

**Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Regulation (EC) No 223/2009 on European statistics  
COM(2012) 167**

| <b>Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Regulation (EC) No 223/2009 on European statistics<br/>COM(2012) 167, 2012/0084 (COD)</b> |   |   |
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| <b>Procedure</b>  | <ul style="list-style-type: none"> <li>• Legal Basis: Treaty of the Functioning of the EU TFEU 338</li> <li>• Ordinary Legislative Procedure: Council and EP</li> </ul> |   |
| <b>Stages in the procedure</b>  | Commission  | <ul style="list-style-type: none"> <li>• Commission adoption: 17.04.2012</li> </ul>   |
|   | Council   | <ul style="list-style-type: none"> <li>• Proposal Received: 17.04.2012</li> <li>• Council Working Party Meetings: 20.06.2012, 11.07.2012, 18.09.2012, 10.10.2012, 30.10.2012, 19.11.2012, 12.12.2012, 24.01.2013, 21.02.2013, 22.03.2013, 20.06.2013, 19.07.2013, 13.09.2013, 10.10.2013, 08.11.2013 (AOB), 11.12.2013 (AOB), 20.01.2014 (AOB), 03.02.2014, 27.02.2014 (AOB), 10.12.2014</li> <li>• COREPER: 10.04.2013, 07.11.2013, 13.02.2014, 21.02.2014, 05.03.2014 (AOB), 19.12.2014</li> <li>• Council of the EU: to be announced</li> </ul>  |
|   | European Parliament   | <ul style="list-style-type: none"> <li>• Proposal Received: 17.04.2012</li> <li>• Committee responsible: Economic and Monetary Affairs (ECON) <ul style="list-style-type: none"> <li>○ Rapporteur: Mr. Edward Scicluna (S&amp;D)</li> <li>○ New Rapp. Appointed: Mr. Hugues Bayet</li> <li>○ Committee draft report: 15.10.2012, PE497.894</li> <li>○ Amendments tabled in Committee: 19.11.2012, PE500.544</li> <li>○ Vote in ECON Committee: 18.12.2012</li> </ul> </li> <li>• EP Plenary: 20.11.2013 (debate), 21.11.2013 (vote on text adopted EP T7-0505/2013)</li> <li>• Trilogues: 06.05.2013, 03.06.2013, 18.11.2014, 03.12.2014</li> </ul> |
|   | European Central Bank   | <ul style="list-style-type: none"> <li>• ECB opinion: 06.11.2012, CON/2012/84</li> </ul>  |

## Summary

The aim of this proposal is to amend Regulation (EC) 223/2009 on European statistics. The amendments focus on strengthening the governance of the European Statistical System (ESS) by securing unconditional application of the principle of professional independence of National Statistical Institutes (NSIs) and by clarifying the coordinating role of the NSIs in the national statistical systems. Furthermore, it is proposed that "Commitments on Confidence in Statistics" are established in order to make national governments aware of their role in, and co-responsibility for, ensuring the credibility of official statistics by respecting the independence of NSIs. Finally, it is proposed to enhance the use of administrative data for statistical purposes.

The Danish Presidency launched a hearing on the proposal on 18 April 2012. The initial general discussion on the proposal took place in the Council Working Party on Statistics on 20 June 2012 on the basis of the Presidency note summarizing the outcome of the hearing that had been conducted (doc. 11053/1/12).

In the first meeting under the Cyprus Presidency, on 11 July 2012, the first reading of the text began with a discussion on the amendments to articles 2.1.a (Professional independence) and 5.1 (Coordinating role of national statistical institutes) while a first round of comments was also made with regard to the proposed new Article 5a (Heads of NSIs). The Commission provided clarifications on the substance behind each proposed amendment to the original Regulation.

At the meeting of the Council Working Party on Statistics, held on 18 September 2012, the reading of the text was continued. The discussion focused on the newly introduced Article 5a, which refers to the heads of NSIs. Two alternative options were favoured: either the head of the NSI has the sole responsibility for all European statistics produced nationally or the responsibility is shared among the head of the NSI and the heads of other national authorities that produce European statistics.

Based on the views expressed and proposals made by the Member States during the discussion in the two previous Working Party meetings, the Cyprus Presidency produced a compromise proposal for the amendments to articles 2.1.a, 5.1 and 5a (doc. 14517/12). This formed the basis for the discussion in the meeting of the Working Party, held on 10 October 2012. The Presidency proposal earned the support of the grand majority of Member States; in this respect, a number of drafting suggestions were made.

In the meeting of the Working Party, which took place on 30 October 2012, the discussion focused on the proposed new Paragraph 3 of Article 11 (European Statistics Code of Practice) and, in particular, the provisions relating to the signing of a Commitment on Confidence in Statistics. A number of Member States questioned the legal nature of such provision and requested both an oral and a written opinion of the Council Legal Service on the issue. The proposed amendments to articles 6.2 (Eurostat) and 12.2 (Statistical quality) were also discussed, while the open issues relating to the Presidency proposal for the new Article 5a were revisited.

The reading of the remaining articles proposed to be amended and of the recitals was completed in the next meeting of the Council Working Party on Statistics, which was held on 19 November 2012. The opinion of the European Central Bank on the proposal was also presented (doc. 15976/12).

In the last meeting of the Working Party under the Cyprus Presidency, which took place on 12 December 2012, the provisions relating to the "Commitments on Confidence in Statistics" were revisited on the basis of the legal consequences outlined in the contribution of the Council Legal Service (doc. 17163/12). The Presidency also presented doc. 17206/12 which summarized the outcome of the discussion so far and included Presidency proposals on the open issues. By the end of the meeting, agreement was reached at the Council Working Party on the whole text, with the exception of the provisions relating to the "Commitments on Confidence in Statistics" (Article 11, Paragraph 3 and Recital 13).

Following this last meeting of the Working Party, the Cyprus Presidency produced a new document outlining the agreed text (doc. 17933/12) and also citing the four Member States that have entered a scrutiny reservation on specific paragraphs of the text. Furthermore, a joint hearing of the Cyprus Presidency and the incoming Irish Presidency was

launched, inviting delegations to give their opinion specifically on the open issue of the "Commitments on Confidence in Statistics".

On 18 December 2012, the ECON Committee of the European Parliament voted its report on their proposed amendments. The Presidency conducted an informal hearing with Member States in respect of those amendments, in preparation for the negotiations with the Parliament.

The first meeting of the Council Working Party on Statistics under the Irish Presidency took place on 24 January 2013. The discussion at this meeting concentrated on the outstanding issue of "Commitments on Confidence in Statistics", drawing on the response by Member States to the joint hearing initiated in December and on a Presidency compromise proposal. The meeting agreed on the first paragraph of the compromise proposal (Article 11, Paragraph 3, concerning the European Statistics Code of Practice) and had an advanced discussion on the second paragraph (Article 11, Paragraph 4, concerning "Commitments on Confidence in Statistics").

At the meeting of the Working Party, held on 21 February 2013, a compromise text for Article 11, Paragraph 4, together with Recital 13, was agreed.

The agreed Council position is contained in Document 8034/13, which was submitted to COREPER on 10 April 2013, in advance of opening negotiations with the European Parliament.

The first trilogue was held on 6 May 2013, the second trilogue - on 3 June 2013. The Member States were informed about the outcome on 20 June 2013 at the meeting of the Council Working Party on Statistics. On 27 June 2013, a joint IE/LT hearing (written consultation) on the outcome of trilogue negotiations was launched, asking Member States to indicate their position on the final compromise text of the Regulation on European statistics (a stable text) as negotiated with the ECON negotiating team (as an overall package) with the deadline of 15 July. As approached by several MS with the need for more information and majority of MS keeping reservations on the document the deadline of the hearing was postponed until 23 July.

On 19 July 2013 in the first Council Working Party on Statistics under the Lithuanian Presidency exchange of views on the outcome of the trilogue negotiations was organized to facilitate MS take a more based decision when indicating their support to the final compromise text by the 23 July deadline.

On 25 July 2013 Member States were informed about the outcome of joint hearing (written consultation) and further steps to be taken. Also the hearing for indication of critical Articles in the current compromise text which are red lines for Member States was launched with the deadline of 2 September.

In analysing the responses, the Presidency took the view that any consideration ought to be based on the mandate agreed by COREPER on 10 of April 2013 (doc. 8034/13 of 27 March 2013), a view that was stressed by a large number of delegations. The opinions expressed by MS on red lines and possible changes appeared to be very controversial.

The Presidency examined the responses received to the written consultations and provided a written report of the hearing with proposals on Art. 6a, Art. 5a para 2 and 5a para 4 and para 4 (new) for the 10 October CWPS. The Council Legal Service provided the legal opinion on Art. 6a on 30 September 2013. The CWPS approved slightly amended proposal on Art. 6a and Art. 5a para 4 with a view of possible renegotiations with EP, but Art. 5a para 2 was not supported by MS. The Chair of CWPS after the 10 October CWPS meeting informed the EP about the outcome of this meeting. The bilateral meeting with EP Rapporteur on how to best approach the file and identify EP's calendar and possible frame of further negotiations took place. On 25 October, written consultation with MS on EP Rapporteur's Compromise Proposal on Art. 6a and Art. 5a para 4, was launched.

Taking into account that this file has been approached by four Presidencies and still there are difficulties in reaching a compromise satisfying all parties involved, the fact that on 18 September a bilateral meeting between the Commissioner and EP ECON Committee chair took place, also that the 5\* ESGAB report on 2013 states that situation on this file steps over the administrative communication and should be solved at a political level.

The COREPER was approached on 7 November for finalisation of the preparation for the trilogue. However, the blocking minority formed at the COREPER, the approval was not received. The Presidency informed the EP about the

outcome. The EP debated on the 20th and voted on the 21st November at the EP Plenary on the text adopted at the 1<sup>st</sup> reading (doc. T7-0505/2013) and following this vote the Presidency was considering further steps to be taken.

During the period in-between the November and December CWPS, Presidency developed several proposals with the view to go to 11 December COREPER for a renewed mandate; however, after consultations with different parties and with blocking minority still remaining, also taking into account the time limits, the possibility to agree at the COREPER under the Lithuanian Presidency was unrealistic, so the new proposal was not submitted to the delegations. Therefore, further steps in approaching this file are not foreseen under the Lithuanian Presidency.

Discussions on this file were re-initiated under the Greek Presidency. With the intention of de-blocking that situation, the Greek Presidency presented a redrafted proposal for a negotiating mandate to the Working Party on Statistics on 3 February 2014<sup>1</sup>. That compromise text was drafted with the aim of addressing, to the largest extent possible, major concerns of all the stakeholders—the Council and its Member States, the European Parliament, and the Commission - while aiming for an appropriate balance among the approaches proposed and the proposal being, in the end, acceptable as a whole to all stakeholders. The CWPS meeting on 3 February was dedicated to the discussion on the amendment of Regulation 223/2009, which was the unique agenda item. After extensive discussions and although some delegations had reservations on different parts of the text, a qualified majority of delegations supported the compromise.

Against this background, the Greek Presidency addressed the Permanent Representatives Committee (COREPER) on 13 February 2014, in order to be granted the negotiating mandate, for engaging into negotiations with the European Parliament with a view to reaching an early second reading agreement. At the meeting, the Commission, supported by some Member States, raised reservations on article 6a regarding the Director General of Eurostat, which provided inter alia for recruitment and dismissal procedures as well as competencies for the Director General. Notwithstanding that a qualified majority of the COREPER supported the compromise text (document 6101/1/14 REV 1), the Presidency stated its intention to take account of the Commission's reservation on article 6a in a revised text given that a number of delegations that supported the compromise text also voiced sympathy for the Commission's position. In a subsequent silent procedure, a redrafted compromise (document 6668/14) was again supported by a qualified majority of delegations. However, given the Commission's continuing objections, the Presidency brought the item to be discussed at the COREPER meeting of 21 February 2014. At the meeting the Commission presented its reservation on the redrafted Article 6a, as it still provided for a Commission Decision on the recruitment procedure for the Director General of Eurostat. In that meeting, the majority of the Member States expressed sympathy for the Commission's position and the relevant reference was deleted. The negotiating mandate was endorsed with unanimity. Immediately after receiving the mandate, the Presidency contacted the EP negotiating team with a view to arranging trilogue meetings as soon as possible so as to reach an agreement within the current term of the EP legislature. On 26 February 2014 the EP negotiating team communicated to the Presidency that the mandate that was granted by the Council to the Presidency regarding Article 6a left no scope for meaningful negotiations to take place. The following day, the ECON Committee issued a Press Release announcing that the European Parliament had interrupted negotiations on the file. In response, the Presidency issued a Press Release where its commitment to negotiations with EP was reaffirmed. At the COREPER meeting on 5 March 2014, the Chair informed the delegations on the interruption of the negotiations.

On behalf of the European Parliament, the newly appointed Rapporteur, Mr. Hugues Bayet, indicated his institution's readiness to engage in a common effort to find an approach that could be acceptable to both legislators.

The Italian Presidency followed an approach based on reasonableness and built upon a well balance text.

On 18 November 2014, a first trilogue took place. A second and conclusive trilogue was held on 3 December 2014.

During the trilogues, the Italian Presidency proposed as few amendments as possible in order to preserve the well balanced text achieved and facilitate a final compromise to be agreed by all parties involved. To this end, the still controversial issues were reduced to some key issues for which a positive solution was identified.

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<sup>1</sup> Document number 5684/14

In the CWPS meeting of 10 December, additional concerns were expressed by MS on some articles, in particular on Art 20(4): as a consequence, the IT Presidency worked closely with the President of EP ECON Committee and the Rapporteur to find a positive solution and achieve a larger consensus among MS.

The IT Presidency succeeded in drafting a new wording on Art 20(4). With reference to some concerns on article 12 (3b), the Presidency reassured MS with the support by the CLS recalling that such initiatives will be possible, only according to the Treaty rules and if sectoral legislation so provides.

The final text has been endorsed by Coreper on 19 December 2014.