

Support for ex-post evaluation of the Community Statistical Programme 2008-2012

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Final Report. Executive Summary

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CSIL, Centre for Industrial Studies (Milan)
DevStat, Servicio de consultoría estadística S.L. (Valencia)

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The evaluation team comprises: José L. Cervera-Ferri (Scientific Director), Silvia Vignetti (Project Coordinator), Willem de Vries and Clementina Ivan-Ungureanu (Panel of Statistical Experts), Julie Pellegrin (senior evaluator). Research assistance was provided by Emanuela Sirtori, Chiara Pancotti and Florabela Carausu.

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The authors are responsible for any remaining errors or omissions.

The views expressed are those of the evaluation team and do not necessarily reflect those of the European Commission.

LIST OF ABBREVIATIONS

AAR	Annual Activity Report
ABB	Activity Based Budgeting
AMP	Annual Management Plan
APS	Annual Policy Strategy
AWP	Annual Work Programme
CSP	Community Statistical Programme
DG	Directorate-General
EC	European Commission
ECA	European Court of Auditors
ECB	European Central Bank
EMOS	European Master in Official Statistics
EQ	Evaluation Question
ESAC	European Statistical Advisory Committee
ESBR	European System of Interoperable Statistical Business Registers project
ESP	European Statistical Programme 2013-2017
ESS	European Statistical System
ESSC	European Statistical System Committee
ESSnet	European Statistical System collaboration networks (projects carried out by a team of institutions aiming at developing results which can be used by the whole ESS community)
ILIS	Intervention Logic Information System
MEETS	Modernisation of European Enterprise and Trade Statistics
MP	Management Plan
MTR	Mid-term Review
NSI	National Statistical Institute
QAF	Quality Assurance Framework
RR	Rolling Review
SCM	Standard Cost Model
SI	Satisfaction Index
ToR	Terms of Reference
USS	User Satisfaction Survey
VIP	Vision Implementation Project

EXECUTIVE SUMMARY

Background and scope

The requirement to carry out an ex-post evaluation and present a report on the Community Statistical Programme (CSP) 2008-2012 is enshrined in Article 6(2) of the Decision No.1578/2007/EC of the European Parliament and of the Council of 11 December 2007 on the CSP 2008-2012¹.

Moreover, Decision No.1578/2007/EC requires that the final evaluation reports on the outcome of the reprioritization, including estimations of costs and burdens for statistical projects and fields covered by the statistical programme, as well as an assessment of emerging statistical needs, in particular for new Community policies.

The task of supporting Eurostat in carrying out this ex-post evaluation was awarded to a Consortium led by CSIL (Centre for Industrial Studies) and joined by Devstat (hereafter "Evaluation Team"). The service was conducted between September 2012 and June 2013. The evaluation as required by the Terms of Reference and further elaborated by the Evaluation Team in the fine tuning of the methodology addresses three evaluations including some sub-questions:

EQ.1 How far were the objectives of the CSP 2008-2012 implemented?

EQ.1.1 How far were the objectives of the CSP 2008-2012 implemented?

EQ.1.2 To what extent did the CSP actually ensure continued statistical support for decisions and evaluations of current Community policy areas?

EQ.1.3 Are the resources used for the CSP in line with the degree of implementation?

EQ.2 How effective was the reprioritization programme?

EQ.3 How far was the Eurostat's Vision (Commission Communication (2009) 404 on the production method of EU statistics: a vision for the next decade) implemented?

Therefore, the evaluation focuses on three main aspects, namely the effective implementation of all the objectives contained in the CSP, the results of the reprioritization process and the implementation of the Eurostat's Vision (Commission Communication (2009) 404). As regards the latter, in particular, although the Vision was not mentioned in the CSP 2008-2012, its relevance for the present evaluation stems from the consideration that its adoption actually reshaped the activities during the implementation of the programme and it is also relevant in terms of forward-looking perspective, especially in terms of formulation recommendations for the future. In line with the ToRs requirements, the main purpose of the evaluation is to report on the achievements of the interventions for accountability reasons, and thus to measure the effectiveness of the implementation of the programme, without the need of addressing other possible evaluation criteria.

According to Decision No.1578/2007/EC of the European Parliament and of the Council of 11 December 2007 on the Community Statistical Programme 2008-2012, the multiannual programme under assessment is broken down in 37 cross-cutting objectives² (relevant for the development of Community statistics) and 94 initiatives³ (addressing statistical needs and organized by Titles identified in the Treaty establishing the European Community). They allow identifying a number of intervention areas. Therefore, the assessment of

¹ The mentioned Article states: "At the end of the period covered by the programme, the Commission, after consulting the Statistical Programme Committee, shall present an appropriate evaluation report on the implementation of the programme, taking into account the views of independent experts. The report shall be completed by the end of 2013 and subsequently submitted to the European Parliament and the Council."

² Contained in Annex I of the said Decision which refers to the cross-cutting objectives for the development of Community statistics

³ Contained in Annex II of the said Decision which refers to the priorities for satisfying the information needs of the Community policies

the effective implementation of the CSP relates to the assessment of the degree of fulfilment of 131 objectives⁴.

CSP 2008-2012 is operationalized according to annual priorities and objectives set on the basis of CSP objectives as well as the Annual Policy Strategies (APSs) of the Commission⁵.

The structure of the CSP 2008-2012 is rigid since the multiannual objectives (a total of 131 objectives) contained in the CSP are listed. Since the structure is fixed for 5 years, this rigidity called for a system of annual adjustment to take into account the new and changing political priorities. New priority actions, not explicitly mentioned by but in line with CSP objectives, have been identified during the drafting of the Annual Work Programme. On the other side, some aspects of the CSP have become outdated during the years. There is also a shared opinion that the CSP provides a long list of objectives which were also defined in a too broad scope and sometimes vague definitions.

Such limitations of the CSP 2008-2012 were already acknowledged by Eurostat, as showed by the different improved structure adopted for the European Statistical Programme 2013-2017.

Methodology and limitations

A number of evaluation tools were used. First, a mapping exercise was realised based on an extensive documentary analysis of programming and monitoring reports provided by Eurostat. A relational database was produced (ILIS – Intervention Logic Information System) to store and process the collected information and establish a link between planned and actual achievements of the multi-annual programme as well as the specific actions included in the Annual Work Programmes. Second, in-depth interviews were carried out to representatives of users and producers of European statistics and other relevant stakeholders, namely to National Statistical Institutes (NSIs), Directorates General of the European Commission, the European Statistical Advisory Committee (ESAC), the Head of Statistics Section of the European Central Bank (ECB) as producer and user of Eurostat's statistics and the Head of the Statistics Directorate's National Accounts Division of the Organisation for Economic Cooperation and Development (OECD). Third, a peer review exercise has been carried out by the Panel of Statistical experts in order to get insights on the specific topic of the Vision implementation. In conclusion, four focus group discussions with Eurostat production Units were held, in which feedback was provided on a selection of the initial findings, further suggestions for improvement measures were discussed, and the feasibility of some key recommendations were tested.

There are a number of limitations in terms of scope and methodological approach affecting the present evaluation. While not hampering the solidity of the results and main messages, they should be borne in mind to better understand their significance and scope of application. A number of actions were undertaken by the Evaluation Team in order to mitigate the effects of such limitations on the final assessment of the evaluation.

First, as required by the ToR the evaluators had to rely as far as possible on already existing data and information made available by Eurostat in order to minimize the burden for Eurostat's production units in terms of provision of information for the evaluation. This has prevented the possibility to carry out interviews or case studies with in-depth involvement of Eurostat units. Following this approach the key source of evidence was the planning and monitoring reporting system of Eurostat, which however needed to be adjusted for evaluation purposes, for example by finding a proper link between actions, outputs and CSP objectives. This exercise required a certain degree of interpretation. However, the interaction with the Eurostat production units within the Focus Groups allowed checking for the consistency between the assessment on implementation provided by the ILIS database and the perceptions and knowledge of the units.

⁴ For the purpose of the present evaluation also 'initiatives' will be referred to as 'objectives'.

⁵ APSs sets out the political priorities for the concerned year and provides the framework for the preliminary draft budget and for the Commission's annual work programme.

Second, the Eurostat reporting system is a management and not an evaluation tool, i.e. it focuses on expenditure-related outputs (projects and processes), rather than on policy-related output. Indeed, no systematic evidence on programme implementation and partially systematic evidence on annual achievements are available from the internal reporting system. In particular, the Annual Activity report, following up on the Management Plan, is not aligned with either the CSP objectives or the Annual Work Programmes. Moreover, actions included in the reporting system range from very simple tasks to demanding and long-lasting operations which, although in principle could not be compared, were actually given the same weight for the calculation of performance indicators.

Finally, the fact that programming, reporting and monitoring tools of CSP are not aligned and consistent also poses a problem of 'evaluability' of the CSP. For example, the CSP 2008-2012 does not translate the stated multiannual objectives into a set of verifiable indicators. According to Articles 3 and 4 of Decision No 1578/2007/EC, the overarching strategy underpinned by the CSP calls for the capacity to promptly respond to users' needs and to ensure a high level quality in the production of statistics. Lacking a consistent set of verifiable indicators and a comprehensive monitoring system, the progress towards such general objectives can be assessed only based on qualitative evidence gathered from the opinions of interviewed stakeholders, from the user satisfaction surveys and from the Rolling Review exercises.

In order to cope with the mentioned constraints given by the scope of the evaluation and the available evidence, information on the implementation coming from the ILIS was matched, as far as possible, with that coming from other sources in order to strengthen the evidence base upon which conclusions and recommendations are provided.

This executive summary provides an overview of the main findings, conclusions and recommendations for each EQ. The rest of the report provides a more in-depth discussion and interpretation of the evidence collected and the Annexes report about the source of evidence. The Annexed Volume II provides detailed tables of CSP achievements.

EFFECTIVENESS OF THE CSP 2008-2012 (EQ1)

Finding 1. The CSP leaves room for improvement as a strategic and planning tool

The design of the CSP suffers from a number of weaknesses, especially in terms of formulation and structure, which are also reflected in the reporting and monitoring activities. The evidence collected from the analysis of the planning documents as well as the opinions of the interviewed (especially users DGs), highlights that the structure of the CSP reflects more a financial framework for implementation than a strategic document. Annual work programmes have not only a different structure with respect to the CSP, but also they do not make explicit reference to the CSP objectives (except for AWP 2011).

The list of actions included in the AWP is the result of a consultation process with the users (first of all the DGs) suggesting every year their priorities in terms of statistical information for the year to come and with the NSIs expressing their national needs and constraints and discussing how they can fit with the AWP, bearing in mind the policy priorities set in the Annual Policy Strategy. In practice, as confirmed also by interviewees, it is a bottom-up process based on users' needs and NSIs indications on an annual basis, and it reflects a selection made ex-ante according to feasibility considerations and not directly descending from the CSP objectives⁶, which are often multi-faceted and too vaguely formulated, although it is assumed they are aligned somehow. This process, which is common to the annual planning exercise in place at the

⁶ An explicit reference to the CSP was given for each action and output of the AWP for the first time in 2011.

Commission, ensures that only actions which Eurostat believes to be able to implement on an annual basis are included in the AWP and have the full commitment of Eurostat. In other terms, once included in the AWP, almost all priorities will lead to certain actions which, in turn, will lead to the generation of the required outputs. However, this does not ensure that a forward-looking perspective spreading more extensively beyond a single year is adopted, and a coordinated set of actions towards the implementation of an overarching measurable goal is carried out.

Finding 2. The degree of implementation of CSP at action level is high, with some policy areas performing better

The present evaluation finds that the 131 specific objectives of the CSP (as per Annex I and II of Decision No 1578/2007/EC) show a high degree of implementation, i.e. they have been translated into a set of actions which, in the majority of cases, produced the expected output. It has to be noted however, in the light of the previous finding, that this assessment is made on the basis of the CSP annual implementation at the action level rather than on its broader strategic reach.

Rating	Indicator	%
High	Percentage of objectives for which the related actions systematically produced outputs (75% or more actions related to the objective did produce outputs)	53.5%
Adequate	Percentage of objectives for which the related actions partially produced outputs (between 50 and 75% of actions related to the objective did produce outputs)	38.9%
Poor	Percentage of objectives for which the related actions scarcely produced outputs (between 25 and 50% of actions related to the objective did produce outputs)	3.8%
Very poor	Percentage of objectives for which the related actions systematically did not produce outputs (75% or more actions related to the objective did not produce outputs)	1.5%
No information	Percentage of objective for which no evidence was identified in the ILIS or the reporting system	2.3%

Source: Authors based on ex-post ratings

Institutional objectives as well as those aiming to improve the legislative framework are the highest, with the milestone of the new legislative basis for European Statistics and the establishment of the ESSC, the ESGAB and the ESAC, with responsibilities on the governance and the consideration of user's needs. Methodological objectives are also achieved on an adequate to high rating. As for the production and dissemination-related objectives, it has to be recalled that European statistics are based on those produced by the MS. Thus, some objectives suffered from the constraints in MS national statistical systems in terms of production processes and resources available. The fact that national statistics have to be aggregated by Eurostat influences the timeliness of data released, which in many cases are referred to 2 years after the reference period (reflecting, approximately, a one year and a half for production at national level and six months for aggregation at EU level), a delay which is not always adequate to users, especially policy-makers in time of crisis. Stronger progresses in integration of IT processes and sources are needed. Eurostat's Vision, translated into the ESSC strategy and operationalized in the ESS.VIP Programme, strongly supports the orientation towards more integration of technology for the production of statistics at the ESS level.

Areas where implementation showed partial or scarce achievement of planned output include Agriculture and Fishery statistics (where data collection related to the production of agricultural income of households statistics, objective 50, faced problems in terms of harmonisation), Transport statistics (for the lack of disseminated data on the domains mentioned explicitly in the CSP -inter-modal transport, urban transport - objective 62, and for information on competitiveness of transport sector -objective 63, which can be measured in a limited way through data on employment and economic performance), indicators on the integration of fishery statistics requirements, the production of coherent monthly employment and unemployment data (objective 71, for which data are produced with a combination of MS data instead of

through European sampling schemes), statistics on consumer protection (objectives 95, 97 to 99, where data on control and monitoring activities and food consumption chain have been discontinued during the 2008-2012 period and data on GMO products received a negative priority), electricity and gas prices paid by households (objective 112, for which a legal obligation for collection foreseen in the CSP was not introduced), environmental indicators (objectives 123 to 125, for which some problems of delays in dissemination of data and metadata and poor integration with other domains are recorded).

Regarding dissemination, evidence on implementation shows that remaining challenges at the thematic level comprise the dissemination of internationalization of R&D statistics, increasing timeliness of several operations (FATS, health statistics), increased clarity of detailed metadata for price statistics, improved access to protected confidential business data.

The financial implementation is generally good and shows a pressure towards increased efficiency.

This broad picture on implementation gathered with the ILIS is consistent with the perceptions of production Units in Eurostat as well as the overall understanding of the Eurostat performance by the users DGs and NSIs. Such result reflects the process employed to produce the AWP.

Finding 3. The degree of user satisfaction about the quality of statistics is generally high

Turning to the overarching principle embedded in Articles 3 and 4 of Decision No 1578/2007/EC of ensuring the users satisfaction, user surveys, evidence from Rolling Reviews and interviews to DGs confirm that users of EU statistics are overall satisfied and recognize Eurostat's capacity to promptly respond to their needs and to ensure a high level quality in the production of statistics. The opinions expressed by users DG and the broader public on the quality of Eurostat statistics are positive when related to the overall quality. Statistical domains reporting higher ratings from users (including user DGs) are statistics on Economy and Finance (especially Price, Balance of Payments, Financial account and monetary Indicators, Government Finance and National Accounts), Population and Europe 2020 indicators. Less performing domains, scoring relatively less positively, are Transport, Environment, Regional Statistics, Agriculture and fisheries, Science Technology and Innovation. Interestingly, results in terms of degree of implementation matches well with the users' opinions, with domains rating lower in terms of implementation reporting also lower scores in terms of satisfaction.

When turning to different quality dimensions, according to User Surveys timeliness⁷ and completeness⁸ are the least performing dimensions from users' point of view⁹. According to Rolling Review Surveys timeliness and completeness score systematically below the average scores of the other dimensions, although scoring less than satisfactory¹⁰ only for few statistical areas (for timeliness they are rail and maritime transport statistics, for completeness it is road freight, maritime transport and innovation).

Conclusions and Recommendations on effectiveness of the CSP

According to the evidence presented, the following conclusions are drawn:

1. **The CSP leaves room for improvement as a strategic and planning tool.** There are a number of weaknesses in the design of the CSP (too generic formulation of objectives, lack of a consistent and explicit discussion of the intervention logic, lack of quantified baseline and target indicators) which are reflected also in the reporting and monitoring tools, which hampers its capacity to actually

⁷ Timeliness of information reflects the length of time between its availability and the event or phenomenon it describes

⁸ Completeness is the extent to which all statistics that are needed are available. It is usually described as a measure of the amount of available data from a statistical system compared to the amount that was expected to be obtained

⁹ In particular, see User Survey 2012 p. 13

¹⁰ Score less than 3.

provide a strategic direction for implementation. AWP are then the result of an annual planning exercise which is more influenced by the negotiations and consultation process with users and producers rather than by the tension towards the achievement of a set of clearly defined ultimate goal. However, **the emphasis on an annual planning hampers the capacity of Eurostat to adjust to those new emerging needs which require a more long term perspective of significant restructuring.** Nonetheless, thanks to the revived strategic direction imposed by the Vision and the strategic priority setting, the issue of restructuring the production of European statistics gained a new momentum in the second phase of the programming cycle.

2. **Reflecting the process of preparation, the annual implementation of the CSP at action level is successful.** The planned actions show a high degree of implementation and ensured an adequate statistical support for decisions and evaluations in current Community policy areas, by providing high quality and reliable statistical information. Institutional and methodological objectives are better achieved, areas of concern are those related to Transport and Consumer Protection.
3. **Users are generally satisfied of the quality of statistical information provided** by Eurostat, with only minor concerns on timeliness on selected statistical areas, especially for users DGs for which the pressure for timely data is particularly exacerbated in crisis time when policy actions is more urgent and hectic.

In order to strengthen the strategic, forward-looking approach of the annual programming activity, the following recommendations are put forward

1. **A more specific formulation of general, specific and operational objectives, with causal link and hierarchical relations explicitly mentioned, should be the basis for drafting the multi-annual programme.** The draft ESP 2013-2017 is already developing in this direction. Of course during a five year programme period, emerging needs may give rise to new statistical demand which the ESP could not anticipate. For this reason, a mid-term review of the programme, aimed at revising the stated objectives and logic of intervention in order to check if the selected priorities are still relevant, should be introduced.
2. **A more explicit link of AWP with the Statistical Programme should be guaranteed.** This explicit reference can be achieved by at least linking the key operational priorities for each theme from the annual programme to the general and specific objectives of the European Statistical Programme 2013-2017 (ESP). In fact, the proposal for the ESP 2013-2017 includes, as a lesson learnt¹¹, the recommendation of linking explicitly the AWP to the objectives of the multi-annual statistical programme. Even in the case of emerging new needs, the annual programmes should make explicit that a set of activities has been introduced in order to cope with new statistical demands. A stronger link between the ESP and the annual programmes will indeed ensure that the ESP is actually fully exploited as strategic driver of the Eurostat programming activity. Moreover, a clear link between the operational priorities set in the annual programmes and the multiannual objectives would allow a straightforward and more efficient monitoring of the progress towards the implementation of the multi-annual objectives.
3. **Finally, in order to ensure the evaluability of the ESP, the multiannual objectives should be accompanied with indicators, as far as possible measurable, with indication of baseline and target values, as actually already planned.** The reporting and monitoring system should be consistent with the planning system, and they should provide direct evidence of Eurostat's progress towards achieving multiannual objectives. In principle, if the reporting system systematically tracked the status of the annual activities and if, as mentioned above, the annual activities were linked with ESP objectives and these, in turn, were associated with indicators, a continuous and comprehensive monitor of the ESP would be ensured.

¹¹ Document COM(2011) 928 final, section 1.5.3.

EFFECTIVENESS OF THE REPRIORITIZATION (EQ2)

Finding 1. A methodology guiding the reprioritization process, requested by the CSP, is in place.

A methodology guiding the reprioritization process has been put in place during the five years programming period by a Task Force specifically set up for the purpose. In particular, before the end of 2010 an administrative evidence-based priority setting mechanism was in place. According to this approach the cost-effectiveness assessment relied on the measurement of production cost and burden of statistics and the use of 'Summary Information Sheets' (SIS) for both new and existing statistical requirements, i.e. a support tool for Eurostat and the ESSC decisions collecting information on production costs, response burden and relevance and certain users' need. However, it was felt that this methodology was difficult to put into practice due to the difficulties in consistently operationalise the methodology at national level. As a result, the majority of the SIS do not contain the final assessment on cost-effectiveness and it, in turn, did not prove to be an effective tool in order to set priorities. Therefore, Eurostat proposed to the ESS a new strategy-driven approach for reprioritization which is based on an annual review of existing statistical requirements, on identification of negative priorities and on sunset clauses.

Finding 2. Priority setting ensures flexibility and ability to cope with emerging priorities

Priority setting is carried out during the preparation of the annual work programme and involves a rolling process of consultation between Eurostat and the other Commission Directorate Generals as well as among the various ESS members, including ESAC. Despite the fact that the CSP 2008-2012 was not explicitly referred when setting the statistical priorities for the forthcoming years(s), the annual priority setting mechanism has actually ensured that annual programmes were able to cope with emerging statistical priorities.

Eurostat is indeed said by users to provide overall sufficient statistical support when new policy areas or initiatives are launched, by promoting the collection of additional data and development of new indicators among the NSIs or engaging in new initiatives not explicitly foreseen in the CSP. In particular, from a qualitative analysis of the AWP, the following actions have been undertaken in order to address emerging needs:

- Strengthening the capacity in Eurostat for the production and quality control of macroeconomic statistics, by setting up of an entirely new Directorate, Directorate D, to better address the issue of the excess of public deficit (EDP) procedure. Eurostat has been granted new powers to verify upstream public finance statistics data sources;
- Launching technical assistance projects to support the Greek statistical system;
- Disseminating the Europe 2020 indicators scoreboard¹² which is used in the European Economic Policies Report;
- Putting in place structures and launching projects oriented to the implementation of the Vision (see section on EQ3);
- A Sponsorship Group on Measuring Progress, well-being and Sustainable Development¹³ prepared an action plan (based on Sofia, Wiesbaden and Prague Memoranda) to implement the recommendations of the Stiglitz-Sen-Fitoussi report, in particular actions on household surveys, economic-environmental accounts and measurement of quality of life were foreseen.

¹² http://epp.eurostat.ec.europa.eu/portal/page/portal/europe_2020_indicators/headline_indicators

¹³ http://epp.eurostat.ec.europa.eu/portal/page/portal/pgp_ess/about_ess/measuring_progress

Since 2010, the priority setting mechanism also involves the identification of “negative priorities”. According to the annual Activity Reports of 2012 and the information included in the Eurostat internal reporting system, in the last two years, the following activities have been actually removed or stopped on the grounds that they were considered to be negative priorities:

- The development of a strategy for European Master in Official Statistics (EMOS) has been delayed and then revived;
- Exchange of experience and technology on raw data collection among ESS partners (related in particular to the CoRD TF meetings) has been stopped and the process redesigned;
- The update of the controls database for food safety and the improvement of the quality of the data, including the documentation on definitions and sampling strategies used by the countries has been phased out;
- Industrial new orders variables have been removed;
- The data collection on labour disputes has been removed;
- The supply balance sheets of a list of agricultural products have been discontinued;
- The planned regulation waste import/export has been stopped;
- A part of non-statistical work of the data centre on waste has been stopped;
- The auto producer tables have been suppressed in the Energy Statistics Regulation;
- Cooperation with individual Latin American countries has been stopped.

Finding 3. A number of activities are removed or stopped either because declared negative priority or simply because of the informal adjustment over the years

Besides these activities which were declared negative priorities, a number of other activities have been removed or delayed during the years because of four main reasons: lack of resources; time constraint; technical or administrative problems; revisions or rescheduling.

According to the opinions collected during the interviews with the Commission Directorates General and with National Statistical Institutes, the current process for engaging in new initiative and to discontinue some others is rather opaque and there is a shared opinion that it relies too much on the bargaining power of the different stakeholders rather than on a shared and transparent priority setting mechanism. Indeed, there are no objective judgment criteria (besides a general common sense and auspice of making the statistics production more efficient) guiding the negotiation process for setting priorities and, in turn, identifying negative priorities when preparing the AWP. It should be noted however that the Commission Decision of September 2012 on Eurostat (2012/204/EU) with the distinction between European statistics and other statistics (Art. 2 of the mentioned Decision) actually allows Eurostat to focus on European statistics and services to other DGs, therefore improving the consistency and transparency of the priority setting mechanism.

Finding 4. The heterogeneity of the methodology for determining costs hampers a systematic and consistent calculation of the cost implication of the reprioritization process

No systematic information neither on cost associated to new statistical requirements nor on the potential savings associated to the negative priorities is available. This is in part a natural consequence of the change in the priority setting approach occurred in the course of the reference period. However, it is mainly due to the fact that the methodologies for measuring production costs and response burden imposed by statistics are still rather heterogeneous both across various Member States and across different statistical areas as confirmed by data on total resources collected through Rolling Reviews.

Finally, it is worth noticing that even if cost reduction is achieved at Eurostat level thanks to the reprioritization process, it may however correspond to a cost increase somewhere else. Indeed, anecdotal

evidence is available that negative priorities did not produce actual cost reduction on the whole statistical system for the following reasons:

- users DGs affected by negative priorities were forced to satisfy their data needs in different ways, including self-production, by collecting data from NSIs and autonomously producing the statistics, or hiring external consultants to carry on the data collection and produce the needed aggregation and data analysis. Both solutions are second-best options since they do not lead to cost-reduction (the same budget is used to produce the same information) and at the same time cannot guarantee the same quality level than Eurostat;
- in some cases, although an activity was declared a negative priority, some NSIs did keep on carrying out the activity because they deemed it relevant for national objectives (this is the case of the Index of New Orders in Industry, which is maintained in the national statistical programmes of most NSIs while having been initially declared as a negative priority); while the decision to discontinue an activity at EU level should not necessarily reflect the lack of relevance for national purposes (it is rather a strength of the system to clearly distinguish between EU and national objectives) the cost implications on the entire system should indeed disentangle the impact at EU as well as those at national level;
- at EU level, the procedure to manage a negative priority can be cumbersome and demanding in the short-run, for example it can entail further investment due to the need to simplify the existing legal base.

Finding 5. A broad trend of increased internal productivity is observed

Despite the fact that there is no evidence that the reprioritization process was guided, among others, by systematic considerations on efficiency gains, the effort of Eurostat to increase efficiency of the statistical production system is undeniable. Both the Vision and the strategy-driven approach are indeed important steps towards a more efficient system. A rather rough and aggregate way to visualize the results of this effort can be provided by the ratio between the number of published tables with respect to the number of Eurostat staff. Indeed, the number of published tables from 2008 to 2012 has sharply increased, while the number of staff for production of statistics has remained almost constant over the period and it even decreased in 2010 and 2011.

Conclusions and Recommendations on effectiveness of the reprioritization

On the basis of the evidence collected a number of conclusions can be drawn:

1. **A methodology guiding the reprioritization process is in place.** A number of initiatives were carried out in order to implement the principle of anchoring the priority setting mechanism to cost-effectiveness mechanism. While some attempts failed, the final result was the strategy-driven approach moving from an administrative evidence-based to a process based on annual review of priorities.
2. The programming process of CSP operationalisation into Annual Work Programmes ensures a high degree of implementation of the actions selected every year on the basis of the EU policy priorities and the negotiations with DG and NSIs and a high degree of flexibility. **The annual programming process was actually able to cope with addressing new emerging needs originally not included in the CSP and at the same time stopping activities deemed obsolete.**
3. However, a major concern from some DGs users and NSIs relates to the negative priorities selection and implementation. **The reprioritization process in fact, while offering a useful and effective degree of flexibility in adapting the programme implementation to emerging statistical needs and focusing on EU statistics, is not guided by a clear procedure.** In fact, coping with resource constraints by identifying negative priorities is a risky strategy if not supported by conclusive and solid evidence of efficiency gains at EU but also national level.

4. The strategy-driven approach and the process linked to negative priorities (including the monitoring and reporting linked to it) proved to be not effective as regards the considerations linked to cost and burden reduction. The result is that **there is no evidence that considerations linked to efficiency gains were taken systematically into account by the process.**

Based on the evidence collected, included opinions from stakeholders, the Evaluation Team considers that further methodological work should be carried out to increase the transparency and sound strategic selection of negative priorities. In particular:

1. **it is recommended that careful analysis of “costs and merits” is developed by Eurostat in collaboration with the MS to base the strategic choices as well as to inform the users on the decisions regarding negative priorities:**
 - The discontinuation of current operations and the undertaking of actions to satisfy new needs should be both considered;
 - Information should be presented on costs (for Eurostat and the Member States, at least qualitatively), respondent burden, alternative related available information, status of discussion with stakeholders (ESAC, working group, directors group, ESSC);
 - For new needs, information on the origin of the need and its relation to EU policies and to the current multi-annual programme objectives should be included to build the case (relevance dimension);
 - The reporting of the reprioritization process should be kept at an aggregate level, to make clear that it is not the achievement of one single reprioritization choice but the entire system, which impacts on the costs and burdens of the European statistical system;
 - Make public that information on Eurostat site.
2. **A clearer indication of the acceptable level of cost reduction effort, instead of a general recommendation for reducing costs, should be provided** (for example indicating specific areas where cost reductions are mandatory and others where this is not a priority), by taking in due consideration the trade-off inherently linked to cost reduction (especially in terms of availability of statistics and their quality).
3. **Opinions collected from the interviewed about the reprioritization programme, and further supported with reference to EQ3, indicated that measure for cost reduction other than negative priorities should be pursued, for example improving efficiency in the production system**, especially by making more extensive use of IT tools, is a more promising approach. The production of statistics in all domains could benefit from the use of standardized “plug & play” IT applications, shared among MS – as the Vision acknowledges. Further technical development of such IT tools following standardization of the statistical processes is needed.

IMPLEMENTATION OF THE VISION (EQ3)

Finding 1. The basis for a progressive implementation of the Vision has been effectively put in place

The basis for a progressive implementation of the Vision has been effectively put in place, on one side, by adopting the ESS Strategy¹⁴, and on another, by launching a series of concrete initiatives. These concrete initiatives mainly consist of VIP and ESSnet projects. The former addresses cross-cutting domains of development. The latter is an initiative formalising a long-standing tradition of cooperation among ESS members with the final aim of developing tools and common solutions to be widely adopted by all the NSIs. The delivered results so far mainly concern the initial phases of the statistical business process

¹⁴ ESSC, Joint strategy paper, May 2010

(identification of instruments for progressive standardization, applied research projects and feasibility studies in a variety of areas). In some cases, exemplary studies of integration of sources have been produced (such as matching data from social surveys) and of integration of processes (such as the progressive implementation of the SDMX). Overall, the wide participation of NSIs to these projects is a very positive result.

Other instrumental activities related to the Vision have been set-up. For instance, Sponsorship Groups have been established within the ESS to allow for sharing knowledge and practice among ESS members at a strategic level higher than those provided by the ESSnets. According to interviewees all Sponsorship groups have released relevant recommendations for the improvement of the efficiency of the ESS, and can be considered as useful structures for the integration of the ESS. The measures recommended may however require follow-up and support for their implementation by MSs for the actual impact on efficiency to actually materialise. Another example is the creation of the Eurostat Laboratory in 2011 in order to support the development of new statistical projects in cross-cutting statistical areas. Among the projects of the Laboratory, reconciliation of macro and micro-data sources on households economic resources in the context of the Sponsorship "Measuring progress, wellbeing and sustainable development" and development of an indicator to monitor government financing of research infrastructures have been completed by 2012 and have achieved the planned outputs. The modernization of Social statistics is another important Vision-related action. It is a sector strategy promoting a "warehouse approach" to social statistics by the integration of different sources. No concrete results in the production process have however been generalized at the ESS level so far. Finally, it can be reported about the promotion of the European Master of the Official Statistics (EMOS). However, the initiative cannot be considered achieved since so far only a feasibility study has been launched in December 2012. Indeed, EMOS has suffered from a downgrading of priority during some time.

Apart from these initiatives which come after the Communication 404, there are other two initiatives which go in the direction indicated by the Vision, namely, the MEETS programme and the establishment of an integrated dissemination database (Eurobase). The latter has been implemented; however it would be enhanced by a VIP project "Enhanced Dissemination chain" by the end of 2013. The MEETS is an on-going programme which will run until the end of the year and so far according to the internal reporting system its progress status is on track.

Finding 2. Besides specific initiatives the Vision strategy boosted a broad effort towards rationalisation and integration of the production process

Besides the setting-up of various initiatives, a significant part of the work in order to effectively implement the Vision is represented by the legislative activity. However, the majority of legislative acts elaborated in the period 2010-2012 represents general amendments of existing legislation and is not oriented to direct implementation of the Vision. Therefore, the legislative orientations of the Vision (i.e. cross-cutting subject legislation) have not yet been implemented. This is however assessed as normal since the elaboration of new legislation takes a lot of time. Recently, Eurostat has started a significant internal and external reflection for the redrafting of statistical legislation in the area of business statistics in order to put in place a framework regulation (FRIBS) in the coming years, which will simplify and harmonize the existing legislation in these areas.

Overall, the system of management in place during the 5-years, based on Annual Management Plans, Annual Work Programmes and Annual Activity Reports, has effectively referred to the implementation of the Vision after 2009. Indeed, both the AMPs and the AWP include the implementation of the Vision as a priority and the AWP include concrete activities such as ESSnet projects and VIPs. However, since such concrete activities are not "earmarked" as being motivated by or addressing the challenges stated in COM(404), it is not straightforward to make the link between the programming and the reporting documents and the implementation of the Vision.

Finding 3. The ownership of NSIs on the Vision is rather mixed

Finally, according to the interviews at NSIs, despite the communication efforts of Eurostat, the degree of appropriation by NSIs of the ESS Strategy and the Vision is still mixed, ranging from enthusiastic NSIs (or better, some production divisions of NSIs) to sceptical - if not reluctant ones unless supported by adequate resources. As far as this last point is concerned, however, some Eurostat units believe that the main obstacle towards the adoption of the Vision at MS level is represented by the big change that its implementation entails. This is for instance witnessed through the FRIBS initiative. Some MS seem to be reluctant to its adoption since they are afraid of the initial investment required and the change it will entail. Again, sometimes the reluctance of NSIs is due to the fear of adopting new methodologies which will produce data of lower quality. At the internal level, some Eurostat units see the implementation of the Vision as a common sense act which has great potentials especially in terms of resource efficiency. Production units have however pointed out that in order to implement the Vision, extra work and extra investment are required and this somehow clashes in the context of shrinking resources. Finally, both production units and NSIs have acknowledged that so far the Vision has not translated into a clear action plan.

Conclusions and Recommendations on implementation of the Vision

A number of conclusions are drawn on the implementation of the Vision:

1. **Vision-related statistical activities are far reaching:** they involve most - if not all- phases of the statistical business process. An interval of 3 years does not seem long enough to complete the reengineering of statistical operations. Thus, the results of VIP and ESSnet projects have, in most cases, not reached their inclusion in the routine production chain of NSIs. Similarly, the modernization processes for enterprise and social statistics are in an infant stage. Resources will be needed by NSIs to invest in the modification of processes, even if they might bring cost-efficiencies in the long-run.
2. **The instrumental activities have been mostly initiated:** structures for collaboration among ESS members (Sponsorship groups and ESSnets) and for applied development at Eurostat are in place. The EMOS has suffered from a downgrading of priority during some time. The legislative innovation cannot be assessed as being in place yet. Despite the communication efforts of Eurostat, the degree of appropriation by NSIs of the ESS Strategy and the Vision is still mixed, ranging from enthusiastic NSIs (or better, some production divisions of NSIs) to sceptical ones - if not reluctant unless supported by adequate resources. At the internal level, some Eurostat units see the implementation of the Vision as additional tasks with shrinking resources (instead of an overall orientation for work).
3. **Thus, our evaluation is that the Vision has not been yet implemented by far, but the ground is prepared for it.** The risk of lacking momentum in a scenario of resources shortage in all the ESS can be mitigated by the position of the Vision at the core of the ESP 2013-2017, but adequate means should support this strategy, in particular, an improved management should be put in place. The launching of the ESS.VIP programme, building on the lessons learnt of the ESSnet and VIP programmes, provides a new framework for the implementation of the Vision.

A number of recommendations are put forward:

1. **In order to facilitate the implementation of the Vision, an explicit mandate should be entitled to Eurostat. A five-year action plan (rather than an annual review by the ESSC) for the implementation of the Vision is needed.** It should define operational objectives, a shortlist of feasible initiatives with verifiable expected results, milestones, budget, roles and contributions of different actors within the ESS. The ESS.VIP programme which spans for 5 years starting in 2013 has indeed been recently discussed by the ESSC (May 2013).
2. **It should be acknowledged that the implementation of the Vision will require a significant initial investment by all parties, but a balance between costs and long term benefits for all ESS individual members should be ensured.** Agreements with relevant ESS members should be set

with explicit reference to the responsibilities and tasks required by each member as well as the gains that they are expected to achieve; this may involve providing support by Eurostat for the initial investments, either in terms of financial resources (for example with grant agreements) or transfer of know-how (capacity building, intra-EU technical assistance) on selected, streamlined results.

3. **Moreover, the ambition of the Vision needs to be backed by a strong European legislative policy for statistics to support the integration of processes across the ESS, both in terms of vertical integration** (from the data source at the national levels to data dissemination at the European level) **and of horizontal integration** (across statistical domains). Regarding the first axis, legislative support is required for the access to data sources (especially administrative ones, but also to Big Data repositories) and their use for the production of statistics. For the second axis, stronger harmonization of statistical standards common to several domains (classifications and concepts) has to be reached by specialists, and promoted by the legislation.