

Annual Activity Report 2024

Eurostat

Table of contents:

DG	IN B	RIEF		3	
EX	ECUT	IVE SUM	1MARY	4	
1.	-		ments and progress towards achieving the Commission's general nd Eurostat's specific objectives	12	
	L	Jkraine,	nd data to support the EU response to the Russian aggression against the energy crisis, the supply chain crisis, and in relation to the conflict in lle East	12	
	Stati	istics an	nd data to support the policies and public debate on the Commission's ambitions		
2.	INTE	RNAL C	ONTROL AND FINANCIAL MANAGEMENT	27	
	2.1.	Contro	l results	28	
		2.1.1.	Overview of the budget and relevant control systems (RCS)	28	
		2.1.2.	Effectiveness of controls	29	
		2.1.3.	Efficiency of controls	34	
		2.1.4.	Economy of controls	35	
		2.1.5.	Conclusion on the cost-effectiveness of controls	36	
	2.2.	Audit o	bservations and recommendations	38	
	2.3.	Assess	ment of the effectiveness of internal control systems	39	
	2.4.	Conclu	sions on the assurance	41	
	2.5. Declaration of Assurance				
3.	MODERNISING THE ADMINISTRATION				
	3.1.	Humar	resource management	43	
	3.2.	Digital	transformation and information management	45	
	3.3.	Sound	environmental management	47	
	34	Examp	les of economy and efficiency	48	

DG IN BRIEF

Eurostat is the statistical authority of the European Union. Its mission is to provide high-quality statistics and data on Europe. To this end, Eurostat develops and promotes standards, methods and procedures that allow for the cost-effective development, production and dissemination of European statistics. Eurostat's activities are governed by professional independence, the impartial treatment of all users, objectivity, reliability, statistical confidentiality, and cost-effectiveness.

European statistics are developed, produced and disseminated in accordance with the principles enshrined in Article 338 of the Treaty on the Functioning of the European Union and further elaborated in Regulation (EU) 2024/3018 of the European Parliament and of the Council, as well as in the European Statistics Code of Practice. By providing reliable and comparable statistical information, Eurostat supports evidence-based EU policy making and the implementation of the Commission's political priorities. Eurostat produces European statistics in partnership with the EU Member States based on harmonised statistical standards, methods, procedures, practices and tools. The Member States' National Statistical Institutes (NSIs) and other national authorities designated to produce European statistics constitute the European Statistical System (ESS). European Economic Area countries and Switzerland participate in the ESS under specific agreements.

Commission Decision (2012/504/EU) defines the role and responsibilities of Eurostat within the internal organisation of the Commission. Eurostat manages the inventory of statistics produced by other DGs. In addition, Eurostat cooperates very closely with the European Central Bank and other international organisations. Eurostat particularly plays a key role in developing international standards to ensure the comparability of statistics across the globe. Eurostat also verifies public finance statistics and is involved in the process of EU own resources verification. Furthermore, Eurostat supports DG Budget in the verification of the VAT statements provided annually by the EU Member States.

The European Union's statistical priorities are defined in the multi-annual statistical programme proposed by the Commission and adopted by the European Parliament and the Council. Eurostat implements the budget of the statistical programme through grants and public procurement contracts. In 2024, Eurostat managed a total of 75.81 million Euros (implemented budget), made up of operational and administrative budget commitments, with both own and subdelegated appropriations. As of December 2024, Eurostat had 633 staff members (officials, temporary agents and contract agents), as well as 62 members of other personnel (seconded national experts, interim agents and trainees).

⁽¹⁾ Regulation - EU - 2024/3018 - EN - EUR-Lex.

^{(2) &#}x27;A Union that strives for more: My agenda for Europe': Political guidelines for the next European Commission 2019-2024:

https://ec.europa.eu/info/sites/info/files/political-guidelines-next-commission_en_0.pdf.

EXECUTIVE SUMMARY

This annual activity report is a management report of the Director-General of Eurostat to the College of Commissioners. Annual activity reports are the main instrument of management accountability within the Commission and constitute the basis on which the College takes political responsibility for the decisions it takes as well as for the coordinating, executive and management functions it exercises, as laid down in the Treaties⁽³⁾.

estat_aar_2024 Page 4 of 48

⁽³⁾ Article 17(1) of the Treaty on European Union.

A. Key results and progress towards achieving the Commission's general objectives and department's specific objectives

In 2024, Eurostat pursued its mission and commitment to provide high-quality data and statistics on Europe. Eurostat's work, which spans all policy domains, continued to underpin public debate and the design, monitoring and evaluation of Union policies. In 2024, Eurostat made progress on achieving the three specific objectives laid out in its Strategic Plan 2020-2024.

In particular, Eurostat contributed to specific objective 1 <u>'to remain the trusted point of reference for statistics and data on Europe, necessary for better policies, decisions and public debate in the European Union</u>, in the areas of the Commission's six headline ambitions for 2019-2024, and in response to information needs triggered by the Russian war of aggression against Ukraine and the related energy and cost of living crisis. Eurostat improved the timeliness of existing indicators and expanded the production of new statistics. Eurostat continued to disseminate monthly data on non-EU citizens who fled Ukraine and were under temporary protection. Eurostat also continued to monitor the gas demand reduction target in a timely manner (T+15 days), in line with the Council Recommendation of 25 March 2024 on continuing coordinated demand-reduction measures for gas, the gas storage levels as well as fossil fuels import dependence. To inform policy making to mitigate possible supply chain disruptions, Eurostat started publishing statistics on imports of critical raw materials that are essential to the EU's strategic autonomy and a range of strategic sectors, including the net zero industry, the digital industry, the aerospace and defence sectors.

In supporting the Commission's <u>'A European Green Deal'</u> priority, Eurostat implemented the 'Statistics for the European Green Deal' action plan. Among its achievements were the entry into force at the end of 2024 of the amended Regulation (EU) 691/2011 on European environmental accounts (new accounts on forests, ecosystems and environmental subsidies) and a new dashboard of environmental accounts indicators. Eurostat published the **EU circular economy monitoring framework** with a new dimension of global sustainability and resilience and with indicators on the links between climate change mitigation and circular economy, and on import dependencies. Eurostat continued providing statistics on the EU progress towards achieving the United Nations' **Sustainable Development Goals (SDGs)**.

For the Commission's headline ambition of 'A Europe fit for the digital age', Eurostat continued to implement the action plan to better measure digitalisation in the EU, producing statistics on the digital performance of businesses and people in the context of the Digital Decade. New indicators on digitalisation were published.

In supporting the Commission's headline priority of <u>'An economy that works for people'</u>, the key set of macroeconomic indicators for **national accounts**, **balance of payments**, **consumer prices**, **real estate prices and purchasing power parities** continued to be disseminated according to the Eurostat release calendar. Eurostat participated actively in the

estat_aar_2024 Page 5 of 48

preparation of the update of international macroeconomic standards aimed at better reflecting sustainability and well-being. Eurostat's statistics supported fiscal oversight in the EU. Continuous methodological development supported the introduction of the new Economic Governance Framework. Eurostat released **early estimates for the quarterly Labour Cost Index** (LCI) almost one month ahead of the final data released in June 2024. Dissemination of **EU statistics on income and living conditions** (EU-SILC) was enriched with indicators from EU-SILC 2023 modules on **energy efficiency, energy poverty, the intergenerational transmission of disadvantages and housing**. For the first time ever, **the results of the EU gender-based violence survey** were disseminated.

In the area of **intra-EU trade in goods statistics**, a large part of Member States made use of the possibilities given by the European Business Statistics regulation to raise survey thresholds, leading to significant reductions in the administrative burden on businesses. Additionally, Member States started using the microdata exchange (MDE) for intra-EU exports, releasing an increasing number of (mainly small) businesses from the monthly reporting burden and thus contributing to the **Commission's overall priority of reducing the administrative burden for businesses**.

In relation to the Commission's headline ambition of <u>'A stronger Europe in the world'</u>, explanatory and bilateral screening meetings on Chapter 18 (Statistics) were held with Moldova and Ukraine. A new support programme for statistics for the European Neighborhood Policy East countries was launched.

Eurostat continued to contribute to the **setting of international statistical standards, new metrics and methodologies**. The **Eurostat-OECD Methodological Manual on Purchasing Power Parities** (PPP) was updated, thereby improving the guidance on price data collection, calculation and the dissemination of PPPs. Eurostat also led the international development of data collection templates for annual energy statistics, as well as the development and implementation of the **United Nations System of Environmental-Economic Accounting**.

Underpinning the Commission's headline ambition of 'Promoting our European way of life', Eurostat provided statistics on regions and cities, supporting the 9th Cohesion Report and the Report on the key achievements of the long-term vision for the EU's rural areas. The results from the 2021 European population and housing census and the short-term population projection were published.

Concerning Eurostat's pursuit of **specific objective 2** — 'Better meeting user needs by fostering partnerships and embracing innovative data sources and technologies' — on 26 December 2024 a new chapter for European statistics was opened with the entry into force of Regulation (EU) 2024/3018 amending Regulation (EC) No 223/2009 on European statistics. It will allow Eurostat and its partners in the Member States to react faster to new data needs and to produce high-quality and trustworthy European statistics more innovatively and efficiently. The novelties in the revised law include the enhanced access of national statistical authorities and Eurostat to administrative sources. Another

estat_aar_2024 Page 6 of 48

novelty is the requirement that privately held data be made available for the compilation of official statistics, while ensuring safeguards for protecting sensitive information and reducing the reporting burden on businesses. The revised Regulation fosters data sharing among the statistical authorities of the EU and its Member States and with the European System of Central Banks, and it makes innovation and experimental statistics an indispensable part of their core business.

The **ESS Innovation Agenda** and the **ESS Innovation Action Plan** were updated to include additional projects that explore **alternative data sources**, such as credit card transactions, public transport open data, electric vehicle charging station data, and traffic and emissions data, for use in official statistics.

For experimenting with, testing, and deploying AI systems to enhance key statistical production functions, the **One-Stop-Shop for Artificial Intelligence and Machine Learning for Official Statistics** was created. In addition, Eurostat launched an internal task force to explore the use of artificial intelligence for the production and dissemination of statistics and to support administrative tasks. The work on defining the technical specifications for a **multi-party privacy-preserving computation system** was advanced. Eurostat made use of georeferenced data by further integrating and mainstreaming **geospatial information** into statistical production, as demonstrated by the new <u>webpage on geospatial data from agricultural census</u>.

To pursue specific objective 3 of 'better communicating and promoting European statistics and facilitating their use by policymakers, citizens, businesses, researchers and the media', Eurostat continued to improve its flagship publications and unveiled a new digital publication on Statistics on climate change mitigation. Eurostat expanded its reach across key dissemination channels. The number of followers and engagement on all of Eurostat's social media accounts (X, Facebook, Instagram and LinkedIn) increased. Eurostat significantly strengthened its corporate profile, brand, visual identity, and portfolio of products and services. More than 100 000 downloads were recorded for Eurostat's flagship publications, while the more than 700 new or updated "Statistics Explained" articles received almost 6.5 million visits. There were more than 850 000 visits to the dedicated metadata pages linked to Eurostat's published datasets. Statistical literacy was promoted with the seventh edition of the European Statistics Competition, which involved 20 countries and welcomed over 22 000 students.

The results of a Eurobarometer survey on **public awareness and trust in European statistics** were published in 2024. The results show that about seven in ten respondents (69%) have heard of Eurostat and, out of those, about two thirds trust the statistics and data provided by Eurostat. The findings will enhance future communication activities.

Eurostat improved its services related to **researchers' access to European microdata**. Three access facilities for the remote use of microdata were accredited and made available to research organisations in the EU.

estat_aar_2024 Page 7 of 48

B. Key performance indicators

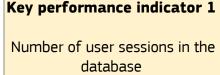
In the Strategic Plan 2020-2024, Eurostat has defined three key performance indicators (KPIs) to monitor and measure the achievement of objectives.

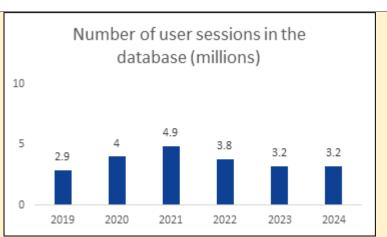
The first KPI, 'Number of user sessions', stabilised at the level of 3.2 million, which is well above the 2019 baseline of 2.9 million, thus confirming the relevance of statistics published by Eurostat. It has stabilised because in the era of social media, users prefer to consume data and statistics through a variety of dissemination channels rather than solely by accessing Eurostat's reference database directly. The second KPI, 'Statistical coverage', also measures the relevance of the statistics published by Eurostat by focusing on the evolution of the quantity and variety of published data. It is calculated as the number of indicators, sub-indicators and all their breakdowns included in Eurobase, the Eurostat dissemination database. By the end of 2024, the statistical coverage increased by 80 million compared to 2023 and by 362 million compared to the 2019 baseline of 423 million. This increase is due to Eurostat enlarging its offer of data over the period 2019-2024.

When analysed together, both KPIs above show that, during 2024, Eurostat continued to increase its large offer of data which were relevant for users and in accordance with the target fixed in the Strategic Plan.

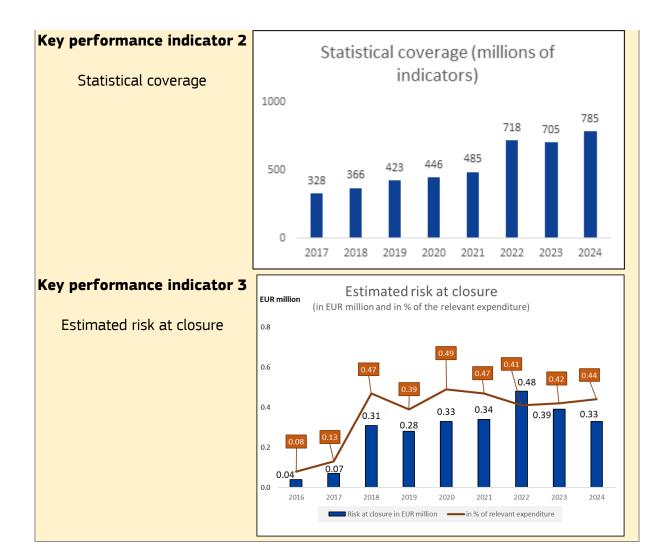
The third key performance indicator, 'Estimated risk at closure', shows whether resources have been used in accordance with the principles of sound financial management, and whether cost-effective controls are in place, providing the necessary guarantees concerning the legality and regularity of underlying transactions.

The estimated risk at closure for 2024 was EUR 0.33 million, a decrease from EUR 0.39 million in the previous year, due to a lower detected error rate in the year 2024. As a percentage of the relevant expenditure, in 2024 the estimated overall risk at closure remained stable at 0.44%.





estat_aar_2024 Page 8 of 48



estat_aar_2024 Page 9 of 48

C. Key conclusions on internal control and financial management

Eurostat has systematically examined the available control results and indicators, as well as the observations and recommendations issued by the internal auditor and the European Court of Auditors. These elements have been assessed to determine their impact on management's assurance about the achievement of the control objectives. Please refer to Section 2 for further details.

In conclusion, management has reasonable assurance that, overall, suitable controls are in place and working as intended, and risks are being appropriately monitored and mitigated. The Director-General, in her capacity as Authorising Officer by Delegation, has signed the Declaration of Assurance.

estat_aar_2024 Page 10 of 48

D. Provision of information to the Commissioners

In the context of the regular meetings during the year on management matters between Eurostat and Commissioner Gentiloni, responsible for Economy until the end of November 2024, and in December 2024 with Commissioner Dombrovskis, responsible for Economy and Productivity, Implementation and Simplification, the main elements of this report and the assurance declaration have been brought to the attention of the Commissioners.

estat_aar_2024 Page 11 of 48

Key achievements and progress towards achieving the Commission's general objectives and specific objectives of Eurostat

In 2024, Eurostat continued to provide **high-quality statistics and data on Europe** necessary for evidence-based EU policymaking and public debate, in particular in the areas of the six **headline ambitions defined in the 2019-2024 Political Guidelines of President von der Leyen**.

In addition, as laid down in its Strategic Plan 2020-2024, Eurostat contributed to the general objective of **'A modern, high-performing and sustainable European Commission'** by delivering on its mission and modernising the way it works.

In 2024, Eurostat made progress in achieving the three specific objectives laid out in its Strategic Plan 2020-2024:

- 1) to remain the trusted point of reference for statistics and data on Europe, necessary for better policies, decisions and public debate in the European Union;
- 2) to better meet user needs for relevant, timely and high-quality statistics, in particular by continuing to foster partnerships and by embracing innovative data sources and technologies;
- 3) to better communicate and promote European statistics and facilitate their use by policymakers, citizens, businesses, researchers and the media.

This section describes Eurostat's key achievements and the progress made with the implementation of the initiatives and delivery of outputs set out in the annual Management Plan 2024.

Specific Objective 1: Eurostat remains the trusted point of reference for statistics and data on Europe, necessary for better policies, decisions and public debate in the European Union.

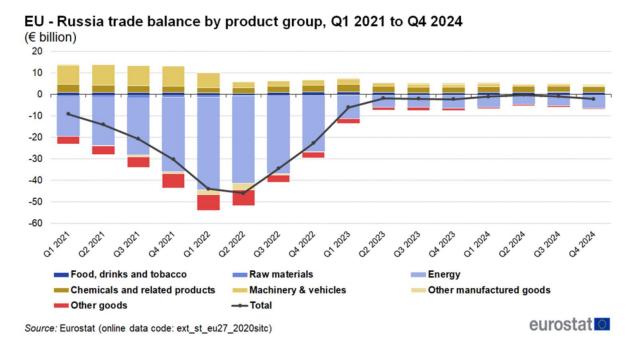
Statistics and data to support the EU response to the Russian aggression against Ukraine, the energy crisis, the supply chain crisis and in relation to the conflict in the Middle East

In 2024, in the context of the ongoing Russian war of aggression against Ukraine and evolving data needs, Eurostat continued to disseminate **monthly data on non-EU citizens who fled Ukraine and were under temporary protection**. Furthermore, Eurostat kept on monitoring the **gas demand reduction target** in a timely manner (T+15 days), in line with the Council Recommendation of 25 March 2024 on the continuing coordinated demand-reduction measures for gas. **Gas storage levels as well as fossil fuels import dependence** by origin were also monitored on an annual basis.

estat_aar_2024 Page 12 of 48

Methodological guidance was given to Member States on the statistical **treatment of energy prices** in the HICP⁽⁴⁾ to improve the harmonisation of the HICP as regards price coverage, the definition of elementary aggregates, individual products and prices, and quality adjustments.

Geopolitical tensions triggered new risks for the EU and underscored the necessity to address its **dependencies in strategic sectors. To inform policy making concerning the mitigation of possible supply chain disruptions**, Eurostat started publishing statistics on the imports of critical raw materials that are essential to the EU's strategic autonomy and are indispensable for a broad range of strategic sectors. These sectors include the net-zero industry, the digital industry, and the aerospace and defence sectors. In cooperation with DG GROW, Eurostat worked on further enhancing the data statistics needed for the implementation of the Critical Raw Materials Act that was adopted in April 2024. A microdata linking project was started in 2024 and will provide additional insights into the strategic dependencies of European enterprises.



With a view to better monitoring **economic development in the context of the persistent energy crisis and the supply chain disruptions**, since December 2023 Eurostat has been publishing monthly total market production data, combining the output indicators of the four market sectors of industry, construction, trade and services. In April 2024, Eurostat **published for the first time the monthly European index of services production** with a more complete coverage in terms of Member States. In accordance with the decision of the ECOFIN Council of November 2023, this indicator has replaced the quarterly index of turnover in services as the Principal European Economic Indicator for services.

In 2024, Eurostat launched a project on energy statistics in the European Neighbourhood Policy (ENP) East and South partner countries, in order to **better understand the impact**

estat_aar_2024 Page 13 of 48

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⁽⁴⁾ Harmonised Indices of Consumer Prices

of the conflict in the Middle East on the energy market. The project's objective is to identify the available national energy data and the comparability with Eurostat's methodology regarding the energy statistics and energy balances of Algeria, Armenia, Azerbaijan, Egypt, Israel, Jordan, Lebanon, Morocco, Palestine and Tunisia.

Statistics and data to support the policies and public debate on the Commission's headline ambitions

A European Green Deal

In 2024, Eurostat implemented the 'Statistics for the European Green Deal' action plan, the achievements of which included the following:

- the entry into force at the end of 2024 of the amended Regulation (EU) 691/2011 on European environmental accounts (new accounts on forests, ecosystems and environmental subsidies):
- the adoption of the new European strategy for environmental accounts for the period 2024-2028:
- a new digital publication on climate change and the first estimates of private investments on climate change;
- a dashboard of environmental accounts indicators;
- the further development of environmental footprints estimates and their use in the Eurostat report on SDGs;
- timelier quarterly statistics on greenhouse gas emissions;
- the publication of the LUCAS 2022 survey results, with microdata on land cover and land use, expanded with modules on grassland and landscape features.

Eurostat published the **EU circular economy monitoring framework** with a new dimension of global sustainability and resilience as well as indicators on the links between climate change mitigation and the circular economy, and import dependencies.

Eurostat continued providing statistics on the EU's progress in achieving the United Nations' **SDGs**, which have been progressively integrated into the European Semester since 2020.

In the context of the European Green Deal, Eurostat also supported the **REPowerEU plan** with new, more detailed and timelier energy statistics. In 2024, in collaboration with other Commission services and Member States, Eurostat started to adapt the SHARES (Short Assessment of Renewable Energy Sources) data collection to align with Directive (EU) 2023/2413 on the promotion of energy from renewable sources. High-quality data on hydrogen, renewable energy sources, large-scale batteries and energy efficiency were published, following the

Sustainable development in the European Union Monitoring report on progress towards the SDGs in an EU context 2024 edition

amendments to Regulation (EC) 1099/2008 on energy statistics. In 2024, Eurostat published

estat_aar_2024 Page 14 of 48

for the first time detailed data on **final energy consumption in services and for transport activities**, which are essential for monitoring energy efficiency in the EU. Eurostat enriched and improved the timeliness of transport statistics and, for the first time, published more granular regional **data on electric vehicles**. A methodology was developed for the inclusion and publications of **modal shift indicators for all modes of transport**.

The 'Key figures on the **European food chain**' publication was released in December, supporting policies and strategies to make the food chain environmentally, economically and socially sustainable. Eurostat also steered the improvement of the quality of the statistics on waste.

Regarding the **EU Budget own resource on the non-recycled plastic packaging waste**, Eurostat continued verification visits to Member States, which started with the first transmissions of amounts ('statements') in July 2023.

A Europe fit for the digital age

In 2024, Eurostat continued with the implementation of the **action plan to better measure digitalisation**. The use of advanced technologies like artificial intelligence were a focus of the data collected and published in 2024 on the digitalisation of businesses. In addition, new indicators on digitalisation, including indicators on internet prices, internet traffic coming from diverse sources (such as regulators and the International Telecommunication Union

(ITU)) were published. The number of ICT specialists. the usage of e-government and services, the sustainable usage of ICT technologies were among the topics covered. ln December, Eurostat published a new dashboard measuring progress the digital transformation of the EU

Eurostat continued to improve the coverage and quality of **geospatial data** and services to the



Commission, in particular on administrative units, buildings, addresses, orthoimagery, education and health care facilities, and transport networks. **Earth observation data** were made available to national statisticians to produce new ecosystem accounts about the extent and condition (i.e. degradation) of ecosystems as well as the benefits they produce (e.g. carbon sequestration, air purification, and pollination).

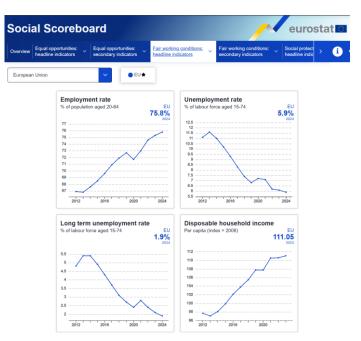
estat_aar_2024 Page 15 of 48

An economy that works for people

In support of a strong, fair and inclusive social Europe in the 21st century, Eurostat released an updated visualisation tool for the **Scoreboard of European Pillar of Social Rights,**

structured around the three chapters of the Pillar: equal opportunities, fair working conditions, and social protection and inclusion.

High-quality social statistics were produced in line with the Eurostat release calendar for 2024. The implementation of the European Regulation on statistics from samples of persons and households progressed further with legislation for the income and living conditions domain. Regarding this, the ad hoc module 'Mental health and well-being' for 2027 was agreed, the



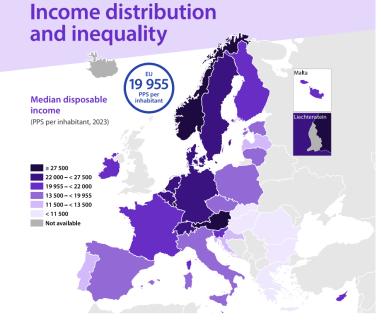
necessary legal basis concerning 'over-indebtedness, consumption and wealth' was adopted and, to cover policy needs for the data on energy poverty, the relevant module on labour market and housing was amended. For the labour force domain, the legal base for the 2026 ad hoc module 'Digital platform employment' was adopted.

For the first time, data on **income deciles of employees** from reference year 2021 were made available from the EU Labour Force Survey (EU-LFS) in tailor-made extractions and scientific use files. The preparatory work for the implementation in the EU-LFS of the new **International Classification on Status of employment** (ICSE-18) continued with further testing in the Member States. Data from the 2022 pilot data collection on **digital platform employment** were published as experimental statistics, in preparation for the EU-wide implementation of regular production in 2026.

In addition, Eurostat organised jointly with the International Labour Organisation (ILO) a **global conference on measuring new forms of employment**.

estat_aar_2024 Page 16 of 48

Eurostat enlarged its dissemination of EU-Statistics Income and Livina Conditions (EU-SILC) with indicators from the EU-SILC 2023 modules on efficiency, energy poverty, and on the intergenerational transmission of disadvantages and housing **difficulties**. The 'Key figures on living conditions publication' was released in October.



In 2024, the preparatory work began for the feasibility studies

and pilot data collections for extending the coverage of the **European Health Interview Survey** (EHIS) to persons not living in private households; this preparatory work will be finalised in 2025. Pilot data collections are foreseen for 2027.

In the area of **social protection statistics**, the coverage of countries providing early estimates on expenditure in benefits (which include sickness/health, unemployment, housing, and family/children, among others) has expanded. For the first time, the results from the **Unemployment Benefits Recipients** pilot data collection were published. In the domain of **health**, Eurostat published the **Health Care Expenditure and Financing statistics** (HCE) for reference year 2022 and continued its efforts to improve timeliness by publishing preliminary data for reference year 2023 for the countries taking part in the voluntary data collection. In addition, Eurostat disseminated statistics on health non-expenditure, including **new indicators on nurses**, and it published a **Manual on Causes of Death statistics** for data providers.

To support the **European Care Strategy**, Eurostat's task force of national experts and observers from international organisations continued working on the **methodological development of European statistics on long-term care**, tackling measurement issues in areas such as the long-term care workforce, expenditure, and beneficiaries.

For the first time ever, the **EU Gender-Based Violence Survey** results were disseminated at the EU level. Data collection was coordinated with the European Union Agency for Fundamental Rights (FRA) and the European Institute for Gender Equality (EIGE). The data offers valuable insights for policy monitoring and development.

The negotiations between co-legislators on the Commission's proposal for a regulation of the European Parliament and of the Council on **Labour Market Statistics on Businesses** (LMB) were concluded at the end of 2024. The new rules will ensure that these statistics are more up-to-date and comparable across countries, providing for better coverage of the economy

estat_aar_2024 Page 17 of 48

and allowing for an effective design, implementation, evaluation and coordination of a wide range of EU policies, in areas such as coordination of economic and employment policies.

On 21 May 2024, Eurostat released **early estimates for the quarterly Labour Cost Index** (LCI). This was the first time Eurostat published such early estimates, almost one month ahead of the final data released on 17 June 2024.

To support the monitoring of the European Pillar of Social Rights' target indicator on **adult learning**, Eurostat made the results on adult learning available both from the 2022 Adult Education Survey and the EU Labour Force Survey.

The regular dissemination of key macroeconomic indicators and detailed data on **national** accounts, balance of payments, consumer prices, real estate prices, and purchasing power parities continued.

In the domains of national accounts and balance of payments, the 2024 benchmark revision of national accounts and balance of payments was successfully completed by all but one EU Member State, with revised data series published according to the timetable. In parallel, Eurostat participated actively in the preparation of the new international macroeconomic standards.

In response to the European Systemic Risk Board's (ESRB) recommendations⁽⁵⁾ on closing real estate data gaps, in 2024 Eurostat finalised the preparatory work on a Commission proposal for a regulation of the European Parliament and the Council on **non-financial commercial real estate statistics**.

The **European Statistical Recovery Dashboard** was revised and relaunched as the **European Statistical Monitor**, with a re-focused range of short-term indicators on the economy, environment and social conditions.

The regular production of high-quality Excessive Deficit Procedure (EDP) and Government Finance Statistics (GFS) statistics continues to play an important role in fiscal surveillance. Eurostat will continue to collect data in the recently established reporting on the co-financing of programmes funded by the Union and on investment in defence with the aim of meeting the new data needs, following the Economic Governance Framework review.

Eurostat will also continue **methodological developments in public finance statistics**, leading to better and more harmonised statistics that are essential for fiscal monitoring in the EU. In this context, Eurostat will put further efforts into monitoring developments and in

estat_aar_2024 Page 18 of 48

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⁽⁵⁾ Recommendation of the European Systemic Risk Board of 31 October 2016 on closing real estate data gaps (ESRB/2016/14), (OJ C 31, 31.1.2017, p. 1); Recommendation of the European Systemic Risk Board of 21 March 2019 amending Recommendation ESRB/2016/14 on closing real estate data gaps (ESRB/2019/3), (OJ C 271, 13.8.2019, p. 1).

providing timely methodological guidance regarding the new data on the (national cofinancing of EU programmes and on investment in defence. High-quality business and trade statistics were produced in line with the Eurostat release calendar for 2024. The **implementation of the European Business Statistics (EBS) regulation** was completed, with all the implementing and delegated acts adopted and the methodological guidance provided. For the dynamic business statistics, the legal acts related to ICT statistics for the 2025 reference year were adopted, while the preparation of the second Global Value Chain (GVC) implementing act (for the reference period 2024-2026) progressed as planned. All data exchange standards and validation rules covering all business and trade statistics have been implemented.

New data tables based on the EuroGroups Register (EGR) containing new statistics on multinational enterprise (MNE) groups and their employment by NACE (**Statistical Classification of Economic Activities in the European Community**) and country of control were disseminated. Eurostat also organised a first voluntary data collection on **small mid-cap enterprises**, collecting structural business statistics variables on enterprises employing between 250 and 499 persons.

The fourth edition of the 'Key figures on European business' publication was released in July 2024. This publication comprises a selection of **key business statistics indicators.** The 2024 edition also includes an overview of multinational enterprise groups operating in the EU and EEA/EFTA States, showing their economic relevance in terms of employment and industry concentration in the EU business economy. Furthermore, the publication covers the impacts of the COVID-19 pandemic, the Russian aggression against Ukraine, and the higher inflation levels in the European business economy.

In the area of **intra-EU trade in goods statistics**, a large part of Member States made use of the possibilities given by the EBS regulation to raise survey thresholds, leading to significant **reductions in the administrative burden** on (mainly smaller) businesses. Additionally, Member States started using the microdata exchange (MDE) for intra-EU exports or announced their plans to start using the MDE in 2025. The increased use by Member States of this possibility will release an increasing number of – mainly small – businesses from the monthly reporting burden and thus contribute to the **Commission's overall priority of reducing the administrative burden for businesses**.

A Delegated Regulation regarding a **new classification of products by activity** (CPA) was published in December. The work on the implementation of the NACE Rev.2.1 in business and trade statistics continued. Eurostat organised an international seminar on methodological issues and practices in the re-classification exercise in the Statistical Business Registers (SBR), including the application of automatic coding techniques using AI-ML. In addition, the technical adaptations to the EBS regulation provisions concerned by NACE Rev 2.1 were adopted in 2024 via an EBS-specific NACE OMNIBUS Implementing Act.

Eurostat also continued producing high-quality **statistics on international trade in goods and services, foreign direct investment (FDI), and foreign affiliates**. Data on international trade in goods statistics supported the monitoring of the EU's free trade

estat_aar_2024 Page 19 of 48

agreements with non-EU countries. First EU aggregates for services trade by enterprise characteristics were published. The continuation of the voluntary data collection on the FDI by ultimate investing countries provided insights into the effectiveness of the FDI screening of possible dependencies on third countries for strategically important sectors. To ensure the future relevance of business statistics, Eurostat intensified discussions with the NSIs on the availability of the Country-by-Country Reports (CbCR)/BEPS)⁽⁶⁾ data and their use as an additional data source for producing new business statistics.

<u>A comprehensive framework for Global Value Chains</u> was published in July following a <u>Globalisation Dashboard</u> published in April, giving users a comprehensive overview of the globalisation statistics published by Eurostat in the areas of business statistics, Balance of Payments, and FIGARO.

A stronger Europe in the world

Eurostat continued to actively contribute to the **setting of international statistical standards, new metrics and methodologies**, by participating in the relevant groups and in the process for updating the related international manuals. In 2024, the Eurostat-OECD **Methodological Manual on Purchasing Power Parities (PPP)** was updated.

Eurostat improved its **environmental footprints** statistics, which quantify the impact of EU consumption in the rest of the world. These statistics were also used in a number of publications, including the flagship publication on SDGs.

Regarding the **enlargement of the EU**, a new support programme for statistics for the European Neighbourhood Policy East countries, including Moldova and Ukraine, was launched. The explanatory as well as the bilateral screening meetings on Chapter 18 (Statistics) were held with Ukraine and Moldova. Data transmissions from Moldova and Ukraine were tested to increase the volume and quality of the data from those countries. The dissemination of data from the Western Balkans and Türkiye increased as a result of projects that support these countries in producing and publishing data in a growing number of statistical domains. To assess the application of the European Statistics Code of Practice by the enlargement countries and Armenia, a methodology for peer reviews was adopted.

For the countries covered by the **European Neighbourhood**, a new funding programme was obtained and is being contracted. For the Southern countries, the Medstat V programme was implemented with an increased focus on results from the various cooperation activities. For Africa, the Pan-African statistical cooperation programme was implemented and support provided to several countries, in particular in the areas of national accounts, agriculture statistics, and trade statistics.

Promoting our European way of life

estat_aar_2024 Page 20 of 48

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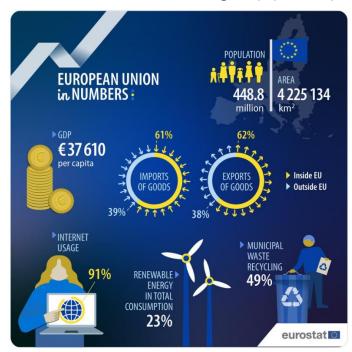
⁽⁶⁾ BEPS – base erosion and profit shifting

In line with the Commission's priority under the headline ambition 'Promoting our European way of life', detailed results from the **2021 European population and housing census** were published on a country-by-country basis. Population grids produced as part of the 2021 population and housing censuses in the EU were made available, showing the population per

1 km² by sex, age and socio-economic characteristics.

In September 2024, Eurostat published the **short-term population projection** update (STP2024) for all the EU and EEA/EFTA States (except for Liechtenstein), from the base year 2023 to 2050.

To show citizens more detailed information on the European Union and its Member States, Eurostat provided **statistics at the level of regions and cities**. To monitor and evaluate territorial development policies and to evaluate the territorial



impacts of sectoral policies, Eurostat provided valuable **regional statistics** to the 9th Cohesion Report and the report on the key achievements of the long-term vision for the EU rural areas. These data are essential for supporting urban, and regional development policies.

Eurostat continued to produce **statistical indicators on regional typologies**. Eurostat maintains six key regional typologies (urban-rural, coastal, border, mountain, island, and metropolitan regions) aligned with the latest regional classification NUTS, enabling precise territorial analysis and policy development. In 2024, Eurostat increased the number of datasets published to more than 80 datasets based on these typologies. A significant milestone was the completion of the updated 'Degree of Urbanisation' classification using the 2021 population census grid.

In 2024, Eurostat published a statistical report and updated its thematic section on equality and non-discrimination statistics providing access to various indicators disaggregated by key equality dimensions. Additionally, Eurostat's **equality and non-discrimination statistics task force**, with wide participation from the Member States and other stakeholders, started its work

In the domain of statistics related to culture, Eurostat published a range of news articles and 'Statistics Explained' articles covering both social and economic aspects of culture. Moreover, a dedicated task force continued assessing **the feasibility of extending the coverage of culture statistics** to include creative sectors; this work is expected to be finalised in 2025.

Eurostat continued to disseminate a wide range of **statistics on migration and asylum**. In the framework of the New Pact on Migration and Asylum, Eurostat contributed to the work

estat_aar_2024 Page 21 of 48

on the new European Annual Asylum and Migration Report. Pilot studies for testing the feasibility of additional variables and breakdowns are ongoing.

Specific Objective 2: Eurostat better meets user needs for relevant, timely and high-quality statistics, in particular by continuing to foster partnerships and embracing innovative data sources and technologies

To achieve Eurostat's **specific objective 2**, Eurostat pursued a range of activities, including legislative initiatives, new or experimental statistics, the exploration of new sources, and close collaboration with stakeholders within and outside the ESS system.

A major achievement for Eurostat in 2024 was the revision of Regulation (EC) No 223/2009 on European statistics that entered into force on 26 December 2024 and opened a new chapter for European statistics. It will allow the European Statistical System (ESS) to become more pro-active and to produce high-quality and trustworthy European statistics more efficiently. More specifically, the revised law enhances the access of national statistical authorities and Eurostat to administrative sources, and for the first time, the law includes a requirement to make privately held data available for the compilation of official statistics, while ensuring safeguards for sensitive information and reducing the reporting burden on businesses. The revised regulation fosters data sharing among the statistical authorities of the EU and its Member States and with the European System of Central Banks, and it makes innovation and experimental statistics an indispensable part of their core business. The regulation also includes possibilities for NSIs to assume new roles and tasks in national data governance frameworks and provides a mechanism for statistical responses to crisis situations.

The implementation of the **ESS Innovation Agenda** has advanced with the update of the ESS Innovation Action Plan for 2025. The portfolio now features a greater number of lighthouse projects, demonstrating the ESS's dynamic approach towards producing innovative statistical products faster. To support the implementation of the **ESS Innovation Agenda**, the ESS Innovation Network has initiated a proactive communication campaign aimed at statistical organisations and external stakeholders engaged in data innovation.

The One-Stop-Shop on Artificial Intelligence and Machine Learning for Official Statistics was launched in April. It serves as a gateway for discovering, testing, experimenting, and deploying AI systems to enhance key statistical production functions, such as data editing, imputation, validation, automated classification, textual data processing, and the processing of remote sensor signals like satellite and earth observation data.

The development of processes and tools for **accessing and reusing privately held data for compiling European statistics** continued. The **Web Intelligence Hub** (WIH) platform is now used by Eurostat and Member States to gather online-based enterprise characteristics

estat_aar_2024 Page 22 of 48

and multinational enterprise data. The regular large-scale collection and processing of online job advertisements, in collaboration with the European Centre for the Development of Vocational Training (CEDEFOP), provides microdata for publishing experimental statistics on skills demand. On that basis, in December Eurostat released a new indicator showing where recruiters might face potential challenges in recruiting staff. Eurostat also led a task force to explore the usage of bank card data in official statistics.

The Joint On-demand Computation with No Data Exchange (JOCONDE) project, which aims to define technical specifications for a **multi-party privacy-preserving computation system,** progressed further during the year. Additionally, a wide range of **alternative data sources,** such as credit card transactions, public transport open data, electric vehicle charging station data, and traffic and emissions data, were explored for their potential for producing official statistics.

Work continued on methods for producing **early estimates of short-term business indicators using alternative data sources or models**. Eurostat worked together with the Member States to improve production processes and develop IT tools at the national level, as well as to test nowcasting methods at the European level.

Eurostat continued the work on building capacity in Member States to use **microdata linking** (MDL) in business and trade statistics in order to produce new statistical outputs without increasing the burden on responding firms.

Eurostat continued the annual publication of experimental statistics based on model-based early estimates of income distribution. For the first time, the experimental early estimate of the 'at risk of poverty rate' indicator was released.

Innovative data sources were also used for **transport statistics**, based on a new agreement between Eurostat and the European Maritime Safety Agency. The agreement enabled the development of the methodology for short term estimates of maritime traffic at the end of each quarter using the Automatic Identification System. Road traffic and mobility indicators were also produced based on innovative data regarding the density and **distribution of alternative fuels charging stations**, the accessibility and efficiency of public transport, and the correlation of road traffic and greenhouse gases.

New agreements between Eurostat and the European Railways Agency provided complementary data for new Eurostat publications on the density and electrification of the European rail network that is crucial for the **shift of transportation to cleaner transport modes**.

Eurostat launched a new webpage on **geospatial data from agricultural census as part of the experimental statistics collection**. The grid maps contain information such as the number of farms, livestock density, the ageing of farmers, and the gender gap in agriculture.

Eurostat actively fostered **partnerships** on statistical matters. It deployed a range of measures to ensure enhanced **policy coordination and partnership activities** within the

estat_aar_2024 Page 23 of 48

ESS and with external parties. The **third round of peer reviews in the ESS** was finalised with the publication of the final report. Moreover, the biannual conference on quality in official statistics was successfully co-organised with the Portuguese NSI and held in June 2024.

Eurostat provided high-quality training on cutting-edge statistical fields via the **European Statistical Training Programme** (ESTP). In 2024, the ESTP offered approximately 60 courses to statisticians in Europe. ESTP courses address the intersection between official statistics and topics like artificial intelligence, earth observation, the sampling of online data, and mixed mode surveys.

In 2024, Eurostat continued providing the secretariat and other support to the European Statistical Advisory Committee (ESAC) and the European Statistical Governance Advisory Board (ESGAB).

Eurostat coordinated participation in, and the preparation of the **EU common positions for, the United Nations Statistical Commission** (UNSC). The EU Common positions were prepared for important domains, such as the revision of the system of national accounts, the fundamental principles of official statistics, international statistical classifications, tourism statistics, and the enlargement of the UNSC.

Eurostat signed **administrative arrangements on statistical cooperation** with the United Nations Economic Commission for Western Asia (UN-ESCWA) and the UK Office for National Statistics. Eurostat led the international development of data collection templates for annual energy statistics, also to be used by the International Energy Agency and the United Nations Economic Commission for Europe (UNECE). Eurostat also led the international development of hydrogen data collection methodology, cooperating with partners such as the International Energy Agency (IEA), Asia-Pacific Economic Cooperation (APEC), and the UN Statistical Office. Eurostat spearheaded the international work on developing new statistical standards for renewable energy products in the **Standard International Energy Product Classification** (SIEC), the UN's international standard for energy products, as well as on the development of international data collection structures for annual energy statistics. These will be used by the International Energy Agency and UNECE, becoming the most important data collection standards for energy statistics worldwide.

Together with the Secretariat General, Eurostat concluded the Protocol on Statistics and Annex XXI on Statistics for both Andorra and San Marino. The signing of the agreements is planned for 2025.

Specific Objective 3: Eurostat better communicates and better promotes European statistics and facilitates their use by policymakers, citizens, businesses, researchers and media

estat_aar_2024 Page 24 of 48

Eurostat expanded its reach across key **dissemination channels**, including Eurostat's social media, Eurostat's website, as well as through conferences, webinars, and podcasts, to ensure the effective dissemination and communication of statistics among different user groups. In line with its communication and dissemination strategy, Eurostat implemented the 2024 dissemination and communication programme, providing user-friendly products and services.

All Eurostat social media channels significantly expanded their reach in 2024. The X account gained 5 500 followers to reach a total of 257 500 (+2%), Facebook increased by 35 000 to reach more than 185 000 followers (+23%), and the Instagram account increased by 37 000 followers to a total of 153 000 followers (+32%). Eurostat's LinkedIn page, which was launched in mid-2022, gained more than 22 500 additional followers in 2024 to reach more than 55 500 (+68%). Eurostat met its target for growing the follower base on all platforms and reached high engagement targets on all platforms (4.6% on X, 5.9% on Facebook, 7.4% on Instagram, and 5.8% on LinkedIn). More than 100 000 sessions/downloads were recorded in 2024 for Eurostat's flagship publications.

Eurostat significantly strengthened its **corporate profile**, further developing its brand, visual identity, and portfolio of products and services. In 2024, Eurostat completed the design revamp and content review of its website and improved key applications such as the Data Browser, while paying particular attention to accessibility, usability, and corporate web rationalisation actions. 'Statistics Explained' was also aligned with the look of the website. This work was supported by extensive and in-depth research on users. Over 14 million user sessions were registered on Eurostat's website.

Eurostat modernised its protocol on **impartial access to Eurostat data** for all users and introduced a new IT system for secure access to 'Euro indicators' releases. Eurostat promoted **flagship publications** with data and statistics related to the Commission's headline ambitions. In 2024, new editions of the Eurostat flagship publications 'Key figures on Europe', 'Eurostat Regional Yearbook', and 'Sustainable development in the European Union' were published, including in digital interactive formats. Eurostat also issued a new digital publication on climate change, including new estimates of climate change mitigation investments. All 'Key figures' publications were updated.

In 2024, Eurostat's **interactive publications, data visualisations, and dashboards** covered the following areas: housing, migration, energy, demography, digitalisation, regions, environmental accounts, globalisation, digitalisation, the European Pillar of Social Rights, the European Green Deal, migrant integration, and prices, as well as economic, environmental and social short-term indicators, and Euro indicators. This offer was complemented with interactive data visualisations that present statistics in an easy-to-understand manner on topics such as skills, youth, regions and cities, SDGs, and transport.

Eurostat's **user support services** handled 4 500 requests and enquiries from various stakeholders. In May 2024, Eurostat set up a targeted fact-checking service for professional fact-checkers in the period preceding the EU elections.

estat_aar_2024 Page 25 of 48

Eurostat continuously invests in promoting and increasing **statistical literacy**, especially among the younger generation. In 2024, Eurostat launched its statistical literacy quarterly newsletter, which reached 1 800 subscribers by the end of the year. The education corner on Eurostat's website was further updated and promoted, while more than 700 new or updated 'Statistics Explained' articles received almost 6.5 million visits. The seventh edition of the European Statistics Competition for the age groups 14 to 16 and 16 to 18 involved 20 countries and welcomed over 22 000 students (+16%). Additionally, students and trainees constituted the majority of the participants in **organised group visits** to Eurostat's premises, where they received presentations on the work, services. and products of Eurostat.

Furthermore, Eurostat improved its services related to **researchers' access to European microdata**. In 2024, 42 organisations were newly recognised as research entities making them eligible to request access to microdata for research purposes. 440 new requests from recognised research entities were received demanding microdata for specific research projects. Three access facilities for the remote use of microdata were made available to research organisations in the EU. 2024 also saw the start of a project to develop a metadata querying tool that will allow researchers to find information on the content and level of details of European microdata, and which will be concluded by the end of 2025.

Eurostat continued tackling ESS-level **priority communication issues** in its Expert Group on ESS Strategic Communication. Among the topics addressed last year were the promotion of the ESS Innovation Agenda, the communication of the final report of the third round of peer reviews in the ESS, as well as data ethics and social acceptability.

All of the achievements described above underscore Eurostat's role in supporting public debates and the design, monitoring and evaluation of Union policies by providing comparable and high-quality data and statistics on Europe.

estat_aar_2024 Page 26 of 48

2. INTERNAL CONTROL AND FINANCIAL MANAGEMENT

This section presents the control results and other relevant information that supports management's assurance on the achievement of the <u>financial management and internal control objectives</u>.⁽⁷⁾

Management monitors the functioning of the internal control systems on a continuous basis and carries out an objective assessment of their efficiency and effectiveness. In Annex 7, there is a list and details of the reports that have been considered. The results of the above assessment are explicitly documented and reported to the Director-General.

estat_aar_2024 Page 27 of 48

Art 36.2 FR: a) effectiveness, efficiency and economy of operations; b) reliability of reporting; c) safeguarding of assets and information; d) prevention, detection, correction and follow-up of irregularities including fraud, corruption, conflicts of interest and double funding, also through the voluntary use of a single integrated and interoperable information and monitoring system, including a single data-mining and risk-scoring tool, provided by the Commission, and allowing for the access to and the electronic automatic retrieval, recording, storage and analysis of data on the recipients of Union funds including their beneficial owners, as defined in Article 3, point (6), of Directive (EU) 2015/849, in accordance with sector-specific rules; and e) adequate management of risks relating to the legality and regularity of underlying transactions, taking into account the multiannual character of programmes as well as the nature of the payments concerned.

2.1. Control results

Management uses control results to support its assurance and reach a conclusion about the cost-effectiveness of those controls, meaning whether the right balance between the following elements is achieved:

- Effectiveness The level of error found, based on the controls carried out.
- Efficiency The average time taken to inform or pay.
- Economy The proportionality between the costs of controls and the funds managed.

2.1.1. Overview of the budget and relevant control systems (RCS)

The financial operations managed by Eurostat are exclusively under direct management mode. Eurostat's operational budget aims at implementing the Statistics Pillar of the Programme for Single Market, competitiveness of enterprises including SMEs, and European statistics 2021-2027, in line with the multi-annual financial framework and the Financial Regulation and related rules. The table below presents an overview of the payments made in 2024 by risk-type and activity of Eurostat.

Overview of Eurostat expenditure based on payments made in 2024

(amounts in EUR million)

Risk-type / Activities	Grants (e.g. actual costs based, or lump sums, or entitlements)	Procurement (e.g. minor or major values)	Administrative Appropriations (support activities *)	Total Expenditure
Payments made (Direct management)	27.70	53.72	0.39	81.81
Totals (In %)	27.70 (33.86%)	53.72 (65.66%)	0.39 (0.48%)	81.81 (100.00%)
	See Anne	ex 3, Table 2 – paymo	ents made	

^{*)} Administrative appropriations managed and paid by Eurostat in 2024 mainly related to support for planning, monitoring and reporting activities, as well as to support for financial information systems.

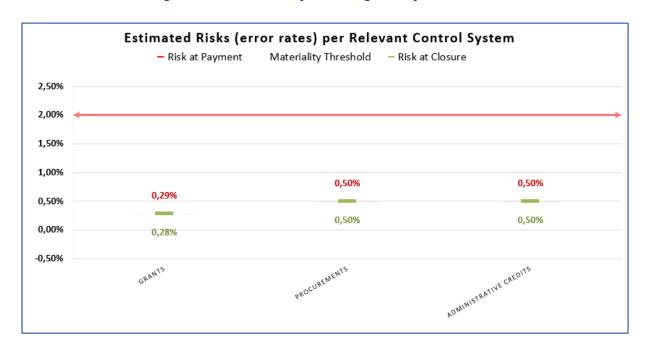
Eurostat implements its budget based on a multi-annual control strategy for budget implementation that is valid until 2027. The strategy aims at adequately managing the risk relating to the legality and regularity of Eurostat's financial transactions. For that purpose, Eurostat has in place a cost-efficient set of controls. The key element of the controls is to ensure that the value of detected errors in transactions does not exceed the materiality criteria described in Annex 5. Annex 6 presents the main risks together with the control processes to mitigate them and the indicators used to measure the performance of the relevant control systems.

estat_aar_2024 Page 28 of 48

Eurostat also develops initiatives for simplifying its financial management and adapting the control system to current and future changes in its legal and operational environment.

2.1.2. Effectiveness of controls

a) Assessment of control results per RCS for expenditure



The European Statistical Programme (ESP) is implemented by means of agreements between the NSIs, other national authorities and Eurostat (grants) and procurements. In accordance with Regulation (EC) No 2009/223 on European statistics, grants are awarded further to restricted calls following invitations to submit proposals to the members of the ESS.

Beneficiaries of grant agreements signed by Eurostat are mainly National Statistical Institutes (NSIs) of the EU Member States, of the enlargement countries and of the EEA/EFTA States. They do not belong to a high-risk environment: they are public sector organisations and partners of Eurostat within the European Statistical System (ESS). The number of Eurostat grants' beneficiaries is limited and the population of potential beneficiaries is highly stable, as they are NSIs or other national authorities designated by the Member States as members of the ESS.

Different stages of transactions and their controls are presented in Annex 6. As required by Article 74(5) of the Financial Regulation, all financial transactions related to both grants and procurements are subject to *ex ante* controls on operational and financial aspects. All *ex ante* controls are based on checklists or working instructions, ensuring compliance with the regulatory framework. All errors detected ex ante are corrected before authorising a transaction.

estat_aar_2024 Page 29 of 48

Regarding procurements for the determination of the amount at risk, a flat error rate of 0.5% is applied as the most conservative and prudent approach, as no *ex post* controls are carried out on procurement transactions. In specific, procurement transactions are validated on the basis of the acceptance of deliverables and/or time sheets against pre-defined price in the contract. It can be concluded that there are indications that the equivalent error rate might be close to 'zero'.

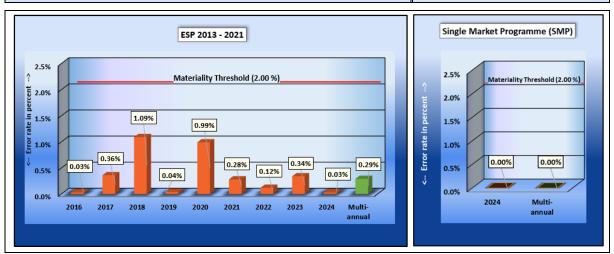
Ex ante controls did not identify major weaknesses in the reporting year.

Regarding grants, reassurance was given by complementary financial *ex post* controls. Six *ex post* controls were launched in 2024. All auditees were selected on the basis of a stratified sampling strategy, taking also into account the risks that were identified. All controls were finalised within the reporting year. In addition, one assessment of the correct application of the unit cost methodology for direct personnel costs was launched and finalised in 2024. The assessment did not identify any findings or errors.

2024 was the first year in which grants funded under the Statistics Pillar of the Single Marked Programme were also audited. For the determination of the control results and the amount at risk, the multi-annual detected error rate of the European statistical programme (ESP) 2013-2021 of 0.29% is applied as the most conservative and prudent benchmark for the controls performed on the Statistics Pillar of SMP 2021-2027.

The detected error rate for grants concluded under the **ESP 2013-2021** for the reporting year 2024 is 0.03%. The multi-annual detected error rate decreased from 0.35% to 0.29%.

The detected error rate for grants funded under the **SMP** for the reporting year is 0.00%.

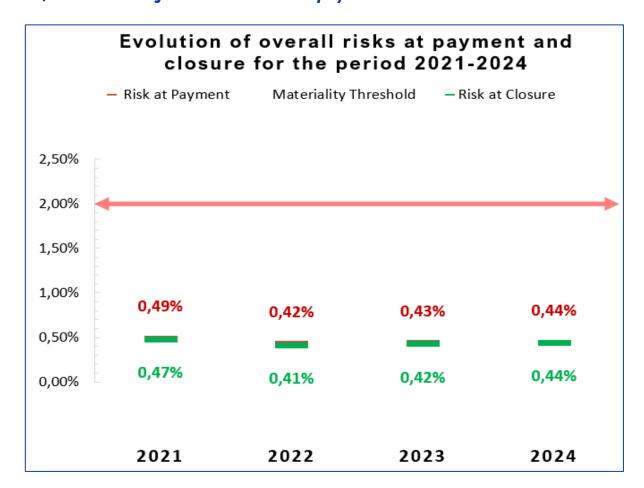


As the chart above indicates, all error rates are well below the materiality threshold of 2%. Therefore, it can be concluded that the controls in place are effective.

Further to the mandatory ex ante controls, in terms of management checks and supervision, a Market Committee reviews the quality of the terms of reference of planned calls for tender on a sample basis, based on pre-defined criteria. In 2024, the number of procedures analysed by the *Market Committee* was two, covering one lot for each procedure. The Committee gave a favourable opinion with comments for the two procedures. All comments were accepted. No specific issues had to be reported.

estat_aar_2024 Page 30 of 48

b) Estimation of the overall risk at payment and risk at closure



The estimated overall risk at payment for 2024 expenditure is the AOD's best conservative estimate of the amount of relevant expenditure during the year, not in conformity with the contractual and regulatory provisions applicable at the time the payment was made. This expenditure will subsequently be subject to ex post controls and a proportion of the underlying errors will be detected and corrected in subsequent years, corresponding to the conservatively estimated future corrections for 2024 expenditure. The difference between those two results in the estimated overall risk at closure.⁽⁸⁾

Since 2018, a stable level of the risk at closure has been observed that in turn can be explained mainly by the low-risk environment of Eurostat's financial transactions.

estat_aar_2024 Page 31 of 48

⁽⁸⁾ This is the AOD's best, conservative estimation of the expenditure authorised during the year that would remain not in conformity of applicable regulatory and contractual provisions by the end of implementation of the programme.

It is worth noting that, with the adoption of the Single Market Programme (SMP), new models of funding (lump sums, financing not linked to costs) were introduced. A number of grants are based on one of those simplified payment models. In relation to those new funding models, there is no risk of overclaim related to financial statements of grant beneficiaries, therefore it is estimated that the more these new models of funding are put in place, the more the error rates and the overall risk at payment will level off at a low level.

For an overview at Commission level, the departments' estimated overall risk at payment, estimated future corrections and risk at closure are consolidated in the Annual Management and Performance Report.

c) Quantitative benefits of controls: Preventive and corrective measures

With its ex ante and ex post controls, Eurostat has an effective mechanism in place for detecting and correcting errors, reaching in total EUR 2.46 million of corrections for 2024. Ex ante controls resulted to EUR 2.41 million and ex post controls resulted to EUR 0.05 million. Please see details in Annex 3 table 8.

This increase compared to last year (EUR 1.53 million and EUR 0.01 million respectively) is mostly explained by corrections coming from ex ante controls. This increase compared to 2023 refers to technical corrections, and it is not an indication of a higher amount of rejected costs further to detected errors.

d) Assessment of control results for non-expenditure items – safeguarding assets and information

Eurostat's information systems and data are highly important assets supporting Eurostat's mission to provide high-quality statistics and data on Europe.

Eurostat regards it as crucial to safeguard, monitor and secure its information systems and applications as well as its collection, handling and hosting of sensitive information, including the dissemination chain and the website used for publishing statistics and press releases.

In the context of IT security and data integrity, there are three main objectives: awareness, implementation and monitoring, in line with the main action lines included in the EC IT Security Strategy 2023-2024. The control objectives in place focus on:

- i) raising the necessary staff awareness on the EC Security Policies, standards and best practices, including Eurostat's information security policy;
- ii) the implementation of the controls defined in the EC policies with the support of EC central services; and
- the monitoring and access controls applied to the IT infrastructure, the information systems and information, implementing the continuous improvement in the

estat_aar_2024 Page 32 of 48

operational procedures based on the lessons learnt as a result of the monitoring, report and review processes.

The benefits of the controls focus on the alignment with the EC policies and their standards ensuring an adequate level of protection while limiting the burden associated with their implementation.

In 2024, there were no relevant incidents recorded regarding data reception, processing and dissemination, including through Eurostat's website.

Regarding the safeguarding of sensitive information, the control objectives are defined in the following areas: the identification, classification and inventory of sensitive information in Eurostat; effective protection, use and access to sensitive information; and the access controls applicable to sensitive information. In 2024, no relevant incidents leading to breach of confidentiality were reported.

Within the ESS, the ESS IT security framework, in its second cycle, defines the controls to be put in place in order to safeguard the sensitive statistical information within the scope of exchange of data related to intra-EU trade statistics. Eurostat, as part of the ESS, already completed the re-certification process by an external company, demonstrating the adequate design and implementation of these controls, and it successfully coordinated the recertification process among all the ESS members participating in the exchange.

e) Fraud: prevention, detection, and correction

Eurostat has developed and implemented its own Anti-Fraud Strategy (AFS) since 2013, based on the methodology provided by OLAF. In 2024, Eurostat continued to implement its AFS and Action Plan for 2021–2024, and it developed the new AFS (with corresponding Action Plan) for 2025–2027, following the risk assessment exercise and the methodology provided by OLAF. All planned actions for 2024 were implemented and are in line with the Commission's anti-fraud strategy objectives.

During the year, the focus was on improving awareness among staff in order to strengthen Eurostat's anti-fraud capacities. Eurostat provided information sessions on anti-fraud to all Eurostat's newcomers during every 'internal induction programme' training.

Additionally, Eurostat continued cooperation with OLAF by regularly participating in the Fraud Prevention and Detection Network (FPDNet) meetings, and it contributed to several actions of the Commission Anti-Fraud Strategy Action Plan.

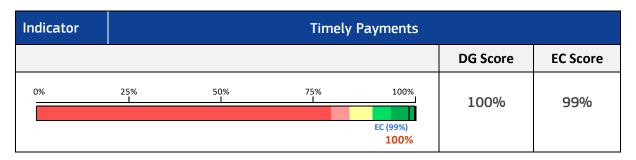
Eurostat does not have any financial recommendations from OLAF to follow up on.

Eurostat neither registered a fraud nor reported to OLAF any potential fraud-related case during 2024.

estat_aar_2024 Page 33 of 48

2.1.3. Efficiency of controls

To assess the best possible relationship between resources devoted to controls and outputs achieved, Eurostat defined a set of efficiency indicators which are regularly monitored and analysed. The tables below provide an overview of the timely payment indicators related to grants and procurements.



In the reporting year, timely payments covered 100% of the total value of payments due to the optimisation of processes and a dedicated payment time monitoring system, supported by an active follow-up of the advancement of individual payment files through the payment process.

lediente.	Reporting Year				
Indicator	2020	2021	2022	2023	2024
Grants					
Average time-to-inform applicants [Art 194 (2a) FR sets a time limit of six months] (180 days)	63 days	98 days	79 days	96 days	107 days
 Average time-to-sign grant agreements or notify grant decisions [Art 194 (2b) FR sets a time limit of three months] (90 days) 	44 days	53 days	67 days	52 days	41 days
Payment accepted amount in time (in percentage)	100.00%	99.15 %	100.00 %	99.78 %	100 %
• Average time-to-pay [Art 116 FR]	27 days	32 days	24 days	23 days	18.9 days
_					
Procurements					
• Payment accepted amount in time (in %)	100.00%	99.54 %	100.00 %	99.94 %	100 %
• Average time-to-pay [Art 116 FR]	18.5 days	19.6 days	18.0 days	18.2 days	16.4 days

On average, in 2024, Eurostat informed applicants of grant decisions in 107 days and signed grant agreements in 41 days. As compared to the previous year, the time-to-inform indicator shows an increase while the time-to-sign indicator has decreased. In the reporting year, Eurostat's average time-to-grant indicator (i.e. the sum of average time-to-inform and time-to-sign days) stood at 148 days and remained well within the nine months limit set in the Financial Regulation.⁽⁹⁾ Nevertheless, in 2024 Eurostat registered two cases – for grant

estat_aar_2024 Page 34 of 48

⁽⁹⁾ Article 197 2 (a) and (b) of Regulation (EU, Euratom) 2018/1046 on the financial rules applicable to the general budget of the Union, repealing Regulation (EU, Euratom) No 966/2012; (in the FR time limits are fixed in months: 6+3 months).

projects under calls for proposals from the previous year – in which the time-to-grant time limit was slightly exceeded (272 and 275 days).

In 2024, the average payment times improved for both grants and procurement (18.9 days and 16.4 days respectively compared to 23.4 days and 18.2 days in 2023). This is the result of a monitoring system being in place complemented with the active follow-up of payments, in addition to the use of electronic tools and workflows.

Additionally, as a result of a dedicated monitoring system being in place, similar to the payment monitoring system, Eurostat maintained its 'timely de-commitment' indicator at 100% in the reporting year

Indicator	Objective	ESTAT Score	EC Score
Timely Decommitments	Ensure efficient decommitment of outstanding RAL at the end of commitment life cycle	100%	90%

2.1.4. Economy of controls

The calculation of the cost of controls is based on a best and most reasonable estimate. Staff costs were measured by multiplying the number of full-time equivalents (FTEs) attributable to control-related activities with an annual average cost rate depending on the staff category. External costs were included in the calculation using the individual contracted amount. As in preceding years, the estimation of FTEs for staff is based on data supplied by the ATLAS-Tool. Those data are regularly revised and updated. Eurostat believes that the calculation of cost gives a true and fair view of Eurostat's control costs for the reporting year.

estat_aar_2024 Page 35 of 48

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⁽¹⁰⁾ The corporate methodology for the estimation, assessment and reporting on the cost-effectiveness of controls was revisited in September 2018 and applied for the first time in the 2018 annual reporting. The difference in the estimated cost of controls compared to previous years derives from this new methodology and does not reflect any substantial change in the DG's control strategy.

⁽¹¹⁾ ATLAS (Activity and Task Logging for Allocated Staff) is a workforce reporting and planning tool that helps to allocate resources to priorities and provides up-to-date information on the allocation of resources to political priorities, and activities.

The cost-efficiency ratio increased from 11.4% in 2023 to 13.8% in 2024. This effect was primarily caused by a decrease of payments executed in the vear 2024 (decreasing from EUR 94.12 million in 2023 to EUR 81.81 million in 2024). In addition, the cost of controls in absolute value slightly increased as a result of updated annual average FTE costs.



Efforts to improve economy of controls continued in 2024. At the same time, it should be noted that Eurostat is implementing a rather small volume of budgetary appropriations per financial year. Although the average size of grant transactions is relatively small, a full set of controls must be put in place. Additionally, it is important to note that controls are implemented to manage revenue and expenditure in line with the Eurostat Control Strategy on budget implementation and in accordance with the underlying budgetary rules and regulations, ensuring compliance with the requirements regarding the legality and regularity of transactions. To prevent, detect and correct errors and irregularities, many of the controls performed in Eurostat are mandatory. This results in diseconomies of scale and the margin for reducing them is limited.

Initiatives to improve the cost-effectiveness of controls

In 2024, Eurostat continued to implement on-going grant actions with simplified forms of financing, such as unit costs, flat rate, single lump sum and financing not linked to costs. In addition, in the reporting year Eurostat launched calls for proposals with an additional form of simplified grant funding ('single lump sum based on estimated budget'). All Eurostat calls included one or several forms of simplified funding in 2024, such as unit costs for direct personnel costs, flat rate or lump sums.

2.1.5. Conclusion on the cost-effectiveness of controls

Based on the most relevant key indicators and control results reported above, Eurostat has assessed the effectiveness, efficiency and economy of its control system and reached a positive conclusion on the cost-effectiveness of the controls for which it is responsible.

estat_aar_2024 Page 36 of 48

Eurostat faces relatively high costs for the implementation of its control activities, but these costs are proportionate and necessary. As explained above, Eurostat is implementing a rather small volume of budgetary appropriations, nonetheless requiring a full set of controls. The benefits of the controls are demonstrated by low error rates and efficiency indicators that prove the best possible relationship between resources devoted to the controls and the outputs achieved. In addition, there are several non-quantifiable benefits resulting from the controls performed, such as ensuring that financial transactions are implemented in accordance with applicable rules and regulations. Furthermore, controls can also help to ensure financial discipline in organisations (pedagogical and dissuasive effects). In conclusion, Eurostat considers that the current control system and strategy represents a reasonable balance between the invested efforts (cost of controls), the obtained error rates (effectiveness of controls), and the delivery of objectives (efficiency).

estat_aar_2024 Page 37 of 48

2.2. Audit observations and recommendations

This section briefly sets out the state of play for all audit observations and recommendations reported by auditors related to internal control and financial management – including the limited conclusion of the Internal Auditor on the state of internal control. Further details about the Internal Audit Service (IAS) and European Court of Auditors (ECA) audits can be found in Annex 8.

Where an audit has detected weaknesses affecting any internal control principle or the department's assurance, a detailed analysis is provided further below in section 2.3 and 2.4, accordingly.

Internal Audit Service

In its contribution to the 2024 Annual Activity Report process, the Internal Audit Service concluded that the internal control systems in Eurostat that are in place for the audited processes are effective.

European Court of Auditors

Reported	Audit Title	Accepted Recommendation	State of play in 2024	Impact on the assurance for 2024
2024	SR 16/2024 'EU revenue based on non-recycled plastic packaging waste: A challenging start hindered by data that is not sufficiently comparable or reliable'	Recommendation: 2a and 2b		~

Action plan implemented and closed by IAS or ECA / No impact on the assurance

Action plan implementation is ongoing or awaiting review from IAS or ECA

Preparation of the action plan

Impact on the assurance

Eurostat has assessed the observations and recommendations issued by the ECA and in 2024 continued implementing action plans addressing audit recommendations.

Eurostat concluded that audit observations and recommendations do not reveal significant weaknesses in the effectiveness of the internal control system that would require the declaration of assurance to be qualified with a reservation.

estat_aar_2024 Page 38 of 48

2.3. Assessment of the effectiveness of internal control systems

The Commission has adopted an Internal Control Framework based on the highest international standards. (12)

Eurostat has adapted the Internal Control Framework to its specific characteristics and organisational structure. The internal control systems are suited to achieving its policy and internal control objectives in accordance with the internal control principles, having due regard to the risks associated with the environment in which it operates.

Eurostat assessed the effectiveness of the internal control system and its results following the methodology established by DG BUDG in the 'Implementation Guide of the Internal Control Framework of the Commission'. Annex 8 presents the detailed approach and information sources used in the assessment.

The functioning of the internal control systems was monitored closely throughout the year. Twice a year, Eurostat's management monitors the implementation of the mitigating actions referring to audit recommendations, discharge recommendations, risks at DG-level, and the implementation of the anti-fraud strategy.

Additionally, twice a year, Eurostat's management assesses if:

- 1. new mitigating actions need to be implemented to further mitigate identified risks;
- 2. the level for the risks included in Eurostat's risk register has changed;
- 3. new risks have been identified.

The results of the monitoring of the IC indicators 2024 did not show any significant deficiencies.

There are no 'critical' or 'very important' audit recommendations issued by the IAS.

Eurostat has assessed the open recommendations issued by the IAS and the ECA and considered the underlying risks as already mitigated by the ongoing implementation of action plans to address these audit recommendations.

The 'Exceptions and Non-compliance Register' did not yield significant weaknesses.

The 'Register of Internal Control Strengths and Weaknesses' did not yield any significant deficiencies

The 'Periodic validation of user access rights granted in ABAC' for 2024 did not issue any significant weaknesses.

No significant issues have been disclosed in the AOSD declarations for the year 2024.

Nine out of eleven corporate financial scoreboard indicators were at or above the Commission average.

estat_aar_2024 Page 39 of 48

The Committee of Sponsoring Organizations of the Treadway Commission Internal Control Integrated Framework, the golden standard for internal control systems.

The analysis of the effectiveness of Eurostat's internal control system resulted in the assessment that it is effective and functioning.

The results of the assessment were analysed and discussed by the Director-General and the Director in charge of Risk Management and Internal Control (DRMIC) at a dedicated meeting held in January 2025.

Eurostat has assessed its internal control system during the reporting year and has concluded that it is effective, and the components and principles are present and functioning as intended.

estat_aar_2024 Page 40 of 48

2.4. Conclusions on the assurance

IAS concluded on the state of internal control that the internal control systems in Eurostat that are in place for the audited processes are effective.

Eurostat has assessed its internal control system during the reporting year and has concluded that it is effective, and the components and principles are present and functioning as intended.

The information provided in the earlier part of this report covers the budget delegated to the AOD of Eurostat. The information is complete and reliable, as confirmed by the statement of the DRMIC (presented in Annex 1).

In conclusion, based on the elements reported above, management has reasonable assurance that, overall, suitable controls are in place and working as intended; risks are being appropriately monitored and mitigated; and necessary improvements and reinforcements are being implemented. The Director-General, in her capacity as Authorising Officer by Delegation has signed the Declaration of Assurance.

estat_aar_2024 Page 41 of 48

2.5. Declaration of Assurance

Declaration of Assurance

I, the undersigned, Mariana Kotzeva,

Director-General of Eurostat,

In my capacity as authorising officer by delegation

Declare that the information contained in this report gives a true and fair view (13).

State that I have reasonable assurance that the resources assigned to the activities described in this report have been used for their intended purpose and in accordance with the principles of sound financial management, and that the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions.

This reasonable assurance is based on my own judgement and on the information at my disposal, such as the results of the self-assessment, expost controls, the work of the Internal Audit Service and the lessons learnt from the reports of the Court of Auditors for years prior to the year of this declaration.

Confirm that I am not aware of anything not reported here which could harm the interests of the institution.

Luxembourg, 01/04/2025

(ARES-signature)

Mariana Kotzeva

estat_aar_2024 Page 42 of 48

True and fair in this context means a reliable, complete and correct view on the state of affairs in the DG/Executive Agency.

3. MODERNISING THE ADMINISTRATION

3.1. Human resource management

In 2024, Eurostat continued to focus on ensuring the effective management of human resources. The key elements of the HR activities in 2024 were the recruitment of staff, their onboarding, and their career opportunities.

Despite the challenging situation on the Luxembourgish job market, Eurostat managed to further **decrease its vacancy rate** and maintain it below the Commission average, which is a significant achievement in comparison to previous years. To overcome persistent recruitment difficulties in 2024, an external specialised **EPSO competition in statistics** was launched. Eurostat contributed substantially to the necessary EPSO preparatory work for the competition (exam preparation, jury, markers etc.).

To onboard **newcomers** faster and more effectively, in 2024 three regular induction programmes were organised and the newcomers' guide was extensively updated. Eurostat also continued to actively support a dedicated network to ensure a smoother integration of newcomers.

Regarding **career opportunities**, Eurostat staff were informed about all upcoming career development programmes on the Eurostat Intranet. In addition, the statistical learning package was put together and has been available since early July. Furthermore, to respond to the challenges linked to digitalisation and IT modernisation for statistical production, most of the in-house training focused on digital skills.

Eurostat further strengthened the **gender balance** among senior and middle managers, which now stands at 56.1% for female representation. As regards the new targets, ⁽¹⁴⁾ Eurostat exceeded its target of one first female appointment by recruiting two new female middle managers in 2024. Eurostat will continue the principle of making balanced first appointments at the middle management level. Eurostat fully used its allocated quota for the Female Talent Development Programme (FTDP) in 2024.

Eurostat continued its 40% office and 60% **teleworking** scheme in line with the revision of the Commission Decision on working time and hybrid working.

In 2024, Eurostat continued the external publication, on the Eurostat and EPSO websites, of vacancies for temporary agents and contract agents. This helped broaden the group of potential candidates and identify more potential candidates, including from underrepresented nationalities, aiming at more **geographically balanced recruitments**. For almost all the selection panels of contract agents and temporary agents, at least one candidate from an under-represented Member State was interviewed throughout the year

estat_aar_2024 Page 43 of 48

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⁽¹⁴⁾ SEC(2023) 200.

with very few exceptions (e.g. when no applications from under-represented Member States were received).

Eurostat followed up on the results of the **Commission's 'Speak Up' Staff Survey 2023**, published in March 2024. The staff engagement index reached its highest-ever score of 79%, an increase of 1 pp since the last staff survey - with the average across the Commission being 73%. Still, the Staff Survey served as a springboard for further reflection and action, involving all staff members to further improve Eurostat as a workplace, such as through staff meetings at Directorate and Unit levels and staff comments on the draft action plan before its finalisation). As a follow up, it was decided to undertake improvement actions in three areas: (i) managing professional future; (ii) managing change and innovation; and (iii) improving communication, including on strategic issues by senior managers. The progress and impact of the agreed actions will be regularly followed by senior management throughout 2025.

Internal communication continued to keep staff up to date with Eurostat's organisational developments and with Commission and HR-related news. People and team-related articles continued to be published on Eurostat's 'Cybernews' intranet, helping to promote a sense of corporate belonging and a feeling of togetherness in the hybrid workplace. Staff engagement and visits to the Intranet remained high during 2024. Additionally, the in-house magazine 'Eurostat-infos' was successfully transitioned into a fully electronic newsletter and published four times during the year. To further enhance staff engagement, regular internal meetings and events involving staff and senior management were organised.

In 2024, further actions of Eurostat's **equality action plan** were undertaken to promote equality, diversity and inclusion within Eurostat. A particular focus was put on geographical balance in recruitment procedures. An accessibility audit of the BECH building regarding persons with disabilities was organised by the Diversity and Inclusion Office. The Diversity and Inclusion Office also gave a presentation entitled "Diversity and Inclusion Office: Creating a More Inclusive Workplace Culture at Eurostat" to Eurostat staff. Furthermore, the Chief Confidential Counsellor (CCC) visited Eurostat to speak to staff about her role and the Commission's renewed anti-harassment policy. Finally, as far as internal communication is concerned, several Intranet articles were published on those topics.

estat_aar_2024 Page 44 of 48

3.2. Digital transformation and information management

Digital transformation

In 2024, Eurostat continued to participate actively in the Commission's Digital Transformation community, regularly attending the Digital Stakeholders Forum, the Digital Workplace User Group, and other corporate IT fora. Moreover, Eurostat continued to participate in Cloud Council workshops, the corporate group that drives the transition to cloud computing.

- Eurostat made progress implementing the <u>Commission Digital Strategy</u> through several activities related to the strategy's objectives. Eurostat supported the implementation of objective 1, 'Digital culture', through various activities. Four quarterly sessions of the IT Forum were held, that being the main Eurostat information and discussion event for IT matters. Significant effort was devoted to facilitating the adoption of the M365 digital collaboration suite, delivering the 'M365 Roadshow' to many units and directorates throughout the year.
- Eurostat supported objective 2, 'Digital-ready EU policymaking', with the final adoption of the revised Regulation (EC) No 223/2009 on European statistics.
- Within the scope of objective 3, 'Business transformation', Eurostat continued to direct
 IT activities and investments in line with the Commission Digital Strategy. Eurostat
 launched the drafting of a new Eurostat Digital Strategy for 2025-2028, which will
 be based on the monitoring tools and indicators of the Commission Digital Dashboard.
- Under objective 4, 'Seamless digital environment', in the context of the modernisation
 of data processing systems, Eurostat completed the development of the SAS VIYA
 production infrastructure and continued to progressively decommission its remaining
 legacy IT systems.

Information and IT security rules

Eurostat delivered on all planned activities relevant to objective 5, 'Green, secure and resilient infrastructure', and the Commission Security Strategy 2023-2024. Eurostat completed the third review of the IT security plans of all information systems; reinforced business continuity by introducing a yearly Business Continuity Management process and cycle; offered several cybersecurity awareness campaigns to improve the cybersecurity knowledge of all Eurostat staff members; and completed the migration to the Welcome domain within the expected timeframe.

Data, information and knowledge management

In 2024, Eurostat continued its efforts to make its data and metadata more easily accessible through modern technologies, including by publishing its main statistical classifications as linked open data. This comprises a new feature available in Eurobase, which allows users to access data cell specific footnotes.

estat_aar_2024 Page 45 of 48

Eurostat further developed its Data Lab, which is used to experiment with a wide range of alternative data sources.

Data protection

Regarding compliance with the Commission's Data Protection Action Plan (C(2018) 7432 final), all Eurostat Units concerned kept records in the Data Protection Management System (DPMS). Records related to specific data processing operations carried out by Eurostat were monitored on a regular basis and the necessary updates were made in the DPMS with the support of Eurostat's Data Protection Coordinator (DPC) team.

To reach the target of 100% of staff attending awareness raising activities on data protection by the end of 2024, several actions were undertaken. Data protection training was integrated into the newcomers' induction programme for Eurostat staff, thereby making the training available to all staff members entering service. The DPC published four data protection-related articles on the Intranet in 2024. On the occasion of the visit of the Commission's Data Protection Officer, Eurostat organised a presentation on data protection that was open to all staff members.

estat_aar_2024 Page 46 of 48

3.3. Sound environmental management

In line with the European Green Deal, in 2022 the Commission presented the Communication and action plan on Greening the Commission, with the objective of reducing net greenhouse gas emissions by at least 60% by 2030 (compared to 2005) and of compensating carbon emissions with carbon removals to reach climate neutrality by 2030 (15). The Eco-Management and Audit Scheme (EMAS) in the Commission plays a key role in implementing this action plan. With the support of its internal EMAS network, Eurostat continued to work towards greening its own activities and raising environmental awareness.

In 2024, Eurostat continued to monitor its own carbon emissions and assess progress towards carbon neutrality. <u>Eurostat's carbon footprint decreased by 32%</u>, with a 61% emissions reduction in missions and experts' travel compared to 2019.

As indicated in the action plan 'Greening Eurostat', the effort to reduce emissions focused on the following areas:

- Promote a more efficient and sustainable use of our buildings and working space;
- Reduce business travel and use more sustainable modes of transport for:
 - 1. staff business travel (missions);
 - 2. external experts' travel and the organisation of meetings and conferences;
 - 3. staff commuting and moving around buildings.
- Optimise IT operations and assets;
- Monitor and mitigate emissions from all sources (carbon footprint management);
- Compensate for the remaining emissions with carbon removal credits;
- Support a green and circular economy by:
 - 1. producing less waste and more efficiently using resources (energy, water, paper);
 - 2. applying green public procurement (GPP) and organising sustainable events.
- Preserve and restore nature and biodiversity;
- Promote a fair, healthy and sustainable food system through sustainable catering;
- Environmental awareness.

As far as communication is concerned, <u>32 Intranet articles</u> were published in 2024. In addition, a <u>webinar on zero waste</u> was organised in February. A new session is planned for January 2025. Furthermore, several awareness-raising messages were sent through the EMAS network in Eurostat, and a <u>stand to inform staff</u> about how to improve their waste sorting habits <u>was set up in the cafeteria in November</u>.

estat_aar_2024 Page 47 of 48

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⁽¹⁵⁾ Communication to the Commission - Greening the Commission C(2022) 2230

3.4. Examples of economy and efficiency

As described in Part 2, Eurostat maintained all forms of simplified grant financing and extended their use by launching five calls with lump sum financing (a single lump sum based on an estimated budget).

In 2024, Eurostat continued implementing the current cycle of internal quality reviews of statistical processes and outputs and closed 14 quality reviews. This has helped to increase the standardisation of processes, improve the quality of statistical products, and increase the efficiency of producing statistics. The remaining 10 quality reviews of the current cycle are expected to be finalised in 2025.