

# EUROPEAN PARLIAMENT

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A6-0327/2007

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## **\*\*\*I** **REPORT**

on the proposal for a decision of the European Parliament and of the Council  
establishing the European Statistical Governance Advisory Board  
(COM(2006)0599 – C6-0348/2006 – 2006/0199(COD))

Committee on Economic and Monetary Affairs

Rapporteur: Sharon Bowles

### ***Symbols for procedures***

- \* Consultation procedure  
*majority of the votes cast*
- \*\*I Cooperation procedure (first reading)  
*majority of the votes cast*
- \*\*II Cooperation procedure (second reading)  
*majority of the votes cast, to approve the common position  
majority of Parliament's component Members, to reject or amend  
the common position*
- \*\*\* Assent procedure  
*majority of Parliament's component Members except in cases  
covered by Articles 105, 107, 161 and 300 of the EC Treaty and  
Article 7 of the EU Treaty*
- \*\*\*I Codecision procedure (first reading)  
*majority of the votes cast*
- \*\*\*II Codecision procedure (second reading)  
*majority of the votes cast, to approve the common position  
majority of Parliament's component Members, to reject or amend  
the common position*
- \*\*\*III Codecision procedure (third reading)  
*majority of the votes cast, to approve the joint text*

(The type of procedure depends on the legal basis proposed by the Commission.)

### ***Amendments to a legislative text***

In amendments by Parliament, amended text is highlighted in ***bold italics***. Highlighting in *normal italics* is an indication for the relevant departments showing parts of the legislative text for which a correction is proposed, to assist preparation of the final text (for instance, obvious errors or omissions in a given language version). These suggested corrections are subject to the agreement of the departments concerned.

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## DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

on the proposal for a decision of the European Parliament and of the Council establishing the European Statistical Governance Advisory Board (COM(2006)0599 – C6-0348/2006 – 2006/0199(COD))

(Codecision procedure: first reading)

*The European Parliament,*

- having regard to the Commission proposal to the European Parliament and the Council (COM(2006)0599)<sup>1</sup>,
  - having regard to Article 251(2) and Article 285 of the EC Treaty, pursuant to which the Commission submitted the proposal to Parliament (C6-0348/2006),
  - having regard to Rule 51 of its Rules of Procedure,
  - having regard to the report of the Committee on Economic and Monetary Affairs (A6-0327/2007),
1. Approves the Commission proposal as amended;
  2. Calls on the Commission to refer the matter to Parliament again if it intends to amend the proposal substantially or replace it with another text;
  3. Instructs its President to forward its position to the Council and Commission.

Text proposed by the Commission

Amendments by Parliament

### Amendment 1 Title

Proposal for a Decision of the European Parliament and of the Council establishing the European Statistical **Governance Advisory** Board

Proposal for a Decision of the European Parliament and of the Council establishing the European Statistical Board

*(this amendment applies accordingly throughout the text)*

### Amendment 2 Recital 4a (new)

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<sup>1</sup> Not yet published in OJ.

***(4a) The members of the new high-level advisory body should provide a complementary mix of skills, drawing people from academia and those with experience in national and international statistical offices such as the European Central Bank and the Organisation for Economic Co-operation and Development.***

*Justification*

*In order for the Board to have expert oversight drawn from a range of relevant backgrounds.*

Amendment 3  
Recital 4b (new)

***(4b) Most Member States have established or are establishing advisory bodies or committees that include representatives of users and providers of statistical information. The new high-level advisory body should be encouraged to establish a dialogue with those Member State bodies and with the Statistical Programme Committee as regards the European Statistics Code of Practice.***

*Justification*

*The work of the advisory body should clearly be focused on the Code of Practice.*

Amendment 4  
Recital 4c (new)

***(4c) For the purposes of the work of the new high-level advisory body, peer review documentation should include substantial reports of checks and conclusions. The body should establish a similar assessment for the Commission (Eurostat).***

*Justification*

*The peer review reports must be comprehensive in order to provide enough information. The Board will provide an equivalent to the peer review on Eurostat.*

Amendment 5  
Article 2, paragraph 1, indent 1

– ***to enhance the credibility of European statistics;***

– ***to provide an independent overview of the European Statistical System;***

*Justification*

*Credibility results from confidence engendered by the existence of an independent overview.*

Amendment 6  
Article 2, paragraph 1, indent 2

– 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 ***prepare*** an annual report on implementation of the European Statistics Code of Practice (***hereinafter referred to as the 'Code of Practice'***) by the Commission (Eurostat) ***and to review the reports on implementing the Code of Practice by Member States and include in the annual report an assessment of the overall implementation of the Code of Practice and its implications for the European Statistical System. Draft reports shall be transmitted to the Commission prior to their final submission to the European Parliament and to the Council.***

*Justification*

*Clarifying the role of the Board.*

Amendment 7  
Article 2, paragraph 1, indent 3

– 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 on appropriate measures to facilitate implementation of the Code of Practice in the European Statistical System;

Amendment 8  
Article 2, paragraph 1, indent 4

– 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 advise the Commission on communicating the Code of Practice to users and data providers;

#### *Justification*

*It is proposed to defer the matter of a quality label until the effectiveness of the Board is reviewed after three years.*

#### Amendment 9 Article 2, paragraph 1, indent 5

– 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.*

– to give advice on updating the Code of Practice.

#### Amendment 10 Article 3, paragraph 1

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

1. The Board shall comprise **seven** members, including the chairperson, *each of whom shall act independently of the Commission (Eurostat) and Member State statistical offices.* The Commission (Eurostat) shall be represented as an observer.

#### *Justification*

*The tasks may be onerous and unpaid, so more than five members is suggested to ensure adequate cover.*

#### Amendment 11 Article 3, paragraph 2

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.

2. The members of the Board shall be selected from among experts possessing outstanding competence in the field of statistics, shall perform their duties in their personal capacity *and shall be selected to provide a range of complementary skills and experience.*

Amendment 12  
Article 3, paragraph 3

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.*

3. The **Council** shall **propose and the European Parliament shall approve** the **nomination of the chairperson** of the Board, **after consulting the Commission.**

*The chairperson shall neither be a current member of a Member State statistical office nor have held such a post within the last two years.*

*The European Parliament and the Council shall each appoint three members of the Board after consulting the Commission.*

*Justification*

*The appointments must be independent of the Commission. The Parliament provides greater independence from the system.*

Amendment 13  
Article 3, paragraph 3a (new)

**3a. The normal term of office for the chairperson and members of the Board shall be three years, renewable for a further term of three years, with one-third of the Board (not including the chairperson) appointed each year. At start-up, or in the event of a replacement, it shall be agreed that appointment terms are staggered in duration so as to establish or maintain the pattern of rolling appointments.**

*Justification*

*Continuity is important.*

Amendment 14  
Article 4, paragraph 2



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.

2. The Board's annual report, referred to in Article 2, shall be made public *after submission to the European Parliament and the Council*. In addition, the Board may decide to publish on the Internet, any conclusion, partial conclusion or working document, *provided that it has been communicated in advance to the Commission (Eurostat) or any other body involved, with an opportunity for response*.

Amendment 15  
Article 4, paragraph 3

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.

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 *justifiably* of a confidential nature.

Amendment 16  
Article 4, paragraph 4

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.

4. The Board shall be assisted by a Secretariat which shall be supplied by the Commission *but must act independently of 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.

Amendment 17  
Article 4 a (new)

*Article 4a*

*Review*

*A review of the role and effectiveness of the Board and consideration of the suitability of establishing a quality label*

*shall be conducted three years after the establishment of the Board.*

## EXPLANATORY STATEMENT

This directive proposes the setting up of a European Statistical Advisory Board. It aims to address two issues: Robustness of the European Statistical System and public confidence in that system.

The European Statistical System consists of the national statistical offices of member states and Eurostat. Statistics are used for many purposes, including by the ECB for economic analysis. In the event of erroneous statistical data from Member States, this will in turn cause error in the output statistics of Eurostat. In order to minimise such risk a code of practice on statistical procedures has been compiled and is in the process of being implemented by the statistical offices of Member States and Eurostat. Adherence to the code of practice by national statistical offices will be checked by peer review in which the statistical office of each Member State is reviewed for its adherence to the code by the statistical office of another Member State and Eurostat.

The proposed function of the Board is to have an oversight of how well the code of practice is being applied and to propose modifications or additions should a need become evident from the overview. Eurostat will *de facto* have an overview because it will have been involved in all the peer reviews: the provision of a Board provides an additional oversight that is external to the European statistical system of the national offices and Eurostat.

A second function of the Board is to review Eurostat's implementation of the code of practice. Theoretically this could be done, mirroring the reviews of the national offices, by pairs of national statistical offices. However introducing the external element into Eurostat's review introduces potential for new insight into the peer reviews conducted by Member States and Eurostat.

The question arises as to how much checking the Board should be able to do of the national Statistical Offices. On the one hand, Eurostat data is only as good as the input data from national offices. However the code of practice and peer review with Eurostat as the common party in all the reviews is the mechanism that has been set up to check the national offices. The Board then reviews Eurostat's application of the code of practice in order to complete the final link in the review process of individual office procedures. Following that the Board can then examine all the reports on the reviews of the national offices and its own report of Eurostat in order to draw conclusions on the operation of the system as a whole and of the application of the code of practice. For this to work it is essential that the peer review documentation includes substantial reports of the checks and conclusions. It is understood this is presently the procedure although not over so many questions as are in the code of practice. It is important that introducing more questions does not reduce the level of reporting on individual aspects.

At present I have not proposed extending the oversight of the Board into investigations within the national statistical offices on the basis that this should be covered by the peer review. However, most Member States have advisory bodies or committees, or are introducing such bodies, that include representatives of users and providers of statistical information and it seems appropriate that a dialogue with those bodies on relevant issues should be encouraged and also with the European Statistical Advisory Committee which is being established

contemporaneously with the Board. I am also proposing that the effectiveness of the Board is reviewed after three years at which stage the Board should be able to indicate whether they consider there is a need for any further access or information.

With regard to peer review of the code of practice, it seems correct that Eurostat should have a comparable review to a peer review by the Board. However, since reviews of procedures are necessarily dynamic matters, it is also proper for the Commission to be able to respond to findings of the Board before they are made public. Hence I propose that a draft report is transmitted to the Commission, with an opportunity to respond, before submission to the Council and Parliament. I do not agree that the Board should report as a formal matter to the Commission, it must be independent.

The supervisory Board of Eurostat is composed of the Heads of the statistical offices of Member States. Hence the only institution that is independent of the statistical system is the Parliament. For this reason it is important that the Parliament plays a role in the appointments. I have taken the view that the Council and Parliament should be responsible for the formal appointment of the Board and receive the formal report of the Board. This establishes that the Board is independent of the Commission. For similar reasons I also consider that the chairperson should not be someone from, or recently from, a Member State statistical office.

The Board has to be seen to be independent of Eurostat and so while they may well propose suitable individuals for consideration, it must be possible for the Parliament and Council to choose others. In practice the selection could be by consensus, but formally I propose that the appointments be by the Council and Parliament after consultation with the Commission.

There are no proposals for remuneration of the members of the Board and it could be suggested that payment from the Commission budget undermines the independence of the board. However the job may also be onerous and time consuming and without remuneration substantially restricts those ready to undertake such a commitment. Likely appointees may include those with experience in national or international statistical offices and also academics. It is certainly necessary to have a mix of complementary skills. In view of the tasks I suggest giving consideration to whether the number of Board Members needs to be more than five. With only five an illness or inability to give time due to other duties could be damaging to the function of the Board. Hence I propose that the number be increased to 7 and I suggest that ideally it should include a representative from an international body such as the ECB or OECD.

For reasons of independence the maximum term of office on the Board should be limited; ideally members should serve a term of 3 years renewable once to a maximum of 6 years. For reasons of continuity appointment should be staggered, which does mean that on set up, or in the event of a replacement, a shorter initial term of appointment for some members will be needed.

Additionally, the Board will need to have a strong and independent secretariat.

There are some restrictions relating to secrecy and that the Commission can request certain matters not to be made public. This is a request that should be justifiable and not used routinely.

Finally, the Commission proposed that there should be a 'quality label'. This is primarily to help establish public confidence. It seems premature for that to be established at the outset, especially in the context of my proposal for a review after three years. Therefore I suggest that the review also addresses the matter of introduction of a quality label.

## PROCEDURE

<b>Title</b>	European Statistical Governance Advisory Board		
<b>References</b>	COM(2006)0599 - C6-0348/2006 - 2006/0199(COD)		
<b>Committee responsible</b> Date announced in plenary	ECON 14.11.2006		
<b>Committee(s) asked for opinion(s)</b> Date announced in plenary	IMCO 14.11.2006		
<b>Not delivering opinions</b> Date of decision	IMCO 19.12.2006		
<b>Rapporteur(s)</b> Date appointed	Sharon Bowles 12.12.2006		
<b>Discussed in committee</b>	27.3.2007	4.6.2007	10.9.2007
<b>Date adopted</b>	11.9.2007		
<b>Result of final vote</b>	+: 37	–: 0	0: 0
<b>Members present for the final vote</b>	Mariela Velichkova Baeva, Zsolt László Becsey, Pervenche Berès, Sharon Bowles, Udo Bullmann, Manuel António dos Santos, Christian Ehler, Jonathan Evans, Elisa Ferreira, Jean-Paul Gauzès, Donata Gottardi, Benoît Hamon, Karsten Friedrich Hoppenstedt, Sophia in 't Veld, Piia-Noora Kauppi, Wolf Klinz, Christoph Konrad, Kurt Joachim Lauk, Gay Mitchell, Cristobal Montoro Romero, Joseph Muscat, Alexander Radwan, Bernhard Rapkay, Antolín Sánchez Presedo, Olle Schmidt, Peter Skinner, Ieke van den Burg, Sahra Wagenknecht		
<b>Substitute(s) present for the final vote</b>	Jorgo Chatzimarkakis, Harald Ettl, Ján Hudacký, Werner Langen, Thomas Mann, Maria Petre, Poul Nyrup Rasmussen, Charles Tannock		
<b>Substitute(s) under Rule 178(2) present for the final vote</b>	Íñigo Méndez de Vigo		