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Implementing the Fundamental Principles of Official Statistics

Implementing the Fundamental Principles of Official Statistics - the European Statistical System approach

Note by Eurostat

Summary

This paper outlines the way the European Statistical System has been implementing the Fundamental Principles of Official Statistics over the past seven years and describes recent initiatives to reinforce their application across European Union Member States and Eurostat. It first identifies the European standards that have been put in place under a self-regulatory framework, based on the Fundamental Principles. It then describes how these standards are regularly monitored at different levels and the guidelines which have been developed to help national statistical offices to implement the standards at institutional and process levels.

Finally, the paper demonstrates how the implementation of certain standards is being strengthened through formal agreements with all national statistical offices.

I. Defining the Fundamental Principles in terms of European standards

1. The Fundamental Principles of Official Statistics are enshrined in the European Statistics Code of Practice (the Code) which was adopted by the European Statistical System (ESS) in 2005 and revised in September 2011. The Code establishes 15 Principles covering standards at an institutional level, such as professional independence and impartiality, as well as standards relating to statistical processes and outputs. For each Principle, there is a set of between 3 and 9 indicators to help to identify the extent to which the standard has been achieved.

Figure 1
The Principles and indicators of the Code of Practice

Code of Practice Principle			Number of achievement indicators
Institutional environment	1	Professional independence	8
	2	Mandate for data collection	3
	3	Adequacy of resources	4
	4	Commitment to quality	4
	5	Statistical confidentiality	6
	6	Impartiality and objectivity	8
Statistical processes	7	Sound methodology	7
	8	Appropriate statistical procedures	9
	9	Non-excessive burden on respondents	6
	10	Cost effectiveness	4
Statistical output	11	Relevance	3
	12	Accuracy and reliability	3
	13	Timeliness and punctuality	5
	14	Coherence and comparability	5
	15	Accessibility and clarity	7
TOTAL			82

2. In total there are 82 indicators for all 15 Principles of the Code (Figure 1). One important aspect of the Code is its self-regulatory nature.

3. The standards expected are clearly stated in the Code, and Eurostat and national statistical offices within the European statistical system are to develop, produce and disseminate European statistics in accordance with these standards. Currently there is no formal system of accreditation to signal when these standards are met and there are no sanctions for failing to meet the standards. However, compliance with the Code is promoted through monitoring and reporting mechanisms which highlight the progress being made in Member States and Eurostat.

II. Monitoring and reporting mechanisms for the Code

4. After the Code was published in 2005, Eurostat and national statistical offices in the ESS carried out the first stage of monitoring compliance with the Code. This was a self-assessment exercise to establish the extent to which national statistical offices met the requirements of the Code. A standard self-assessment questionnaire was used for the

exercise based on all the Principles and indicators of the Code. In addition, national statistical offices were asked to indicate the strengths and weaknesses with regard to each Principle and to make proposals for improvement actions.

5. These self-assessments then served as key inputs into the second stage of monitoring – external peer reviews – launched in 2006. The peer reviews were independent assessments of the extent to which national statistical offices complied with the institutional standards (Principles 1-7) and dissemination standards (Principle 15) established by the Code. Each peer review involved a team of three assessors, two from different national statistical offices and one from Eurostat. The teams carried out a 3-day visit, meeting with staff at different levels in the statistical office and also with representatives of data users, data providers and respondents. All 27 Member States, European Free Trade Association (EFTA) countries and Eurostat underwent a peer review between 2006 and 2008, and the outcome in each case was an agreed set of improvement actions and recommendations, together with deadlines for implementation.

6. In 2008, Eurostat introduced the third (and ongoing) stage of monitoring – annual progress reporting – in which each national statistical office (NSO) is asked to provide three elements of information in relation to compliance with the Code:

- (a) The status of each peer review improvement action which has not yet been completed;
- (b) New actions planned to improve compliance with the Code;
- (c) New actions undertaken to extend the application of the Code to other national data providers of European statistics.

7. The results of this annual exercise are used to provide an overall picture of progress with the implementation of the Code across the ESS and in Eurostat. A report on progress at a national level is discussed by the ESS Committee and published each year.

8. Finally, a fourth stage of monitoring is carried out by the European Statistical Governance Advisory Board (ESGAB), a body of independent statistical experts, which was created in 2008 to provide an independent overview of the ESS as regards the implementation of the European Statistics Code of Practice. ESGAB collects and evaluates information from Eurostat and from national statistical offices and each year produces a report with recommendations regarding the implementation of the Code in Eurostat and across the ESS as a whole.

III. Guidelines for implementing the Code

9. After the adoption of the Code in 2005, an ESS Task Force on the Implementation of the Code was created to develop a strategic and operational approach to the implementation and monitoring of the Code. The Task Force was responsible for drafting the self-assessment questionnaire issued to NSOs and to Eurostat in 2005. The Task Force also drafted the guidelines for peer reviewers and for the NSOs being reviewed, based on the experience of two pilot peer reviews carried out early in 2006.

10. In the first years of implementing the Code of Practice, the Principles and indicators provided the framework for NSOs and peer reviewers to identify what activities should be undertaken to ensure compliance with the Code. Then in 2009, a Task Force "Sponsorship on Quality" was created by the ESS Committee to update the Code and to provide additional guidance on how the Code could be implemented in the Member States. In 2011, the Task Force recommended a small number of revisions to the 2005 version of the Code (reinforcing professional independence, the use of administrative data and the coordinating

role of NSOs) and developed a draft set of guidelines for implementing 10 of the 15 Principles of the Code focusing on statistical processes and outputs (Principles 4 and 7-15). The guidelines are referred to as the Quality Assurance Framework (QAF) and are currently being finalised for publication in 2012 by Eurostat and a team of 10 quality managers from NSOs.

11. The QAF identifies the methods and tools which can be used to implement the standards specified in the Code. Although currently limited to 10 Principles, the QAF may be extended to the remaining institutional Principles (1-3 and 5) in the future. The QAF comprises three basic structural components:

- (a) Methods at the institutional level;
- (b) Methods at the product/survey level;
- (c) Reference documentation.

12. The methods at the institutional level include centralised arrangements which influence the development, production and dissemination of statistics across different statistical domains (e.g. organisation-wide policies, procedures, and services). The methods at the product/service level relate more specifically to the techniques applied to statistical production processes and the reference documentation provides additional supporting material for the methods proposed.

13. The QAF can be regarded as a third layer in the European statistical system's approach to quality. The Code of Practice Principles define the standards – the first layer; the Code of Practice indicators identify what is required to demonstrate compliance with the Code – the second layer. The QAF is then the third layer, which describes *how* these indicators can be implemented.

14. An example relating to the use of appropriate statistical procedures (Principle 8) is given in Box 1. By identifying appropriate methods for implementing the Code, the QAF contributes to the enhancement of statistical quality across the ESS in four key ways:

- (a) First, the list of methods represents a common view and understanding of quality management, which can be shared and promoted across national statistical offices and other national providers of European statistics;
- (b) Second, the open and flexible nature of the QAF allows national statistical offices to select the methods that best fit their organisational environment. The list of methods presented in the QAF is neither exhaustive nor mandatory and it is intended that the QAF will be regularly updated and extended as new good practices and experience emerge;
- (c) Third, the QAF allows national statistical offices to identify what additional methods may need to be introduced into the organisation at an institutional and process level in order to be assessed as compliant with the Code in a future peer review;
- (d) Finally, the QAF has a useful training role, for staff in statistical offices and for peer review assessors.

Box 1

The QAF applied to Principle 8 of the Code of Practice

Principle 8 of the Code states the standard expected:

Appropriate statistical procedures, implemented from data collection to data validation, underpin quality statistics.

Principle 8 contains 9 indicators which together demonstrate if this standard has been met. One of these, indicators 8.6 states:

Revisions follow standard, well-established and transparent procedures.

The methods defined by the QAF to implement this indicator and thereby demonstrate compliance with this aspect of Principle 8 are:

Methods at institutional level

1. Guidelines and principles relating to the revision of published statistics exist, are routinely applied and made known to users.
2. Methodological improvements are promoted through regular and permanent actions (i.e. seminars on methodology, expert meetings, self assessments, audits etc).

Methods at product/survey level

3. Revisions are accompanied by all necessary explanations and made available to users.
4. Quality indicators on the revisions made are regularly calculated in accordance with current standards and made known to users.

Reference documentation

Office for National Statistics-ONS. (2004) *National statistics code of practice. Protocol of revisions*. Newport, United Kingdom.

OECD & Eurostat. (webpage). *Guidelines on revisions policy and analysis*.

Eurostat. (n.d.). *Guidelines on revision policy* (in preparation)

Committee on monetary, financial and balance of payments (CMFB). (2007).

IV. Strengthening the application of the Code using formal agreements

17. The Code was conceived as a self-regulatory instrument and it remains a self-regulatory instrument. Nevertheless, the annual monitoring of progress with improvement actions undertaken by Eurostat and ESGAB has identified that progress with some actions has not been as fast as originally expected. In particular, actions which involve changes to the law or decisions by authorities outside of the national statistical institute may face delays due to the legislative process or due to reluctance within the government, for example when there are conflicting government priorities.

18. In order to help to strengthen the independence and reliability of European statistics, the European Commission has recently proposed a revision to the Statistical Law (Reg. (EC) 223/2009) which would require the appointment of the heads of national statistical offices and of the head of Eurostat to be based purely on professional criteria and to be

transparent. Under the proposals, they should be allowed to work autonomously and to act independently with regard to managing their statistical office and to making decisions on the development, production and dissemination of statistics.

19. In addition, the proposed revision of the Statistical Law aims to strengthen quality management across the European statistical system by introducing formal agreements with each Member State which would identify high priority improvement actions to be implemented. Known as "Commitments on Confidence in Statistics", these agreements will demonstrate publicly the government's commitment to fully respect the Code of Practice and to safeguard the independence of national statistical offices.

20. On a regular basis, and coordinated by each national statistical office, each Member State will conduct a self-assessment of the implementation of the Code, covering the entire national statistical system. Weaknesses identified and lessons learned will then feed into the national quality assurance and improvement programme with critical weaknesses remedied as soon as practicable. A Commitment on Confidence in Statistics is also envisaged for Eurostat in order to further strengthen its professional independence and coordinating role within the Commission.

V. Summary

21. In the European Union, the UN Fundamental Principles have been implemented since 2005 within the European Statistics Code of Practice. The Code sets the standards which EU national statistical offices commit themselves to, uphold through a self-regulatory structure and supported by regular monitoring and peer reviews.

22. In order to reinforce the implementation of the Code, Eurostat has been working with NSOs to draft guidelines (QAF) on appropriate implementation methods at both institutional and product/survey levels. These guidelines promote a common understanding of the quality management principles and can be adapted to different institutional environments. They also serve as a planning tool, to identify methods that may need to be introduced to the organisation to ensure compliance with the Code, and provide suitable training material for statistical staff and assessors. The guidelines are being finalised for publication this year.

23. In addition, the proposed revision of the Statistical Law will further strengthen the independence of national statistical offices. At the same time, the Commitments of Confidence in Statistics will increase the support given to NSOs in the implementation of the Code by formally demonstrating the commitment of national governments to achieve the high priority actions specified in the Commitment of Confidence agreements.
