks and activities of the proposed Board will reflect the underlying objective to enhance the independence, integrity and accountability of Eurostat and the European Statistical System as a whole thus strengthening users' confidence in European statistics.

In line with the Council conclusions, the proposed Board will be very small and privilege members' outstanding expertise in the field of statistics. Article 3 stipulates that the Commission, after consultation of the European Parliament and the Council will appoint a total of five members, including the chairperson. The Commission shall be represented as an observer.

- **Choice of instruments**

Proposed instruments:

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

In its Staff Working Paper of 27 July 2005 (C(2005) 2817) on a "Framework for Commission's expert groups: horizontal rules and public register" the Commission found that, from an institutional point of view, expert groups, i.e. groups comprising national and/or private- sector experts who assist the Commission in exercising its power of initiative and in its tasks of monitoring and co-ordinating with Member States, should be set up by a Commission Decision.

In the case in point however, the Commission had to take into account the need to set up the Board in line with its underlying objective, namely to enhance the independence, integrity and accountability of Eurostat and the European Statistical System as a whole, thus strengthening users' confidence in European Statistics.

Therefore, given the objective and content of the proposal, a Decision of the European Parliament and of the Council is the most appropriate instrument.

4) BUDGETARY IMPLICATION

The proposal has no implication for the Community budget.

5) ADDITIONAL INFORMATION

- **European Economic Area**

The proposed act concerns an EEA matter and should therefore extend to the European Economic Area.

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(Text with EEA relevance)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 285 thereof,

Having regard to the proposal from the Commission²,

Acting in accordance with the procedure laid down in Article 251 of the Treaty³,

Whereas:

- (1) The need to establish Europe-wide standards on the independence, integrity and accountability of the national institutes led the Statistical Programme Committee unanimously to endorse the European Statistics Code of Practice⁴ at its meeting on 24 February 2005.
- (2) The abovementioned Code of Practice has the dual purpose of, on the one hand, improving trust and confidence in statistical authorities by proposing certain institutional and organisational arrangements and, on the other, reinforcing the quality of the statistics they produce.
- (3) In its Communication of 25 May 2005 to the European Parliament and to the Council on the independence, integrity and accountability of the national and Community statistical authorities the Commission acknowledged the usefulness of an external advisory body that could play an active role in overseeing how the Code of Practice is implemented by the European Statistical System as a whole. In its Recommendation of the same date, the Commission stated its intention to consider proposing such an external advisory body.

² OJ C , , p. .

³ OJ C , , p. .

⁴ Adopted by the Statistical Programme Committee on 24 February 2005 and promulgated in the Commission Recommendation of 25 May 2005 on the independence, integrity and accountability of the National and Community Statistical Authorities (COM(2005) 217 final version 1).

- (4) On 8 November 2005 the Council concluded that a new high-level advisory body would enhance the independence, integrity and accountability of the Commission (Eurostat) and, in the context of the peer review assessment of implementing the European Statistics Code of Practice, of the European Statistical System and recommended that the new body should be a small group of persons appointed on the basis of their competence.
- (5) An advisory board should therefore be established, and its tasks and structure defined.

HAVE DECIDED AS FOLLOWS:

Article 1

Advisory Board

An advisory board called the "European Statistical Governance Advisory Board" (hereinafter referred to as "the Board") is hereby established.

Article 2

Tasks

1. The Board's tasks shall be:
 - to enhance the credibility of European statistics;
 - to submit an annual report on implementation of the European Statistics Code of Practice by the Commission (Eurostat) to the Commission, which will transmit the report to the European Parliament and to the Council.
 - to advise the Commission on appropriate measures to facilitate implementation of the European Statistics Code of Practice (hereinafter referred to as the "Code of Practice") in the European Statistical System with a view to improving statistical governance;
 - to advise the Commission in the framework of a process leading to a quality label and on communicating the Code of Practice to users and data providers;
 - to give advice on updating the Code of Practice and on general rules and principles for the functioning of the European Statistical System as a whole.
2. The Commission may consult the Board on questions relating to users' confidence in European statistics.

Article 3

Membership of the Board

1. The Board shall comprise five members, including the chairperson. The Commission (Eurostat) shall be represented as an observer.

2. The members of the Board shall be selected from among experts possessing outstanding competence in the field of statistics and shall perform their duties in their personal capacity.

3. The Commission shall appoint the members of the Board and its chairperson after consultation of the European Parliament and the Council, for a three-year term.

The Board may designate up to two members to be appointed once for a further term of three years.

4. If a member resigns before the expiry of his term of office, he shall be replaced for the remainder of that term by a new member appointed in accordance with this article.

Article 4

Proceedings

1. The Board shall adopt its own rules of procedure, which shall be made public.

2. The Board's annual report, referred to in Article 2, shall be made public. In addition, the Board may decide to publish on the Internet, any conclusion, partial conclusion or working document.

3. The members of the Board shall be required not to disclose information to which they have gained access through the Board's proceedings, if the Commission informs them that the information obtained, the opinion requested or the question raised is of a confidential nature.

4. The Board shall be assisted by a Secretariat which shall be supplied by the Commission. The Secretary shall be appointed by the Commission after consultation of the Board. The Secretary shall act on the instructions of the Board.

5. The expenses of the Board shall be included in the budgetary estimates of the Commission.

Article 5

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

Done at Brussels,

For the European Parliament
The President

For the Council
The President