Council of the European Union

Brussels, 17 July 2023
(OR. en)

11723/23
ADD 3

Interinstitutional File:
2023/0237(COD)

STATIS 47
ECOFIN 765
CODEC 1347
IA 186

COVER NOTE

From:	Secretary-General of the European Commission, signed by Ms Martine DEPREZ, Director
date of receipt:	11 July 2023
To:	Ms Thérèse BLANCHET, Secretary-General of the Council of the European Union
No. Cion doc.:	SEC(2023) 269 FINAL
Subject:	Opinion Impact Assessment

Delegations will find attached document SEC (2023) 269 FINAL.

Encl.: SEC(2023) 269 FINAL

EUROPEAN COMMISSION

Brussels, 27.3.2023
SEC(2023) 269 final

REGULATORY SCRUTINY BOARD OPINION

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

amending Regulation (EC) No 223/2009 on European statistics

{COM(2023) 402 final}
{SWD(2023) 240 final}
{SWD(2023) 241 final }

Ref. Ares(2023)2197858 - 27/03/2023

EUROPEAN COMMISSION
REGULATORY SCRUTINY BOARD

Brussels,
RSB/

Opinion

Title: Impact assessment / Revision of the Regulation on European statistics

Overall 2nd opinion: POSITIVE WITH RESERVATIONS

(A) Policy context

Regulation (EC) No 223/2009 provides the legal framework at EU level for the development, production and dissemination of European statistics. Although The Regulation was partly revised in 2015, it remains based on sample surveys, population and housing censuses, and administrative records held by public authorities. Subsequent developments have transformed the data environment in which the European Statistical System (ESS) operates.

This impact assessment considers options on how to best approach the revision of the legal framework supporting the development, production and dissemination of European statistics.

(B) Summary of findings

The Board notes the improvements made to the draft report.

However, the report still contains significant shortcomings. The Board gives a positive opinion with reservations because it expects the DG to rectify the following aspects:

(1) The report does not present the options in a way that brings out clearly the key policy choices.

(2) The report is not clear on what type of assessment will be undertaken to justify the inclusion of certain data collections from private actors.

(3) The mechanism to trigger the crisis-response measures is not sufficiently explained.

(4) Some key assumptions used in the cost benefit analysis are not explained.

(5) The choice of the preferred option is not sufficiently justified to address effectively and efficiently each specific objective.

Commission européenne/Europese Commissie, 1049 Bruxelles/Brussel, BELGIQUE/BELGIË - Tel. +32 22991111
regulatory-scrutiny-board@ec.europa.eu

(C) What to improve

(1) The presentation of measures proposed under each option should be improved to increase clarity; the measures which appear to be common for all or two options should be presented in a coherent way. In addition, the rationale for having common measures should be reconsidered in several cases where there seems to be inconsistency with the proposed approach. The report should consider alternative combinations of measures to bring out clearly the available policy choices or explain why these are not relevant or clearly less performing than the two options presented. For instance, it should consider combining some policy measures of policy options 1 and 2, including for the specific objective 2 to react faster in time of crisis.

(2) The report should better explain the process of including new data collections in the Annual Work Programme of the ESS, what type of assessment would have to be undertaken and whether this process would be different for the specific digital data collections from private data owners.

(3) The report should explain how the crisis mode measures would be triggered. It should be clear under what circumstances, based on which criteria and under which decision making process the crisis mode is reached. Despite assuring that the initiative will be complementary to other crisis response legislation (e.g. the Single Market Emergency Instrument (SMEI)), it is not clear under what circumstances the ESS would respond to urgent data demands in times of crises. The report should explain which of the modes envisaged in the SMEI Regulation (if any) would trigger the application of the crisis response measures within the ESS.

(4) The report should explain and justify the assumptions used in the cost benefit analysis. It should explain how the numbers of expected crisis and ESS data sharing cases as well as new statistical domains were estimated. It should provide the justification for the different numbers of cases expected under each option. As those assumptions significantly impact the cost and benefit analysis, the report should undertake a sensitivity analysis and be clear about the level of uncertainty in the analysis.

(5) The results of the cost benefit analysis should be more transparently reflected in the justification of the preferred option. The report should explain why the policy measure 3.7 is not included in the preferred option package instead of the policy measure 2.7, as the report concludes that the policy option 2 is more effective and efficient then policy option 1 regarding the achievement of the specific objective 2 to provide mechanism and tools to react faster in times of crisis. The report should be more explicit that the preferred option is the most costly for businesses as regards measures related to crisis response and assess the coresponding impacts on competetiveness. It should differentiate more clearly the technical feasibility of options from the support these received by stakeholders.

The Board notes the estimated costs and benefits of the preferred option(s) in this initiative, as summarised in the attached quantification tables.

(D) Conclusion	
The DG must revise the report in accordance with the Board's findings before launching the interservice consultation. **If there are any changes in the choice or design of the preferred option in the final version of the report, the DG may need to further adjust the attached quantification tables to reflect this.**	
Full title	Revision of the Regulation (EC) No 223/2009 of the European Parliament and of the Council on European statistics
Reference number	PLAN/2021/11938
Submitted to RSB on	6 March 2023
Date of RSB meeting	Written procedure

ANNEX: Quantification tables extracted from the draft impact assessment report

The following tables contain information on the costs and benefits of the initiative on which the Board has given its opinion, as presented above.

If the draft report has been revised in line with the Board's recommendations, the content of these tables may be different from those in the final version of the impact assessment report, as published by the Commission.

I. Overview of Benefits (total for all provisions) – Preferred Option		
Description	***Amount***	***Comments***
Direct benefits		
Quality improvements of statistical outputs	227 million	More granular statistics
Volume of statistics is increasing	434 million	more statistical outputs
Increase in timeliness of statistics	-	not quantified, but estimated big effects in times of crises
More data available to research purposes	not quantified	
Central production of statistics leads to increased coherence	not quantified	
Indirect benefits		
Efficiency gains through better policy decision	not quantified	Society overall would benefit from direct European actions and data sharing due to better quality (granularity and timeliness) of statistics enabling better informed policy decisions.
Efficiency gains through improved data governance and stewardship	not quantified	More efficient data sharing and increased interoperability between data spaces leading to increased quality of statistics
Efficiency gains for businesses due to better informed economic decisions	not quantified	More statistical output and improvements in quality (time and granularity) can be used by businesses for taking informed decisions. All enterprises will benefit from this effect, especially SMEs as they will usually not be able to reuse data from new sources.
Administrative cost savings related to the 'one in, one out' approach		
Burden reduction on businesses due to mandatory data sharing	116 million	Lower sample sizes result in reduction of burden on businesses and citizens
Savings for the ESS due to lower survey sizes	445 million	
Burden reduction on businesses due to lower survey sizes	445 million	Elimination of duplicate data collections across member States

Savings for the ESS due to running a central system induced by mandatory data sharing	23 million	Data will be processed at central servers instead of national data processing. This type of cost savings is also included in B2G4S and urgent user demands. In these cases, savings are hypothetical as related systems are newly created. Cost efficiencies could be quantified in comparison to implementations in each Member State.

Table 1: Estimated benefits of PO1

II. Overview of costs – Preferred option (million EUR)					
		Businesses		**Statistical Offices**	
		One-off	**Recurrent**	**One-off**	**Recurrent**
B2G4S (national implementations)	Direct adjustment costs	30.6	18.4	30.6	165.2
	Direct administrative costs	-	133.1	-	325.9
B2G4S (European implementations)	Direct adjustment costs	0.6	0.4	0.6	3.2
	Direct administrative costs		2.6	-	6.4
Urgent demands in times of crises (national implementations)	Direct adjustment costs	8.1	4.9	8.1	43.7
	Direct administrative costs	-	35.2	-	86.3
Urgent demands in times of crises (European implementations)	Direct adjustment costs	0.2	0.1	0.2	1.1
	Direct administrative costs	-	0.9	-	2.1
Cost for mandatory data sharing	Direct administrative costs			2.4	1.4
	Indirect costs	-	-	-	-
Costs related to the 'one in, one out' approach					
Total	Direct adjustment costs	39.5	195.5		
	Indirect adjustment costs				
	Administrative costs (for offsetting)				

EUROPEAN COMMISSION
Regulatory Scrutiny Board

Brussels,
RSB/

Opinion

Title: Impact assessment / Revision of the Regulation on European statistics

Overall opinion: NEGATIVE

(A) Policy context

Regulation (EC) No 223/2009 provides the legal framework at EU level for the development, production and dissemination of European statistics. The Regulation developed in the early 2000s, although partly revised in 2015, reflects the way statistics was produced at that time, virtually fully based on sample surveys, population and housing censuses, and administrative records held by public authorities. Developments since then have transformed the field of data and the environment in which the European Statistical System (ESS) operates.

This impact assessment considers options on how to best approach the revision of the legal framework supporting the development, production and dissemination of European statistics.

(B) Summary of findings

The Board notes the additional information provided and commitments to make changes to the draft report.

However, the Board gives a negative opinion because the report contains the following significant shortcomings:

(1) The problem definition appears too narrow and is not supported by the earlier evaluation. It does not present evidence other than limited stakeholder views.

(2) The intervention logic is not established. The objectives are inconsistent with the identified problems and the range and scope of the proposed options are insufficient to address them.

(3) The analysis of impacts is incomplete for all considered options and does not allow for their comparison in the absence of a well-defined baseline scenario.

(C) What to improve

(1) The report should make clear how the 'evaluate first principle' has been adhered to. It should clarify the problem definition given that the stakeholder consultation synopsis report suggests that the problems related to the objectives identified in the report are wider than described in the problem section. The evidence, from a limited number of stakeholders, that

supports the existence and scale of the problems should be corroborated with other types of evidence coming from the evaluation or other sources. In addition, it should be specified whether the problems can only be attributed to the statistical institutions or to businesses that hold electronic data as well.

(2) The report should clarify the logic of intervention. Either the general objective should be narrowed, or the problems should be identified differently. Once the objectives are consistent with the identified problems, the report should review the range of options and measures they consist of that could remedy the identified problems and achieve the desired objectives.

(3) The report should explain what constitutes a 'crisis situation' as invoked in the problem definition and whether it is a necessary element to trigger an 'agile' response from the ESS.

(4) The report should include a well-defined dynamic baseline scenario, which cannot be dismissed from the analysis. The dynamic baseline scenario needs to consider the likely developments affecting the ESS such as the impacts of the recently adopted Data Act and the Single Market Emergency Instrument. The baseline scenario should be quantified to the extent this is feasible and used as a reference to assess the impacts of all considered options.

(5) As the range of identified problems is potentially wider than currently presented in the report, the corresponding range of options to address the problems should be expanded and should go beyond only addressing the use of privately held data.

(6) The report should clarify what type of assessment will be undertaken to justify the inclusion of certain data collections from private actors in the annual statistical work programmes.

(7) For each option, the report should identify and quantify the corresponding costs and benefits, considering their direct, indirect, one-off and recurrent elements. The estimates should be transparently presented to avoid a risk of double counting. The report should be clearer on the distributional impacts, in particular as regards the data owners. To that end, a proper SME test should be conducted. The report should be more specific about the burden reduction potential of the initiative, linked to possible replacement of traditional surveys with collections of digital data. Once the impact analysis is improved, the report should use its results in the comparison of options and justification of the preferred option(s).

(8) The risks associated with the quality of privately owned digital data and skill shortages as well as the measures to mitigate those risks should be discussed in more detail.

Some more technical comments have been sent directly to the author DG.

(D) Conclusion

The DG must revise the report in accordance with the Board's findings and resubmit it for a final RSB opinion.

Full title	Revision of the Regulation (EC) No 223/2009 of the European Parliament and of the Council on European statistics
Reference number	PLAN/2021/11938
Submitted to RSB on	14 December 2022
Date of RSB meeting	18 January 2023

Electronically signed on 27/03/2023 13:25 (UTC+02) in accordance with Article 11 of Commission Decision (EU) 2021/2121