



Annual Activity Report 2021

EUROSTAT

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THE DG IN BRIEF

Eurostat is the statistical authority of the European Union. Its mission is to provide high-quality statistics for Europe. To this end, Eurostat develops and promotes standards, methods and procedures that allow the cost-effective development, production and dissemination of European statistics. Eurostat's activities are governed by professional independence, 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 (EC) 223/2009 on European statistics¹, as well as the European Statistics Code of Practice². By providing reliable and comparable statistical information, Eurostat supports evidence-based EU policies and the implementation of the Commission's political priorities³.

Eurostat produces European statistics in partnership with the Member States based on shared statistical standards, methods, procedures, practices and tools. The Member States' National Statistical Institutes (NSIs) and other national authorities designated to produce official 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, as regards the development, production and dissemination of statistics. Eurostat also manages the inventory of statistics produced by other Directorates-General (DGs) of the European Commission (EC). In addition, Eurostat cooperates very closely with the European Central Bank and other international organisations in developing international standards to ensure the comparability of statistics across the globe.

Eurostat verifies public finance statistics and is also involved in the process for own resources verification. Furthermore, Eurostat supports DG Budget in the verification of the VAT statements provided annually by Member States.

The EU's statistical priorities are defined in multi-annual statistical programmes proposed by the Commission and adopted by the European Parliament and the Council. Eurostat implements the budget of the statistical programmes through grants and public procurement contracts, to provide European statistics to different users.

In 2021, Eurostat managed a total of 95.93 million Euro, made up of operational and administrative budget commitments, with both own and subdelegated appropriations.

¹ Regulation (EC) 223/2009 of the European Parliament and the Council of 11 March 2009 on European statistics, OJ L 87 of 31.3.2009.

² The European Statistical System Committee (ESSC) adopted the revision of the European Statistics Code of Practice in November 2017.

³ 'A Union that strives for more' Political guidelines for the next European Commission 2019-2024:

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

As of December 2021, Eurostat had 644 staff members (officials, temporary agents and contract agents), as well as 68 members of other personnel (seconded national experts, interim agents and trainees).

EXECUTIVE SUMMARY

This Annual Activity Report is a management report by 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 Treaties⁴.

A. Key results and progress towards achieving the Commission's general objectives and DG's specific objectives (executive summary of section 1)

In 2021, as the statistical authority of the European Union and as a Directorate-General of the Commission, Eurostat pursued its mission and commitment to delivering European statistics supporting EU policymaking in respect of the **headline ambitions defined in the Political Guidelines of President von der Leyen³, as well as in the Commission's coordinated response to the Covid-19 crisis.**

In line with 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.

Based on this plan, Eurostat's specific objective 1 is 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'**. In 2021, Eurostat contributed to this objective by providing **statistics to support policy and public debate on the Commission's six headline ambitions, as well as the management of and recovery from the Covid-19 pandemic crisis.**

The year 2021 continued to be heavily affected by the Covid-19 pandemic, which challenged the resilience of European countries and impacted on the global economy. The ongoing crisis has also continued to put the European Statistical System (ESS) and its production processes under significant pressure. This extraordinary health and economic situation has accelerated the need for timely availability of reliable and comparable European statistics. In this context, the results presented in this note proved Eurostat's ability to respond to these new information needs.

Eurostat and the National Statistical Institutes (NSIs) continued to use **innovative methods and new data sources**, which were also in many cases further developed in

⁴ Article 17(1) of the Treaty on European Union

order to respond to evolving demands for new information. Eurostat not only continued to be the trusted reference point for statistics for policymaking and published all statistics within deadlines and with the required quality, but it also further **expanded the production of statistics into emerging fields** related to the Covid-19 pandemic and its impact in the economic, social and environmental domains in Europe.

The **European Statistical Recovery Dashboard (ESRD)**, which Eurostat created in 2020 as a **new statistical information tool**, has been extended to better respond to the needs of policymakers at national and European levels in the Covid-19 crisis context. It covers statistical areas that are relevant for tracking the economic and social recovery from the pandemic in particular. Eurostat has continuously improved the European Statistical Recovery Dashboard with new indicators, expanded coverage, new functionalities and increased timeliness. Eurostat has disseminated the Dashboard **on a monthly basis since November 2020 and throughout 2021**.

Eurostat established **new streamlined data collections to reflect the accounting consequences of the economic measures** taken by EU governments in order to tackle the economic effects of the pandemic, as well as the recording of the **Recovery and Resilience Facility (RRF)** flows. The methodological work stemming from timely guidance on the correct implementation of accounting rules, led to higher quality and more harmonised public finance statistics, which are essential for **fiscal monitoring in the EU**, in particular for monitoring the statistical implications of the Stability and Growth Pact⁵. Eurostat also monitored the implementation of the following initiatives: Support to mitigate Unemployment Risks in an Emergency (SURE) and the Pan-European Guarantee Fund (PEGF), set up at European level.

In the field of social statistics, the relevance of **labour market data** remained high on the policy agenda, especially in relation to the Covid-19 crisis impacts. In this context, Eurostat released **new labour market indicators** to support high-level EU policies and to monitor the recovery from the Covid-19 crisis. In particular, these include indicators on employment, unemployment and labour market slack. In 2021, Eurostat disseminated **for the first time the labour market flows indicator for the whole EU**. These experimental statistics show the movement of individuals between different conditions: employed, unemployed and economically inactive.

The achievements related to labour market data and RRF flows supported the European Commission's efforts in response to the crisis and at the same time contributed to the Commission headline priority of **'An economy that works for people'**. As another major achievement supporting this Commission priority, in response to emerging information needs in the field of social statistics, several **data collections on health were adapted to embed Covid-19 related aspects** on a voluntary basis. Variables on **intensive care unit beds** and their occupancy were introduced in the annual healthcare joint data collection of Eurostat, OECD and WHO. In the annual data collection on causes of death, a

⁵ [Stability and Growth Pact | European Commission \(europa.eu\)](https://ec.europa.eu/economy_finance/stability-growth-pact)

breakdown of deaths by cause and by month allows for a more detailed analysis of the health situation and impact of the pandemic. Moreover, Eurostat adapted two data collections: 'European statistics on accidents at work' and 'European occupational disease statistics' to embed Covid-19 aspects relating to occupation. Additionally, the Commission adopted the implementing regulation concerning statistics on 'healthcare expenditure and financing, guaranteeing the continuation of European health accounts, which is **essential for monitoring European health-related spending and making long-term projections.** Furthermore, Eurostat prepared the joint evaluation and impact assessment of an overhaul of the legislation on labour market statistics on businesses (labour costs, earnings and job vacancies), which was prepared with the aim of moving towards **more relevant and timely data, with improved coverage.**

In the field of macro-economic statistics, Eurostat accompanied the **key macro-economic indicators** with suitable metadata on the statistical impacts of the Covid-19 pandemic. Eurostat published in December 2021 **new comparable indicators on labour, capital and multi-factor productivity**, based on national accounts data. Furthermore, the Commission has adopted a proposal for amending Regulation (EU) No 549/2013, and repealing 11 legal acts in the field of national accounts. This initiative will align the European System of Accounts (ESA) 2010 with the most recent international recommendations.

As a response to user needs for **more data and indicators on globalisation**, Eurostat has launched **intra-EU supply, use and input-output tables** (FIGARO tables) covering the years 2010-2019. The key benefit of the inter-country input-output tables is to provide statistics on the links among the EU economies and with non-EU partners. The tables provide indicators such as global value chains, economic growth and employment embedded in EU exports and carbon footprints. This **first time launch** will be followed by Eurostat's annual regular production.

In the field of business statistics, Eurostat provided for the **first time additional data** on new quarterly indicators on business registrations and on bankruptcies of businesses. Eurostat included these indicators, as well as new monthly indicators (turnover index of food and accommodation services) on the **tourism sector, which was particularly impacted by the Covid-19 crisis**, in the European Statistical Recovery Dashboard.

Eurostat's major achievements supporting the Commission priority '**A European Green Deal**' included a number of activities, particularly in sectoral and regional statistics. To respond to several new statistical needs stemming from this Commission priority, the **European Statistical System (ESS) adopted an action plan 'European Statistics for the Green Deal'**. As part of this action plan, a **review of climate change related statistics** was undertaken, responding to new data needs and piloting a new approach for prioritisation in the European Statistical System.

Furthermore in the context of European Green Deal, Eurostat included new data in the European Statistical Recovery Dashboard, in particular the new indicators on air quality. Eurostat started regularly publishing the **indicator on monthly average NO₂**

concentrations, which is used to monitor the environmental aspects of the Covid-19 pandemic.

The establishment of the **first quarterly greenhouse gas estimates** for the EU economy has substantially improved the data timeliness on this environmentally crucial area of statistics, enhancing the possibilities for environmental economic analysis in the Green Deal.

In the context of the new EU own resource based on non-recycled plastic packaging waste, Eurostat established a new formal expert group on statistics on plastic packaging waste, to assist the Commission on the appropriateness, exhaustiveness and comparability of the data. Eurostat supported DG Budget and the Member States in preparing **forecasts of the plastic own resource for the years 2021 and 2022**. Additionally Eurostat is modernising **waste statistics** to contribute to progress towards the Sustainable Development Goals - Eurostat improved the guidance for Member States in order to put a stronger focus on plastic packaging waste. The 2021 **EU Sustainable Development Goals (SDG) monitoring report**⁶, as well as the accompanying communication package was released on 15 June. Based on the data provided by Eurostat, **progress made by Member States towards the SDGs was also assessed in the context of the European Semester**.

Additionally Eurostat tabled the **most ambitious amendment of the Energy Statistics Regulation**⁷, which is essential for monitoring the energy transition under the European Green Deal and establishing a global benchmark on energy statistics requirements and methodologies. It entered into force in February 2022 and applies to 2022 as the first reference year.

Eurostat also produced **transport statistics** on road freight, maritime, aviation, railways and inland waterways, at national and regional level with **improved timeliness**.

Finally, a number of developments in agricultural legislation took place. The Commission adopted the proposal for a regulation amending Regulation (EU) 2018/1091 on **Integrated Farm Statistics** (IFS) as regards the financial framework for the period 2021-2027. Furthermore, the Commission adopted the implementing Regulation setting up the list of variables for (IFS) 2023 data collection, which include information on, for example, irrigation, soil management practices, machinery and equipment, which are crucial for the monitoring of the European Green Deal and linked policies. Last but not least, the Commission has updated Annex III of Regulation (EC) No 1185/2009 on pesticide statistics, which will allow the Commission to publish **more pesticide aggregates** that are relevant to the harmonised risk indicators.

⁶ Sustainable development in the European Union — Monitoring report on progress towards the SDGs in an EU context — 2021 edition - Products Statistical Books - Eurostat (europa.eu)

⁷ Regulation (EU) 2022/132 on energy statistics, OJ L 20/208, 31.01.2022; [EUR-Lex - 32022R0132 - EN - EUR-Lex \(europa.eu\)](#)

published the **first experimental statistics on short-term accommodation**, which is a great example of the impact of digital platforms on the service sector.

In line with its strategic plan 2020-2024, Eurostat contributed to specific objective 2, **'Better meeting user needs by fostering partnerships and embracing innovative data sources and technologies'**.

Eurostat and the National Statistical Institutes strengthened their capabilities in using web data for producing European statistics by building up important pillars of the **Web Intelligence Hub**. Content from around 300 online job portals is currently collected on a continuous basis to produce quarterly data on around 12 million job advertisements for all EU Member States with standardised information on the advertised job characteristics and the profiles demanded, e.g. occupations, skills, or education. The curated data can be accessed by the statistical offices to produce labour market related statistics. A first version of the **Web Intelligence Platform**, which enables the statistical offices to retrieve content from the web in other areas, such as enterprise characteristics or tourism, was launched at the end of 2021.

Eurostat also successfully launched the **third round of ESS peer reviews**. The peer reviews are important for reviewing the compliance of the ESS members with the European Statistics Code of Practice and for **identifying forward-looking and innovative** recommendations for improvement. Nine peer reviews were conducted in 2021, including that of Eurostat, and around half of them had to be performed remotely because of Covid-related restrictions. The European Statistical Governance Advisory Board (ESGAB) performed the peer review of Eurostat and published the results as part of its 2021 annual report. The report concludes that Eurostat has progressed a lot over a range of criteria that are relevant for the production of high-quality European statistics and puts forward recommendations focused on preparing for future challenges.

In relation to strategic plan specific objective 3, Eurostat focused on **'better communicating and promoting European statistics and facilitating their use by policymakers, citizens, businesses, researchers and the media'**. This was achieved by a number of initiatives and deliverables, in particular Eurostat being **more agile and innovative, proactively reaching out to users to ensure effective dissemination and communication of statistics** among different stakeholder groups. **Eurostat has led by example** and promoted good practices within the European Statistical System, particularly by implementing its recently adopted dissemination and communication strategy.

Eurostat published the 2021 editions of its **flagship publications** *Key figures on Europe*, *Eurostat Regional Yearbook* and *Sustainable development in the European Union*, **including in a digital interactive formats**. The *Key figures* series was further expanded with the publication of *Key figures on European business* and *Key figures on the European food chain*. Furthermore, three brand **new interactive visualisation tools with novel features** were disseminated in the area of energy statistics. New interactive tools were also developed for sector accounts, eco-trends and the SDG country tool. For user-friendly

access to the data, Eurostat also developed a dedicated webpage on the EPSR scoreboard⁹ containing a complete set of the indicators complemented by country profiles and **visualisation tools**. New dedicated sections were also created for quality and the European Statistical System.

Eurostat successfully rolled out its **new dissemination environment**, including the integration of the navigation tree in the new data browser, which will allow users to find the relevant data more easily.

All **Eurostat social media channels significantly expanded their reach**. Twitter, Facebook and Instagram accounts gained more followers and Eurostat exceeded its targets for growing the follower base on all platforms.

The achievements listed above demonstrate the value added that Eurostat brings to public debate and to the design, monitoring and evaluation of Union policies, by providing comparable and high-quality data and statistics on Europe. **A similar level of harmonisation, comparability and quality could not be achieved by Member States alone.**

Last but not least, the diverse and gender-balanced structure of Eurostat's staff and its management team deserves to be underlined (this subject is elaborated in more detail in Part 2). The new **Commission Gender Equality Strategy** provided measures to achieve gender equality at all levels of management by the end of 2024. **Eurostat is fully on track with the required number of first female appointments in middle management** for the period 2020-2022. At the end of 2021, women occupied 51.4% of middle management positions in Eurostat. Eurostat also nominated a permanent Deputy to the Director for each of its Directorates - at the end of 2021, women occupied 57.1% of Deputy to the Director positions in Eurostat.

B. Key Performance Indicators (KPIs)

Eurostat has defined three Key Performance Indicators to monitor and measure the achievement of objectives.

The first indicator was defined in the Strategic Plan 2020-2024 as the 'Number of data extractions', to measure the relevance of European statistics for users. It was calculated as the number of data extractions from Eurostat dissemination databases, via the Eurostat website, by external users.

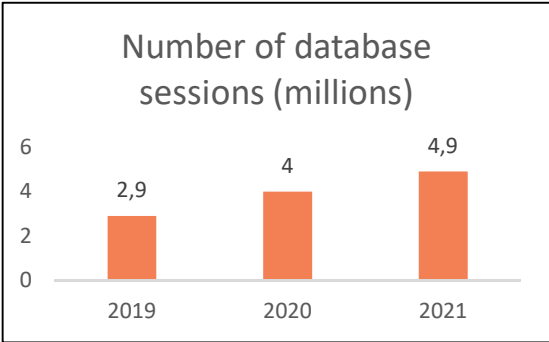
It had to be changed for two reasons. One, Eurostat is now using a different website-monitoring tool (Piwik) than in the past. Piwik is the standard tool for the Commission and

⁹ Social scoreboard indicators - European Pillar of Social Rights - Eurostat (europa.eu)

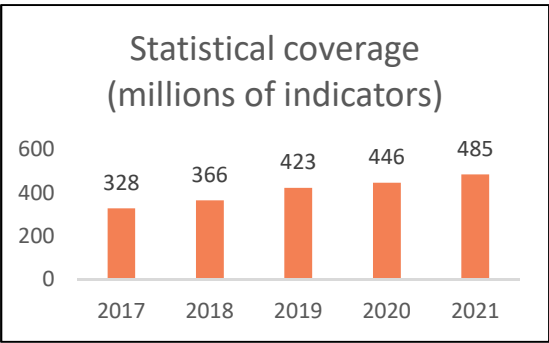
does not count extractions in the same way as the old one. Two, Eurostat has developed a new application to access the database called 'Data browser' replacing the old 'Data explorer'. This new application counts data extractions in a different way than the old one. In addition, the two applications have coexisted in the last two years, to give users time to get familiar with the new one. Data explorer will be retired in 2022. Therefore, the most meaningful indicator is to count the 'Number of database sessions'. They can be counted independently of the application the external users use to visit the Eurostat dissemination databases, guaranteeing comparability over time.

The indicator shows a noticeable increase from 2019 to 2021 (see graph below), confirming the relevance of European statistics.

However, part of the increase may be due to users testing the new data browser to become familiar with its functionality before it replaces the older data explorer. This level of database sessions is expected to fall back as users become familiar with the new application, but thereafter to resume its increase year to year.



The second key performance indicator, 'Statistical coverage', measures the relevance of the statistics published by Eurostat. It shows how the quantity and variety of data published by Eurostat evolves. It is calculated as the number of indicators, sub-indicators and all their breakdowns included in Eurobase (the Eurostat dissemination database).

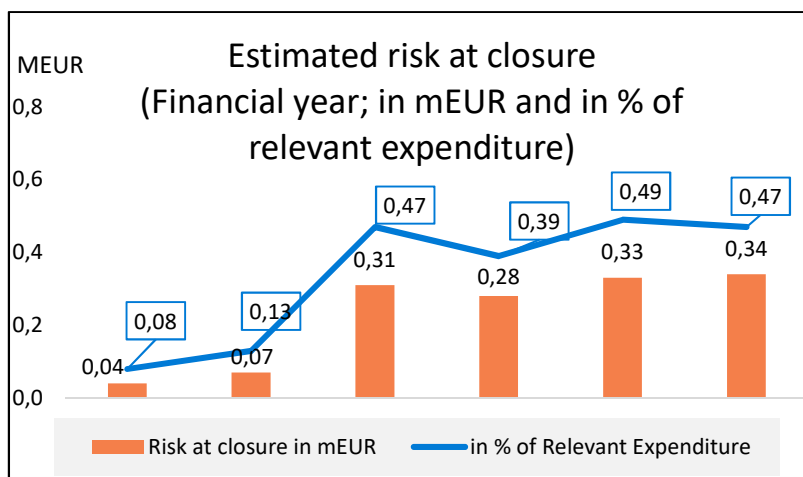


This KPI shows an increase of 39 million compared to last year, demonstrating that Eurostat has enlarged its offer of statistics to meet new user needs. It is presented in the graph to the right.

Both the KPIs above can be analysed together, showing that during 2021, Eurostat enlarged its database with additional new data, which were relevant for the users, as reflected in increased number of database sessions.

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 slightly increased from EUR 0.33 million in 2020 to EUR 0.34 million in 2021. As a percentage of the relevant expenditure, the opposite effect can be observed; it decreased from 0.49% in 2020 to 0.47% in 2021. It is stable below 2% of the relevant expenditure set as target value.



C. Key conclusions on Financial management and Internal control (executive summary of section 2.1)

In line with the Commission's Internal Control Framework, Eurostat has assessed its internal control systems during the reporting year and has concluded that they are effective and the components and principles are present and functioning well overall, but some improvements are needed as minor deficiencies were identified related to principles 4, 15, and 16. Please refer to AAR section 2.1.3 for further details.

In addition, 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 2.1 for further details.

In conclusion, management has reasonable assurance that, overall, suitable controls are in place and working as intended; risks are being appropriately monitored and mitigated. Improvements are necessary concerning the IC principles 4, 15, and 16. The following actions are being/will be taken in this respect:

The improvements implemented or envisaged refer mainly to the implementation of the 'very important' IAS audit recommendations on HR management.

The Director-General, in her capacity as Authorising Officer by Delegation has signed the Declaration of Assurance.

D. Provision of information to the Commissioner

In the context of the regular meetings during the year between the DG and the Commissioner on management matters, the main elements of this report and assurance declaration have been brought to the attention of Commissioner Paolo Gentiloni, responsible for Economy as well as for Eurostat.

1. KEY RESULTS and progress towards achieving the Commission's general objectives and DG's specific objectives

As the statistical authority of the European Union and as a Directorate-General of the Commission, Eurostat continued to provide **high-quality statistics on Europe**, and remained fully committed to delivering European statistics supporting EU policymaking and the **headline ambitions defined in the Political Guidelines of President von der Leyen**.

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.

To translate the general objective into a concrete plan, Eurostat has set the following three specific objectives:

- 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.
- 2) Eurostat better meets 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) Eurostat better communicates and better promotes European statistics and facilitates their use by policymakers, citizens, businesses, researchers and the media.

In its annual Management Plan 2021, Eurostat defined the concrete initiatives, outputs and targets contributing to the achievement of these specific objectives.

Eurostat's 2021 Management Plan is aligned with the 2021 Financing Decision, which includes the Annual Work Programme for the implementation of the Single Market Programme 2021-2027, as well as with the Commission Work Programme for 2021 'A Union of vitality in a world of fragility'.

The details below reflect Eurostat's major achievements grouped by each specific objective.

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 recovery from the Covid-19 pandemic crisis

In 2021, Eurostat has focused its efforts on remaining the trusted reference for statistics and data, necessary for shaping the Europe of tomorrow and for policymaking during the recovery from the Covid-19 pandemic.

The crisis caused by the Covid-19 pandemic has been unprecedented in the history of the EU. This health emergency, which started in early 2020 and continued throughout 2021, turned into a socio-economic crisis directly affecting the European economy and labour market and society at large. New information demands kept emerging, as well as the need for timely data. Eurostat ensured business continuity and made certain all production systems were functioning, with adequate security measures in place. At the same time, significant efforts have been made in **providing new data necessary for the EU's coordinated response to the pandemic** through the continued implementation of new methods of producing statistics with **new data sources, experimental statistics and innovative tools**, to respond to emerging needs.

The European Statistical Recovery Dashboard, which Eurostat created in 2020 as a new statistical information tool, has been further extended to better respond to the needs of policymakers at national and European levels in the Covid-19 crisis context. In addition to the macro-economic dimension, this recovery dashboard includes social indicators (labour market, health, education and skills) and information about sectors hit particularly hard by the pandemic (e.g. tourism, transport and the hospitality industry). Eurostat has continuously improved the European Statistical Recovery Dashboard with new indicators, expanded coverage, new functionalities and increased timeliness. **Eurostat has disseminated the Dashboard on a monthly basis since November 2020 and throughout 2021.**



Eurostat has also contributed to the NextGenerationEU¹⁰ financial instrument that supports the recovery from the pandemic and investment in the green and digital transitions, by providing statistics of the highest quality relevant to the management of the Covid-19 crisis, to the European Green Deal (climate, energy, transport, etc.) and to digitalisation.

Eurostat established **new streamlined data collections to reflect the accounting consequences of the economic measures** taken by EU governments in order to tackle the economic effects of the pandemic, as well as the recording of the **Recovery and Resilience Facility** (RRF) flows. The methodological work stemming from timely guidance on the correct implementation of accounting rules, led to higher quality and more harmonised public finance statistics, which are essential for **fiscal monitoring in the EU**, in particular for monitoring the statistical implications of the Stability and Growth Pact¹¹. Eurostat also monitored the implementation of the following initiatives: Support to mitigate Unemployment Risks in an Emergency (SURE) and Pan-European Guarantee Fund (PEGF), set up at European level.

Finally, in the Covid-19 context, Eurostat established new streamlined data collections to follow the accounting consequences of the economic measures taken by EU governments.

¹⁰ [NextGenerationEU \(europa.eu\)](https://europa.eu)

¹¹ [Stability and Growth Pact | European Commission \(europa.eu\)](https://europa.eu)

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

In 2021, the statistics produced and disseminated by Eurostat were the main output under this specific objective. In particular, the regular production and dissemination of statistics was assured, supporting the Commission headline ambitions as follows:

A European Green Deal

The implementation of the '**Strategy for Agricultural Statistics 2020 and beyond**' progressed significantly in line with the plan. All ongoing legal initiatives will ensure the provision of the necessary data for monitoring the Common Agricultural Policy (2023-2027) and European Green Deal's Farm to Fork and Biodiversity strategies.

The Commission adopted in summer 2021 a proposal for the Regulation of the European Parliament and the Council amending Regulation (EU) 2018/1091 on **Integrated Farm Statistics**, as regards the financial framework for the period 2021-2027. This legislative proposal referred to the allocation of EUR 40.000.000 for the above period. The Commission prepared an implementing regulation to set up the list of variables for Integrated Farm Statistics (IFS) 2023 data collection. This data collection will include information on, for example, irrigation, soil management practices, machinery and equipment, which are crucial for the monitoring of the European Green Deal. The Regulation amending Regulation (EU) 2018/1091 as regards IFS and the Commission Implementing Regulation on IFS for the reference year 2023 were published on 21 December and 22 December 2021, respectively.

Furthermore, Commission Regulation (EU) 2021/201012 was adopted on 17 November 2021 amending Regulation (EC) No 1185/2009 concerning statistics on pesticides, as regards the **list of active substance**. This will allow the Commission to publish more information on **pesticide aggregates** relevant for the harmonised risk indicators.

The **impact assessment on the fishery statistics** was finalised in November 2021 and will accompany the future Commission proposal for European fishery statistics.

*Key figures on the European food chain*¹³ – a new digital publication – was released at the end of 2021. This new publication supports the European Commission's **Farm to Fork Strategy**, which is an integral part of the new European Green Deal that sets out to **make Europe the first climate-neutral continent by 2050**.

¹² [EUR-Lex - 32021R2010 - EN - EUR-Lex \(europa.eu\)](#)

¹³ [Key figures on the European food chain – 2021 edition - Products Statistical Books - Eurostat \(europa.eu\)](#)

To respond to several new statistical needs stemming from the European Green Deal, the European Statistical System (ESS) adopted an action plan in its October 2021 meeting. As part of this action plan, a **review of climate change related statistics** was undertaken. The monitoring framework for the circular economy announced in the **Commission circular economy action plan** will be updated in the first half of 2022.

The **European environmental economic accounts** were upgraded by means of a delegated act adopted by the Commission in November 2021, improving timeliness and updating the lists of characteristics. The establishment of the **first quarterly greenhouse gas estimates** for the EU economy has substantially improved the data timeliness on these environmentally crucial statistics, enhancing the possibility for environmental economic analysis in the Green Deal. Furthermore, discussions with expert groups on the Commission proposal for additional environmental accounts (forests, ecosystems and environmental subsidies) made significant progress. Eurostat published for the **first time data on environmental subsidies** from some Member States' voluntary reporting.

Eurostat led the development of an international statistical handbook on the **System of Environmental-Economic Accounting – Ecosystem Accounting**, which was endorsed by the United Nations Statistical Commission in March 2021. The handbook is planned to be published with the logos of the European Commission, the United Nations, the Organisation for Economic Cooperation and Development (OECD), the Food and Agriculture Organisation of the United Nations (FAO) and the World Bank.

In the context of the **new plastic-based own resource** of the EU, Eurostat established a new formal expert group on statistics on plastic packaging waste, to assist the Commission on the appropriateness, exhaustiveness and comparability of the data. The expert group met for the first time in November 2021. A round of informal visits to Member States started in anticipation of the official inspection visits from 2023 onwards. Eurostat supported DG Budget and the Member States in preparing **forecasts of the plastic own resource for the years 2021 and 2022**. Additionally Eurostat is modernising **waste statistics** to contribute to improved circular economy monitoring and progress towards the Sustainable Development Goals. Eurostat improved the guidance for Member States in order to put a stronger focus on plastic packaging waste.

The 2021 **EU Sustainable Development Goals (SDG) monitoring report**¹⁴, as well as the accompanying communication package (including a digital publication and a summary brochure), was released on 15 June. The SDG monitoring report and the accompanying products are a key source of information for a wide range of users. Based on the data provided by Eurostat, progress made by Member States towards the SDGs was also assessed in the context of the European Semester.

¹⁴ Sustainable development in the European Union — Monitoring report on progress towards the SDGs in an EU context — 2021 edition - Products Statistical Books - Eurostat (europa.eu)

In order to monitor the environmental aspects of the Covid-19 pandemic, Eurostat developed an **indicator on air quality (monthly average NO₂ concentrations)** which is published regularly in the European Statistical Recovery dashboard.

Transport statistics on road freight, maritime, aviation, railways and inland waterways were produced in 2021 with improved timeliness. These data were produced at national and regional level, to monitor policy initiatives under the European Green Deal, support the Fit for 55 initiatives¹⁵ and the sustainable and smart mobility strategy.

Modal shift indicators produced in 2021 enabled monitoring the shift of goods and passengers to more environmental modes of transport. Additionally, passenger mobility statistics, published for the first time in 2020, were updated in 2021, covering more EU Member States. **More timely statistics on the number of commercial flights** were also published in the European Statistical Dashboard, a few days after the end of each month, to monitor closely the effect of the Covid-19 pandemic and the recovery of the EU economy. The methodology for extending the coverage of modal shift indicators to include maritime transport and for producing aviation statistics by distance class was finalised. A new project was launched aiming at producing **experimental statistics on traffic and mobility** using new data sources. The work on developing a methodology for statistics on light utility vehicles and inland waterways passengers continued in 2021 and will be finalised in 2022.

The Land Cover and Land Use (LUCAS) 2022 survey was launched at the end of 2021. This includes several specific modules on, for example, soil, land cover, landscape features and grasslands, and it provides data for different European policies, such as the European Green Deal, climate change, biodiversity and more. The LUCAS 2022 survey specifications are the result of coordination with several DGs to ensure the different policy needs are covered.

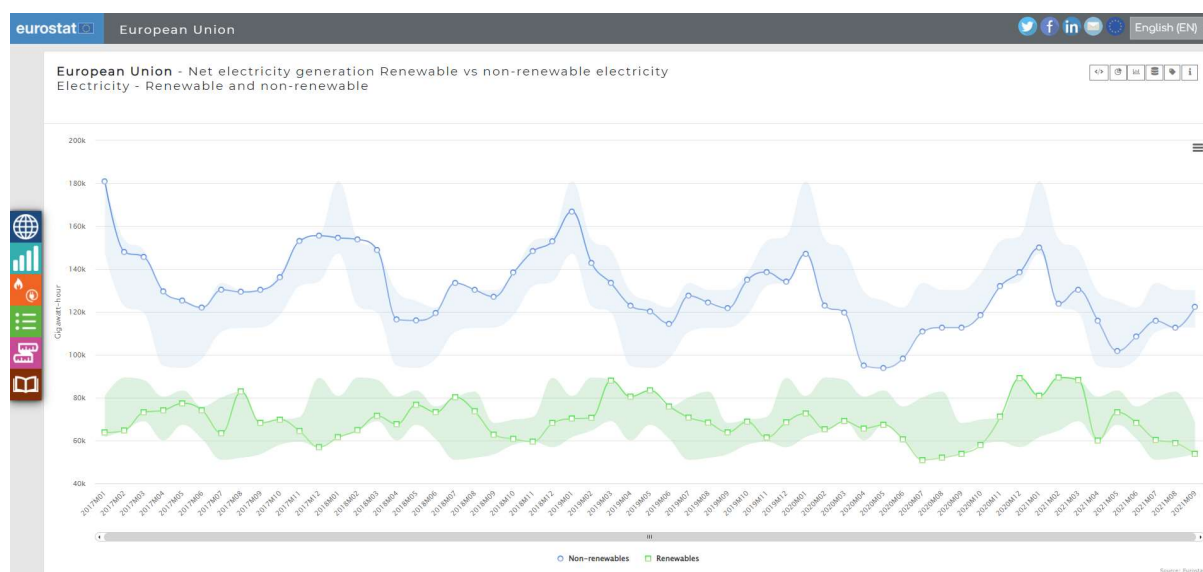
Eurostat tabled the **most ambitious amendment of the Energy Statistics Regulation**¹⁶, which is essential for monitoring the energy transition under the European Green Deal and establishing a global benchmark on energy statistics requirements and methodologies. It entered into force in February 2022 and applies to 2022 as the first reference year.

Eurostat conducted two new data collections: on **disaggregated final energy consumption in industry, and on biomass supply**. Both data collections took place on a voluntary basis before the first mandatory reporting deadline (in early 2022).

¹⁵ EU's plan for a green transition - Consilium (europa.eu)

¹⁶ Regulation (EU) 2022/132 on energy statistics, OJ L 20/208, 31.01.2022; [EUR-Lex - 32022R0132 - EN - EUR-Lex \(europa.eu\)](#)

Furthermore, three brand **new interactive visualisation tools with novel features** were disseminated. These include the visualisation tools on monthly energy data, the energy dashboard and the energy balance tool¹⁷.



An economy that works for people

An action plan to fully implement the **European Pillar of Social Rights** (EPSR) was put forward in the Political Guidelines 2019–2024 of Commission President von der Leyen. Eurostat continued to disseminate the scoreboard of indicators associated to the EPSR, which are used for monitoring the achievement of its goals (covering three areas, 12 principles and 34 indicators). For user-friendly access to the data, Eurostat developed a dedicated webpage on the EPSR scoreboard¹⁸. It contains a **complete set of the indicators complemented by country profiles, information about the indicators and visualisation tools**. High-quality data allow comparisons between Member States and identification of trends over time. Notably for the 2030 headline targets set at the Porto social summit, **new indicators and baseline data were provided**, namely the newly defined indicator ‘At risk of poverty or social exclusion rate’ for the total population and for children, as well as an annual indicator for ‘Adult participation in learning’.

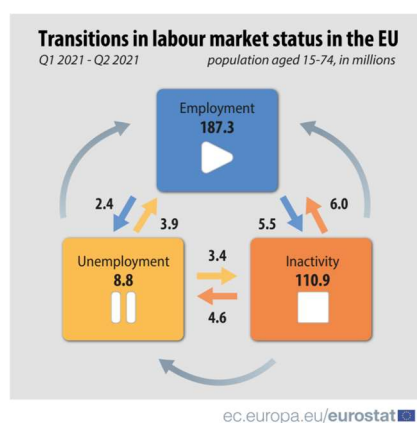
Eurostat is the provider of the data for the majority of the indicators of the social scoreboard, including the three new EU-level 2030 headline targets of the EPSR Action Plan¹⁹.

¹⁷ For more visualisation tools on energy data, visit [Visualisations - Energy - Eurostat \(europa.eu\)](https://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&plugin=1)

¹⁸ Social scoreboard indicators - European Pillar of Social Rights - Eurostat (europa.eu)

¹⁹ [The European Pillar of Social Rights Action Plan | European Commission \(europa.eu\)](https://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&plugin=1)

The relevance of labour market data remained high on the policy agenda, especially in the context of the Covid-19 pandemic. In this context, Eurostat released new labour market indicators to support high-level EU policies and to monitor the recovery from the Covid-19 crisis. In particular, these include indicators on employment, unemployment and labour market slack.



In 2021, Eurostat disseminated for the first time the labour market flows indicator for the whole EU. These experimental statistics show the movement of individuals between different conditions: employed, unemployed and economically inactive, and are helpful in monitoring recovery

from the Covid-19 pandemic crisis.

A **pilot data collection on digital platform employment** was prepared for 2022 as part of EU-LFS. Delegated and implementing acts under Regulation (EU) 2019/1700 have been prepared and were adopted for data on education and training to be collected in 2022 through the Adult Education Survey, as well as for EU-SILC modules related to housing, to be collected in 2023.

The **joint evaluation and impact assessment for an overhaul of the legislation on labour market statistics on businesses** (labour costs, earnings and job vacancies) were prepared with the aim of moving towards more relevant and timely data, with improved coverage of the economy. The call for evidence was launched in December 2021.

The timeliness of social protection statistics was further strengthened in 2021. In October 2021, Eurostat published early estimates of 2020 social protection expenditure main indicators for 20 Member States and Norway. The data highlight recent trends in social protection expenditure, particularly for sickness/healthcare benefits and unemployment benefits.

The participation of countries in this voluntary data collection improved in 2021 and data coverage is expected to be expanded for further data (to be released in October 2022).

In response to emerging needs for health data, several data collections were adapted to embed Covid-19-related aspects on a voluntary basis. Variables on **intensive care unit beds and their occupancy** were introduced in the **annual healthcare joint data collection of Eurostat, OECD and WHO**. In the annual data collection on **causes of death**, data providers were requested to deliver a breakdown of deaths by cause and by month, to allow for a more EU detailed analysis of the health situation and impact of the pandemic.

Additionally, the two data collections 'European statistics on accidents at work' and 'European occupational disease statistics' were adapted to embed Covid-19 aspects relating to occupation.

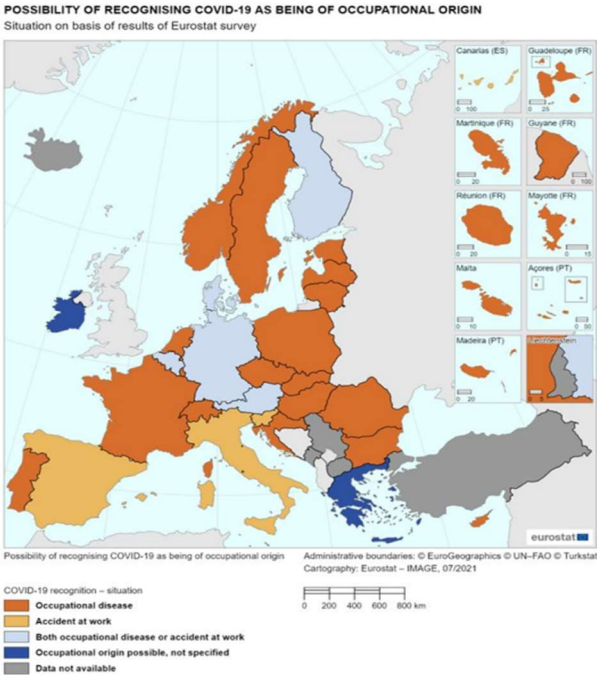
Eurostat also issued multiple methodological guidance notes and updated methodological manuals on health statistics, enabling the NSIs to collect in a harmonised manner Covid-19-related data.

Additionally, the Commission adopted an implementing regulation as regards **statistics on healthcare expenditure and financing** that guaranteed the continuation of European health accounts, which is an important data collection for monitoring and long-term projections of European health-related spending.



Eurostat carried out a methodological survey mapping the legal frameworks in the Member States in order to assess whether Covid-19 could be recognised as an occupational disease or as an accident at work. As a follow-up, **Eurostat published a one-of-a-kind statistical report** ‘Possibility of recognising Covid-19 as being of occupational origin at national level in EU and EFTA countries’²¹.

Eurostat also published country profiles covering European Occupational Diseases Statistics as experimental statistics²² for the first time ever.



²¹ [Possibility of recognising COVID-19 as being of occupational origin at national level in EU and EFTA countries - Products Statistical reports - Eurostat \(europa.eu\)](#)

²² [European Occupational Diseases Statistics \(EODS\) - Experimental statistics - Eurostat \(europa.eu\)](#)

Additionally, concerning the issue of **gender equality**, two important publications were released: 'Gender pay gaps in the European Union — a statistical analysis — 2021 edition'²³ and 'Methodological manual for the EU survey on gender-based violence against women and other forms of inter-personal violence (EU-GBV) — 2021 edition'²⁴ (methodological manual).

Eurostat and Member States joined efforts to improve the statistical output on productivity measures by ensuring proper methodological developments in cooperation with international organisations and users. Eurostat and several National Statistical Institutes have published new comparable indicators on labour and capital productivity. While Eurostat's labour productivity indicators were enriched with breakdowns by economic activity and by regions, the **publication of capital productivity indicators took place for the first time.**

The continuous provision of high-quality statistical information on European businesses, in particular of timely statistics on short-term business developments (industry, construction, services and wholesale as well as retail trade) and international trade, remained a key priority in the area of **European business and trade statistics**, particularly in the recovery phase of the Covid-19 pandemic crisis. A new publication *Key figures on European business* was issued in March 2021.

In 2021, the first additional data required under the EBS (European Business Statistics) Regulation (2019/2152) became available, particularly new quarterly indicators on business registrations and on bankruptcies of businesses. These indicators, as well as the new monthly indicators (turnover index of food and accommodation services) on the tourism sector, which was particularly impacted by the Covid-19 crisis, were included in the European Statistical Recovery Dashboard.

Most implementing and delegated acts related to the EBS Regulation were adopted by the Commission in 2021²⁵ and the draft implementing acts on the data requirements for Innovation and Global Value Chains and on the new Prodcom (Production of Manufactured Goods) list, were prepared and are expected to be adopted in 2022. In addition, in order to ensure harmonised implementation of the new EBS Regulation, several statistical manuals on European methodology and compilation, as well as users' manuals were also published.

²³ [Gender pay gaps in the European Union — a statistical analysis — 2021 edition - Products Statistical working papers - Eurostat \(europa.eu\)](#)

²⁴ [Methodological manual for the EU survey on gender-based violence against women and other forms of inter-personal violence \(EU-GBV\) — 2021 edition - Products Manuals and Guidelines - Eurostat \(europa.eu\)](#)

²⁵ The adopted acts include: the implementing act and the delegated act in the area of international trade in goods statistics (ITGS), related to the new compulsory customs data exchange (CDE) in the area of extra-EU trade in goods statistics; the implementing act specifying the requirements for the 2022 reference year for information and communication technologies (ICT) in enterprises; and the implementing act granting derogations to certain Member States regarding specific data requirements of the EBS Regulation

A **structured approach to analyse and address asymmetries, mainly in intra-EU trade in goods and in services**, was developed and will be implemented with the Member States in 2022-2023.

The new **European Profiling programme** started its implementation in 2021 with a view to delivering high-quality (exhaustive and consistent) information on the group structure of the pan-European Multinational Enterprise Groups (MNEs) in the EuroGroups Register, thereby facilitating better insights on the MNEs' performance and impact on the European economy.

Key **macro-economic indicators and data on national accounts, balance of payments, consumer prices, real estate prices, purchasing power parities and statistics for administrative purposes regarding own resources, remunerations and pensions** were produced and (where relevant) were published following the established release calendar, accompanied by suitable metadata on the statistical impacts of the Covid-19 pandemic. Eurostat published in December 2021 **new comparable indicators on labour, capital and multi-factor productivity**, based on **national accounts data**. The Commission adopted in December 2021 the Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) No 549/2013, and repealing 11 legal acts in the field of national accounts, which are no longer applied (the initial plan for 15 legal acts to be repealed was updated to 11 during preparation of the proposal). This initiative will increase the relevance of ESA 2010 to the most recent international recommendations and facilitate a higher degree of consistency across the different tables of the European System of Accounts, improve the transmission deadlines, align requirements across data tables and include voluntary data series in the programme.

Work continued to expand publication of data with voluntary collection of breakdowns, also in the G20 context, to make available new and harmonised productivity indicators, to provide more detailed **information on regional investment** and to enhance harmonisation of capital stocks of assets and consumption of fixed capital.

With respect to the Gross National Income (GNI) verification, which leads to the enhanced reliability, comparability and exhaustiveness of the data provided for EU **GNI own resources purposes** and further improves the overall quality of national accounts, Eurostat focused on the follow-up of the identified improvement needs regarding the quality of sources and the methods used by the countries to compile GNI. These improvement needs took the form of GNI reservations. In 2021, there were 140 transversal reservations in place (no change for transversal reservations in 2021 – five reservations²⁶ for each of 28 countries) and the number of transaction-specific reservations in place decreased from 157 to 134 (for all countries altogether).

²⁶ For two reservations the deadline was September 2021, therefore they are under ESTAT verification. For the other three the deadline is September 2022.

Furthermore, the preparatory works on the **GNI verification cycle 2020-2024** have been finalised (with the completion of the set of the framework documents), whereas the multiannual verification started towards the end of 2021 with the delivery of the GNI Inventories by the countries, in line with Commission Implementing Regulation (EU) 2020/1546 establishing the structure and detailed arrangements of the inventory of the sources and methods used to produce gross national income aggregates and their components in accordance with the European System of Accounts (ESA 2010)²⁷.

As a response to user needs for more data and indicators on globalisation, Eurostat has launched intra-EU supply, use and input-output tables (FIGARO tables) covering the years 2010-2019. The key benefit of the inter-country input-output tables is to interlink each of the EU economies with another and with non-EU partners. The tables provide indicators such as global value chains, economic growth, employment embedded in EU exports and carbon footprints. **This first time launch will be followed by an annual regular production.**

In 2021, regular production of high-quality **Excessive Deficit Procedure (EDP) and Government Finance Statistics (GFS)** continued to form the essential basis for **fiscal monitoring in the EU**. The methodological work stemming from timely guidance on the correct implementation of accounting rules, led to higher quality and **more harmonised public finance statistics**, which are essential for EU fiscal monitoring, in particular for monitoring the statistical implications of the Stability and Growth Pact. **Eurostat continued to provide ex-ante and ex-post bilateral advice following Member State requests, inter alia, on the application of the existing statistical rules and the correct statistical recording of Public-Private Partnerships (PPPs) and Energy Performance Contracts (EPCs), thus contributing to the undertaking of investment projects in the EU.**

Eurostat also strengthened its capacity to provide early clarification of the **statistical rules applicable to various types of public investment** and related instruments, in line with rules applicable to national accounts and transparency requirements.

Finally, Eurostat started a new project aiming at building up and developing national accounts of the European institutions. The project addresses data needs of the Member States and policy users in the context of the European semester. It aims at developing a methodology for the compilation of key indicators for EU institutions and the EU as a whole and plans the compilation of the first set of data in 2022.

²⁷ [EUR-Lex - 32020R1546 - EN - EUR-Lex \(europa.eu\)](#)

A Europe fit for digital age

Digital technologies are profoundly changing our daily life, our way of working and doing business. Producing high-quality statistics on the digital performance of Europe's enterprises and societies is essential to **monitoring Europe's digital transformation**, and thereby serves EU policymaking.

In 2021, through a constant adaptation of the European surveys on digitalisation in order to track the fast-changing digital technologies and their applications, Eurostat continued producing **high-quality statistics for the monitoring of Europe's digital transformation**. This includes human capital (ranging from internet user skills to advanced skills), use of the internet (from citizens' use of the internet to online transactions) and digital competitiveness (from **e-commerce** to the use of **artificial intelligence**).

In addition, Eurostat, together with the European Statistical System, adopted a **European action plan to better measure digitalisation and its impact in society, businesses and economy**.

Promoting the European way of life

The relevance of **population statistics and demography data** remained high on the policy agenda of the Commission, in the context of an ageing society and a shrinking working age population. After the release of population projections for the EU, euro area and Member States in 2020, Eurostat published consistent regional **population projections** in early 2021 to inform the regional and cohesion policies and the European semester. In relation to the Covid-19 pandemic, the ESS under the leadership of Eurostat maintained the publication of **weekly deaths and monthly excess mortality** statistics. The Statistics Explained articles presenting this data were in the top 10 most read Eurostat articles almost throughout the entire year. **A new interactive publication 'Demography of Europe'²⁸ was released on the occasion of World Population Day, together with updated dedicated pages on population and demography and migration and asylum on Eurostat's website. The promotional event on 9 July 2021 further drew the attention of users because the publication provided information about the [decline in population size in the EU in 2020 due to the pandemic](#).**

²⁸ [Demography of Europe \(europa.eu\)](https://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&plugin=1)



Commission Vice-President Šuica: *'Eurostat's key facts and figures have helped us to identify key demographic trends in the EU... Without access to statistics and data we would not be able to draw conclusions on demography as a key contributing factor which underpins virtually all Commission policies and portfolios.'*

Commissioner Gentiloni: *'European official statistics are playing a crucial role to inform the EU decision-making process and our daily lives. This has been the case in times of growth and prosperity but also now, in times of crises... This publication on Demography of Europe is not only important but very timely... Now more than ever it is crucial that everyone, not only the professionals, understands the demographic change, especially in the context of the Conference on the Future of Europe... As a Commissioner responsible for Eurostat, I am proud to see the statistical office of the EU leading by example and constantly ensuring such high statistical standards, together with all the national statistics institutes... I strongly support the European Statistical System's efforts to modernise statistics on population in preparing a modern framework.'*

The implementation of the **2021 population and housing censuses in EU Member States** began at national level, overcoming the challenges presented by the Covid-19 pandemic. The census fieldwork was affected by restrictions on mobility, gatherings and public events, as well as local authorities unwilling to allow the performance of census activities during the pandemic. Member States adapted their census planning to collect data in 2021, except for three countries that will carry out census operations in 2022 and will recalculate the data to the reference year 2021. During the entire year 2021, **Eurostat ensured regular coordination and monitoring to ensure harmonised implementation of the census across the EU.**

The Commission initiative on European statistics on population was launched in March 2021 and was included in the Commission Annual Work Programme 2022 as a **REFIT initiative**. The initiative aims to ensure that **population statistics remain relevant,**

coherent and comparable in the face of demographic, migratory, social and economic changes in society. It includes evaluation, impact assessment and stakeholder consultations in line with Better Regulation guidelines and, depending on the outcomes, the drafting of new legislation that could potentially repeal two existing regulations on population and demography and amend law on international migration and acquisition of citizenship statistics. By the end of 2021, most of the evaluation, impact assessment and stakeholder consultations activities had been concluded, including the open public consultation which ended on 23 December 2021. In 2022, the evaluation and impact assessment reports will be finalised and the legislative proposal will be prepared for potential adoption by the Commission in mid-2022.

With regard to the **New Pact on Migration and Asylum**, Eurostat and Member States provided more timely and more detailed data on asylum and managed migration, particularly on unaccompanied minors. Availability of monthly and quarterly data increased thanks to the implementation of the amended Regulation (EU) No 862/2007. While temporary derogations have been granted to 16 Member States, eight of them (Belgium, Cyprus, Spain, Italy, Lithuania, the Netherlands, Poland, and Sweden) provided some monthly and quarterly statistics ahead of the expiration of the granted derogations.

In the area of income and living conditions, EU-SILC 2021 included **module data focused on children**. It included data on children's health, access to healthcare for children, child specific deprivation, an ad-hoc module on living arrangements and conditions of children in separated and blended families, as well as voluntary variables on the impact of Covid-19 that will become available in 2022.

A stronger Europe in the world

Eurostat's Instrument for Pre-accession Assistance (IPA) 2021-2027 strategy has been produced, in coordination with the Western Balkan countries and Turkey, with the aim to help them to gradually align with the EU acquis. Continuous **cooperation with the candidate countries and potential candidates** through implementation of two regional programmes (IPA 2017 and IPA 2019), conduct of the Virtual Enlargement Tour and two high-level events held in May and October, have contributed to their progress.

Eurostat promoted **European norms, methodologies and standards** via the Statistics Through Eastern Partnership (STEP) regional programme within the six Eastern Partnership countries. Eurostat has adopted its own Instrument for Pre-Accession (IPA) Assistance Strategy 2021-2027 for cooperation with Western Balkans and Turkey. In addition, Eurostat signed the MEDSTAT V programme with the EU's Southern Neighbourhood countries as well as new comprehensive continental programme for Africa (Pan-African Statistics - PAS II). Both programmes will start in January 2022.

Additionally Eurostat strengthened its collaboration with the Energy Community and its Contracting Parties. In particular, it provided crucial support in the negotiations leading to the adoption by the Energy Community Council of the latest available version, at that

moment, of Regulation (EC) 1099/2008 on energy statistics, paving the way for the EU to expand its influence in this area in the Energy Community neighbour countries.

In autumn, Eurostat completed the update of the 'Guide to statistics in European Commission development cooperation'. It is a key tool to help staff from EU delegations and from third country institutions to identify and develop actions in support of statistics and understand how to use data and indicators to define and follow up cooperation programmes.

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

Better meeting user needs by fostering partnerships and embracing innovative data sources and technologies

To achieve strategic objective 2, an enhanced process of the priority-setting mechanism in the ESS was piloted in 2021 with the involvement of several National Statistical Institutes and external stakeholders. The pilot, which concerned climate change related statistics, resulted in a methodological framework and questionnaires that will now be re-used for future reviews in other statistical domains. The outcomes, lessons learned and conclusions were reported to the ESS. The participating National Statistical Institutes considered the exercise very useful.

Eurostat and the National Statistical Institutes strengthened their capabilities in using web data for producing European statistics by building up important pillars of the Web Intelligence Hub. Content from around 300 online job portals is currently collected on a continuous basis to produce quarterly data on around 12 million job advertisements for all EU Member States with standardised information on the advertised job characteristics and the profiles demanded, e.g. occupations, skills or education. These experimental data can already be accessed and explored by the NSIs in order to improve and expand the scope of labour market related statistics. A first version of the Web Intelligence Platform, which enables the statistical offices to retrieve content from the web in other areas such as enterprise characteristics or tourism, was launched at the end of 2021.

In 2021, Eurostat finalised a first exploratory project related to the use of input privacy technologies to process external data sources in a fully privacy-preserving mode. The project has built a proof-of-concept system for the processing of mobile network operator data based on Trusted Execution Environment with hardware isolation, demonstrating the maturity and scalability of this technology for adoption in future production settings. Input privacy

technologies enable statistical offices to produce anonymised statistics from external data sources without transferring sensitive data into their IT systems, while at the same time retaining full control over the processing methods. These technologies allow the level of data protection and transparency to be strengthened, lower the business and legal barriers and ultimately increase public acceptance of the reuse by statistical offices of external data, including privately held data. After the success of this first project, Eurostat will continue developing solutions and approaches based on input privacy technologies.

Eurostat continued to deliver **geospatial services** to the Commission, ensured the necessary data and infrastructure availability and actively contributed to the ongoing Infrastructure for Spatial Information in Europe (INSPIRE)²⁹ review. The delivery of geospatial reference data (administrative boundaries, transport network, geographical names), used by Commission services was ensured and the **new release of the IMAGE tool** to produce cartographically appealing maps from official statistical data (which is the basis for many Eurostat social media posts) was deployed.

Regarding the **collaborative economy** project in the area of tourism statistics, Eurostat published the **first experimental statistics on short-term accommodation**. These statistics built on source data from **four internet platforms that concluded B2G (Business to Government) data sharing agreements with Eurostat**. The first release was accompanied by comprehensive explanations and metadata to clarify the scope and quality of the statistics. The second release in December 2021 expanded on the working arrangements, especially with NSIs

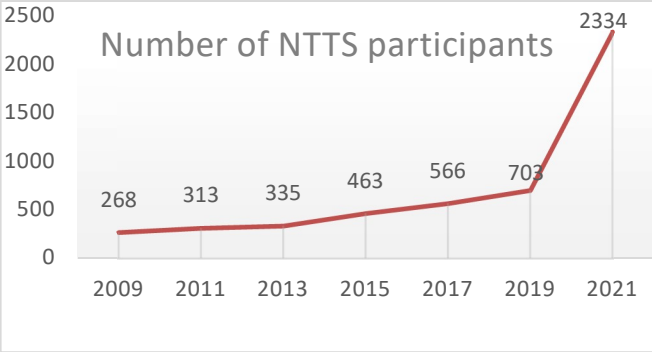
In the scope of continuous efforts to improve methods and techniques for the production of statistics, Eurostat coordinated the Directors-General of the National Statistical Institutes (DGINS) 2021 conference³⁰. It was organised with close cooperation of Statistics Poland and attracted around 160 participants. During this high-level event, the strategic potential and possible synergies of using **Earth Observation for statistical purposes** were discussed, focusing on existing **real-life applications of remote sensing in statistical production**, highlighting the areas that the National Statistical Institutes can benefit from. Following the DGINS conference, the ESSC agreed on a joint memorandum, where delegates point out the challenges of doing this, as well as the potential of Earth Observation data to fill thematic, spatial and temporal gaps in statistical production. Eurostat is now working together with the Member States on a roadmap paving the way towards **integrating Earth Observation data into statistical production**.

Another example of efforts to improve methods and techniques for the production of statistics was the organisation of bi-annual conference **New Techniques and Technologies in Statistics** (NTTS).

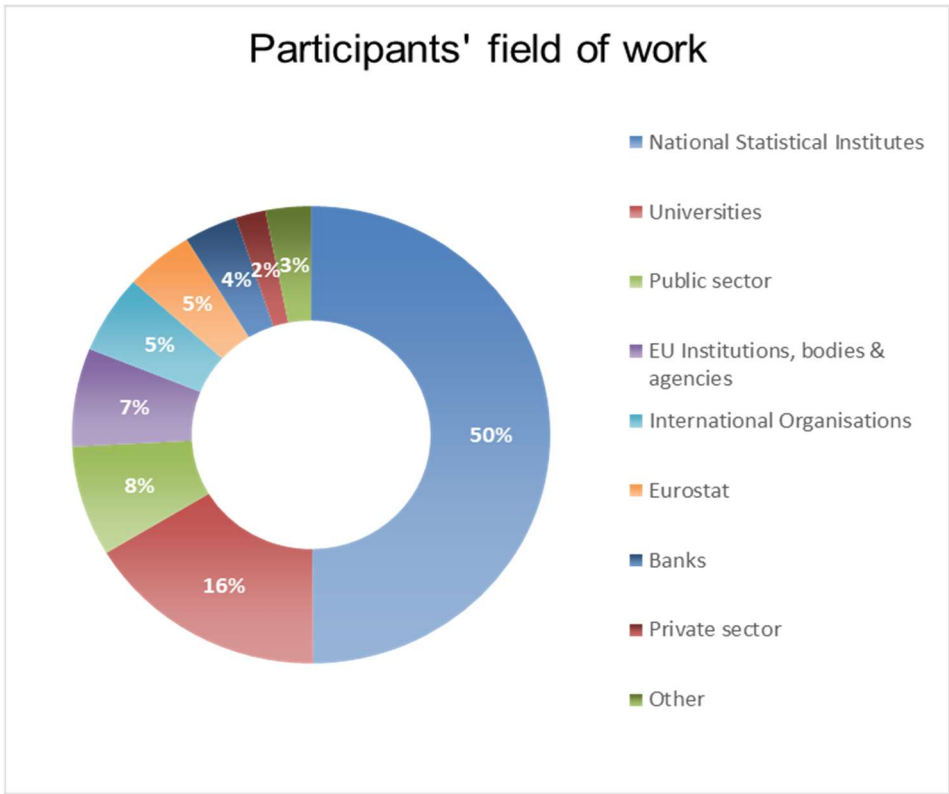
²⁹ [INSPIRE | Welcome to INSPIRE \(europa.eu\)](https://inspire.europa.eu/)

³⁰ <https://dgins2021.stat.gov.pl/agenda/agenda>

It was run as a fully virtual meeting, which allowed the number of participants to be expanded from 700 to more than 2300 from 90 countries around the globe. It brought together people from statistical offices, universities, European and national public organisations, central banks and the private sector. In total, the NTTS



2021 included 30 parallel sessions. Participants were able to watch all sessions either as web streams or recordings, visit virtual exhibitions, comment and ask questions, network in chats and watch recordings of the sessions. The NTTS 2021 was accompanied by three side events, including the European Data Hackathon, which was also organised in virtual setting with 22 teams from European statistical offices and universities participating in the European Master in Official Statistics programme³¹. The teams developed innovative ideas and applications related to the analysis of international trade, looking at network effects to explore the resilience of the European economy impacted by economic shocks and produced dashboards and **interactive maps** to simulate disruptions and show their impact.



³¹ The European Master in Official Statistics (EMOS) is a label awarded by the European Statistical System Committee

In the area of quality assessment, **Eurostat successfully launched the third round of ESS peer reviews. The peer reviews are important for reviewing the compliance of the ESS members with the European Statistics Code of Practice and for identifying forward-looking and innovative improvement recommendations.** Nine peer reviews were conducted in 2021, including that of Eurostat, and around half of them had to be performed remotely because of Covid-related restrictions. The peer reviews were implemented in accordance with the agreed methodology, which demonstrated its applicability and suitability also for virtual peer review visits, although it also revealed the need for some adjustments. Based on the schedule in the peer review methodology, the list of improvement recommendations was produced for all nine peer reviews, while two final peer review reports were published on the websites of Eurostat and the corresponding NSIs and the ensuing improvement actions were drawn up. A number of peer reviews was also accompanied by communication activities on the European Statistics Code of Practice and on the value of European statistics. As regards specifically the peer review of Eurostat, it was performed by the European Statistical Governance Advisory Board (ESGAB), which published the results as part of its 2021 annual report. The report concludes that Eurostat has progressed a lot over a range of criteria that are relevant for the production of high-quality European statistics. Furthermore, ESGAB identified Eurostat's strengths in relation to its compliance with the Code of Practice, and put forward 18 recommendations focused on preparing for future challenges and on being a role model for independence and impartiality in the ESS.

In the area of cooperation in international statistics, the EU common positions for the United Nations Statistical Commission were organised. The meeting took place in a virtual format and the EU common positions were prepared in domains such as economic statistics, national accounts, the system of environmental and economic accounts and international statistical classifications. This has helped to shape and promote statistical standards that are compatible with EU values.

Concerning the agreements with external stakeholders, Eurostat concluded the negotiations and signed two new Administrative Arrangements on statistical cooperation with UNECE (United Nations Economic Commission for Europe) and UNECA (United Nations Economic Commission for Africa), and is at the final stages of negotiation of Administrative Arrangements with UN-ECLAC (United Nations Economic Commission for Latin America and the Caribbean) as well as the OECD.

Last but not least, at the level of operations of the ESS governance, Eurostat maintained the **high quality of European Statistical System Committee (ESSC) meetings** despite the challenges faced because of the Covid-19 pandemic and the need for virtual meetings. For all three ESSC meetings held, the satisfaction surveys showed that more than 75% of the participants assessed the overall value of the meeting and the conclusions as good or very good.

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

For enhanced communication and reuse of European official statistics

In 2021, Eurostat communicated and promoted European statistics better and facilitated their use by policymakers, citizens, businesses, researchers and the media, as intended by objective 3, via a number of initiatives and deliverables.

Eurostat was more **agile and innovative**, proactively reaching out to users to ensure effective dissemination and communication of statistics among different stakeholder groups. It has led by example and promoted good practices within the European Statistical System. In particular, Eurostat has implemented its recently adopted dissemination and communication strategy by the following:

- being digital by default and phasing out printed publications

All publications have been published in a digital format on the Eurostat website. The printing of publications has been limited, in line with the Commission paperless policy. Only the flagship publications and the Key figures series had a limited print run. The print of the Eurostat calendar offered to staff of the EU institutions has been reduced by 30%.

- expanding its reach across different dissemination channels through regular visually appealing products, responsive interactions with users and carefully targeted promotional activities

All Eurostat social media channels significantly expanded their reach. The Twitter account gained 16 000 followers to a total of 180 000 (+10%), Facebook increased by 26 000 to reach more than 88 000 followers (+42%); and the Instagram account, which was opened in May 2020, increased by 31 000 followers to a total of 40 500 followers (+326%). Eurostat exceeded the targets of growing the follower base on all platforms and reaching on average more than 125 000 engagements per month on Facebook.

- promoting and focusing on **interactive digital publications with data and statistics related to the Commission headline ambitions**

Eurostat published in July a new **interactive publication** *Demography of Europe* providing an overview of European population statistics in an easy and interactive way. The European Green Deal interactive visualisation tool has been prepared and the new Euro indicators interactive dashboard will go live at the beginning of 2022. Eurostat also published the regional statistics publications such as the **Regions in Europe and the Regional Yearbook**. The 2021 editions of the **flagship Eurostat publications** *Key figures on Europe*, *Eurostat Regional Yearbook* and *Sustainable development in the European Union* were published, including in a **digital interactive formats**. The *Key*

figures series has been expanded with the publication of *Key figures on European business* in March, and *Key figures on the European food chain* in December.

- expanding the range of statistical literacy products available

Three articles within the series *Statistics 4 beginners* on ‘Short-term business statistics,’ ‘Structural business statistics’ and ‘Balance of payments’ were published in August 2021.

All visualisations presenting data in an easy and user friendly manner, as well as the quiz, where questions about statistical results are asked, were updated in 2021. The **data visualisation** ‘Economic trends’, showing the trends of different economic indicators, was both updated and modernised.

- increasing statistical literacy among users and the public, among others through different kinds of articles in *Statistics Explained* as the key product for presenting European statistics with an analysis aimed at different user groups

Around 50 new articles and approximately 650 updates of existing articles in *Statistics Explained* presenting statistical results aimed at different user groups were published in 2021. They ranged from experimental statistics aimed at advanced users to regular articles presenting statistical results.

In order to increase statistical literacy among the youth, a statistical competition for the age groups 14 to 16 and 16 to 18 took place in 2021 with 11 500 students from 16 countries.

Building on the opportunities of a wider use of technology, five online events/webinars were organised in 2021: three for general audience, on various statistical topics, and two for specific target groups: one for data journalists and one for economists. The highest number of live participants, 450, was at the event for economists, covering the full international and global accounts for research in input-output analysis. Most event recordings had more than a thousand views.

- reviewing the design and content structure of the Eurostat website to be in line with modern user expectations

The review of the design and content structure of the Eurostat website in line with modern user expectations is ongoing and is planned to go live with the main elements in the second half of 2022.

- contributing to communication activities on Commission priorities, continuing to strengthen cooperation with the National Statistical Institutes in the field of strategic communications, and developing a joint Eurostat-ESS communication strategy, to raise awareness of the quality of European statistics and, in particular, to include a common approach on communication in a time of crisis.

Eurostat developed specific communication initiatives for major statistical outputs linked to Commission priorities. The year began with the official launch of Eurostat’s

European Statistical Recovery Dashboard, for which communication material was prepared, targeted at key users including the Commission services, European Union institutions and international organisations. Further communication material was prepared and issued in September to remind users about the dashboard and its recent enhancements. Other major communication programmes implemented during the year included those on sustainable development in the EU, peer reviews of National Statistical Institutes, European Statistics Day, a new initiative in relation to the collaborative economy (tourism statistics) and demography statistics. Longer-term communication plans were also discussed and developed within Eurostat.

Cooperation with the National Statistical Institutes in the field of strategic communications was strengthened through the work of the Task Force on ESS Strategic Communication, chaired by Eurostat.

The Task Force worked on three major projects in 2021: drafting a joint Eurostat-ESS communication strategy, developing a communication toolkit for communicating around privately held data, and creating an inventory of online tools for identifying, monitoring and verifying disinformation. In addition, the Task Force established a directory of heads of communication in the ESS to facilitate contact when there is a need for feedback or exchange on important strategic communication issues, including communication in a time of crisis, among all ESS NSIs.

The Task Force had six plenary meetings in 2021 and numerous other meetings for the three subgroups that had been formed to take forward the three projects. The final report of the Task Force, which included the joint Eurostat-ESS communication strategy, was concluded in December 2021.

All the achievements listed above demonstrate the value added that Eurostat brings to public debate and to the design, monitoring and evaluation of Union policies, by providing comparable and high-quality data and statistics on Europe. **A similar level of harmonisation, comparability and quality could not be achieved by Member States alone.**

2. MODERN AND EFFICIENT ADMINISTRATION AND INTERNAL CONTROL

2.1. Financial management and internal control

Assurance is provided on the basis of an objective examination of evidence of the effectiveness of risk management, control and governance processes.

This examination is carried out by management, which monitors the functioning of the internal control systems on a continuous basis, and by internal and external auditors. The results are explicitly documented and reported to the Director-General. The following reports have been considered:

- the reports from AOSDs (and also from the European Innovation Council pilot ('EIC') in the case of RTD; from the Common Implementation Centre ('CIC') to all research related services, etc.), from Heads of Delegations (EAMRs), from Managers of EU Trust Funds (EUTFs), etc.;
- the reports from Authorising Officers in other DGs managing budget appropriations in cross-delegation;
- the contribution by the Director(s) in charge of Risk Management and Internal Control, including the results of internal control monitoring at DG level;
- the reports on recorded exceptions, non-compliance events and any cases of 'confirmation of instructions' (Art 92.3 FR);
- the reports on ex-post supervision and/or audit results;
- the limited conclusion of the Internal Auditor on the state of internal control, and the observations and recommendations reported by the Internal Audit Service (IAS);
- the observations and the recommendations reported by the European Court of Auditors (ECA).

These reports result from a systematic analysis of the available evidence. This approach provides sufficient guarantees as to the completeness and reliability of the information reported and results in the complete coverage of the budget delegated to the Director-General of Eurostat.

This section covers the control results and other relevant elements that support management's assurance. It is structured as: 2.1.1 Control results, 2.1.2 Audit observations and recommendations, 2.1.3 Effectiveness of internal control systems, and 2.1.4 Conclusions on the assurance.

2.1.1. Control results

This section reports and assesses the elements identified by management which support the assurance of the achievement of the internal control objectives (ICO) ⁽³²⁾. The DG's assurance building and materiality criteria are outlined in AAR Annex 5. The AAR Annex 6 outlines the main risks, together with the control processes to mitigate them, and the indicators used to measure the performance of the relevant control systems.

In 2021, the financial operations managed by Eurostat were exclusively under direct management mode. Eurostat's operational budget aims to implement the specific objective of the Single Market Programme related to European statistics in line with the multi-annual framework and in accordance with the Financial Regulation and related rules. The overview table below presents the risk-types and activities of Eurostat, outlining the payments made in 2021.

Eurostat implements its budget based on a multi-annual control strategy for budget implementation that is valid until 2027, which may be revised if deemed necessary. The objective of the strategy is to provide an adequate set of controls related to Eurostat's financial transactions in order to achieve the control objectives in a cost-efficient way.

Eurostat has put in place key processes: ensuring efficient and effective budget planning and monitoring; processing and controlling of transactions to ensure their legality and regularity; supporting internal and external users; and the related reporting. Eurostat also develops projects to simplify its financial management and to adapt the control system to current and future changes in its legal and operational environment.

In line with the 2018 Financial Regulation, Eurostat's assessment for the new reporting requirement is as follows:

- Cases of 'confirmation of instructions' (new FR art 92.3)
 - ▶ No cases
- Cases of financing not linked to costs (new FR art 125.3)
 - ▶ In 2020, Eurostat launched a call for proposals for one grant action covering two years, where the form of financing is financing not linked to costs. The implementation of action scheduled for the first year took place in 2021.
- Financial Framework Partnerships >4 years (new FR art 130.4)
 - ▶ No cases
- Cases of flat-rates >7% for indirect costs (new FR art 181.6)

⁽³²⁾ 1) Effectiveness, efficiency and economy of operations; 2) reliability of reporting; 3) safeguarding of assets and information; 4) prevention, detection, correction and follow-up of fraud and irregularities; and 5) adequate management of the risks relating to the legality and regularity of the underlying transactions, taking into account the multiannual character of programmes as well as the nature of the payments (FR Art 36.2). The 2nd and/or 3rd Internal Control Objective(s) (ICO) only when applicable, given the DG's activities.

- ▶ In 2021, Eurostat grant beneficiaries, except for international organisations, received 30 % flat rate financing of indirect costs, calculated as a percentage share of eligible direct personnel costs. It was decided that the 30% flat rate of personal costs corresponds to the average of indirect costs beneficiaries incur when implementing Eurostat's actions. - COMMISSION DECISION C(2021) 2696 of 30.04.2021 authorising the use of flat-rate financing for actions implemented by Eurostat.
- Cases of 'Derogations from the principle of non-retroactivity [of grants] pursuant to Article 193 FR' (new Financial Regulation Article 193.2)
 - ▶ Further to the late adoption of the Work Programme and Financing Decision of 2021, a series of grants were awarded for actions with a retro-active starting date. This earlier start made it possible for beneficiaries to comply with timelines imposed by governing regulations or to start preparatory work. For these grant actions, the costs incurred prior to the date of proposal submission are exceptionally eligible for reimbursement.

Eurostat's activities 'to produce and disseminate high quality statistics on Europe and related activities' was implemented with the following payments executed in 2021 per risk-type:

Overview table (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)	Cross-delegations to other DGs (other AOxDs)	Delegation / Contribution agreements with EE (EIB, Int-Org, etc)	Total Expenditure	NEI e.g. Revenues, Assets, OBS ((in)tangible or financial assets & liabilities)
European Statistics *)	31.68	45.54		0.37	77.59	61.93
Totals (coverage)	31.68	45.54		0.37	77.59	61.93
Links to AAR Annex 3	Overall total (m EUR); see Table 2 – payments made				Overall total (m EUR)	Table 4 – assets

*) Implement the specific objective of the Single Market Programme related to European statistics

Legend for the abbreviations:		
AOxDs =Authorising Officer by Cross-Delegation	NEI =Non-Expenditure Item(s)	OBS= Off-Balance Sheet

1. Effectiveness of controls

a) Legality and regularity of the transactions

Eurostat uses internal control processes to ensure sound management of risks relating to the legality and regularity of the underlying transactions it is responsible for, taking into account the multiannual character of programmes and the nature of the payments concerned.

One of the control objectives is to ensure that the value of the error affected by the deficiency does not represent more than 2% of the payment(s) authorised. This indicator is based on ex post controls and measured and assessed on a multi-annual basis. More detail on the materiality criteria are outlined under Annex 5.

In addition, financial controls shall verify whether operations financed by Eurostat are correctly implemented in accordance with the applicable rules and regulations. The relevance, legality and regularity of procedures shall be assessed, as well as expenditure declared by Eurostat suppliers and beneficiaries. Possible overpayments shall be subject to financial recovery. Controls can also provide contributions to the improvement of the financial management of grants and procurements. They can help to ensure financial discipline in organisations (pedagogical and dissuasive effects).

The following control results are presented by internal control objective³³ and are further subdivided by main type of expenditure, namely grants and procurement transactions, covering 99.39% of the payments made by Eurostat in the reporting year 2021.

Assessment of the control results for grant transactions

The specific objective of the SMP related to European statistics is implemented by means of agreements between the NSIs, other national authorities and Eurostat. In accordance with Regulation (EC) No 223/2009 on European statistics, grants are awarded without calls for proposal to the members of the ESS.



Beneficiaries of grant agreements signed by Eurostat are mainly National Statistical Institutes (NSIs) of the EU Member States and of the enlargement countries and of the EFTA countries. 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.

Grant agreements are subject to preventive (*ex ante*) and detective (*ex post*) controls. As required by Article 74(5) of the Financial Regulation, all financial transactions related to grants were 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

³³ Effectiveness, efficiency and economy of operations; reliability of reporting; safeguarding of assets and information; prevention, detection, correction and follow-up of fraud and irregularities; and adequate management of the risks relating to the legality and regularity of the underlying transactions.

regulatory framework. All errors detected ex-ante are corrected before authorizing a transaction. Ex ante controls did not identify major weaknesses in the reporting year.

Re-assurance was given by complementary financial **ex post controls**. In total five *ex post controls* were launched in 2021, all of them selected randomly. Four controls were finalised in 2021, their results incorporated in this AAR.

The detected error rate for the reporting year 2021 is 0.28%. The multi-annual detected error rate decreased to 0.46%³⁴. This value is well below the materiality threshold of 2%. Therefore, it can be concluded that the controls implemented are effective.


The following table presents a number of *ex post* control indicators³⁵:

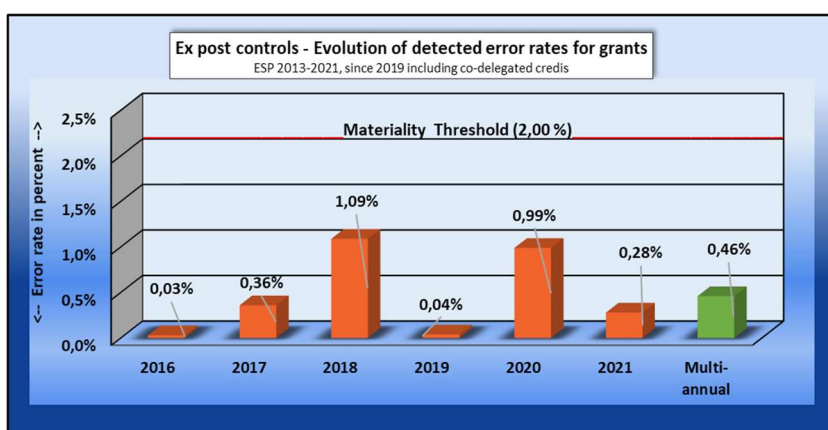
Ex post control indicators

Indicator	Reporting year						Multi-annual
	2016	2017	2018	2019	2020	2021	
▪ Audited population (€)	1 093 183	1 253 928	965 461	2 465 076	3 164 844	3 907 516	12 850 009
▪ Audited beneficiaries (n°)	4	5	3	4	5	4	25
▪ Audited grants (n°)	14	22	25	33	40	35	169
▪ Amount of errors concerned (€)	302	4 507	10 495	1 093	31 387	10 788	58 572
▪ Detected error rate	0.03%	0.36%	1.09%	0.04%	0.99%	0.28%	0.46%
▪ Number of fraud-related audit observations	none	none	none	none	none	none	none
▪ Number of audit results failed implementation	none	none	none	none	none	none	none

Source: European Commission, Eurostat

N.B.: Figures referring to ESP 2013-2021; since 2019, co-delegated appropriations are included in the figures.

 The detected error rate based on *ex post* controls for 2021 is calculated at 0.28% (multi-annual 0.46%). It remains comfortably below the materiality threshold of 2%.



³⁴ 2016 until 2021.

³⁵ The European Court of Auditors in its 2018 Annual Report and its review of the Commission's *ex post* audits observed that the Commission's methodology for calculating the error rate leads to an understatement of the error rate, the extent of which cannot be quantified. As a result, the Commission will adapt its methodology for the calculation of the ESP 2013-2020 error rate in line to the Court's observations starting with the implementation of the 2020 *ex post* audit campaign. In order to address this issue, the error rates for the year 2019 onwards were calculated with an adapted calculation method that was proposed by Commission's Central Services in order to avoid understated error rates.

Assessment of the control results for procurement transactions

Besides grant agreements, the European Statistical Programme is implemented via procurement transactions with a share of around 59% of the total amount of appropriations attributed to Eurostat.



Procurement transactions implemented by Eurostat in 2021 concerned mainly:

- 1) Provision of statistical services and methodologies;
- 2) IT services, supplies and database management;
- 3) Seminars, workshops and training.

The different stages of procurement transactions and their controls are outlined in Annex 6. As requested under Article 74(5) of the FR, all procurement transactions were covered by standard **ex ante** controls. These controls are checklist-based or based on working instructions ensuring compliance with the regulatory framework. They cover financial as well as operational aspects of a transaction. All errors detected ex-ante are corrected before authorizing a transaction. Ex ante controls did not identify major weaknesses in the reporting year.

For the determination of the amount at risk, a flat error rate of 0.5% is applied as most conservative and prudent approach, as no ex post controls are carried out. In addition, it can be concluded that there are indications that the equivalent error rate might be close to 'zero'.

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 internal criteria. In 2021, The Market Committee reviewed the quality of three terms of reference's procedures. In all cases, the Market Committee gave a favourable opinion. No specific issues have to be reported.

Overall assessment regarding legality and regularity of Eurostat's transactions

Eurostat's portfolio consists of segments with a relatively low error rate. This is thanks to the inherent risk profile of Eurostat's beneficiaries and the performance of the related control systems. As explained above, grant beneficiaries are partners of Eurostat under the European Statistical System (ESS) consisting of the National Statistical Institutes of the Member States of the EU, plus a small number of NSIs of Candidate- and EFTA-Countries as well as a number of Non-NSIs. Beneficiaries are informed via dedicated information meetings organised by Eurostat on changes and modifications related to grant management. They are also made aware of errors and weaknesses disclosed during past audits and controls. Consequently, their experience and expertise in financial management related to grant agreements can be assessed as high. In addition, Eurostat made increased efforts to reduce the risk of errors for grants via a number of simplification measures as for example the use of unit costs for direct personnel costs.

Through recoveries and financial corrections, Eurostat has in place an effective mechanism for correcting errors. During the reporting year the executed corrective capacity amounted

in total to EUR 0.026 million representing 0.04% of the relevant expenditure. The benefit at ex ante level control cannot be measured in amounts, whilst recoveries and financial corrections following the results of ex post controls amounted to EUR 0.026 million. (for more details see Annex 7).

Eurostat's relevant expenditure, its estimated overall risk at payment, estimated future corrections and risk at closure are set out in Table X: Estimated risk at payment and at closure.

The estimated overall risk at payment for 2021 expenditure amounts to EUR 0.35 million, representing 0.49 % of Eurostat's total relevant expenditure for 2021. This 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. The conservatively estimated future corrections for 2021 expenditure amount to EUR 0.01 million.

The difference between those two amounts results in the estimated overall risk at closure of EUR 0.34 million, representing 0.47 % of the DG's total relevant expenditure for 2021. This is a slight increase compared to the previous year and within the typical fluctuation bandwidth of a multi-annual control strategy and programme.

For an overview at Commission level, Eurostat's estimated overall risk at payment, estimated future corrections and risk at closure are consolidated in the AMPR.

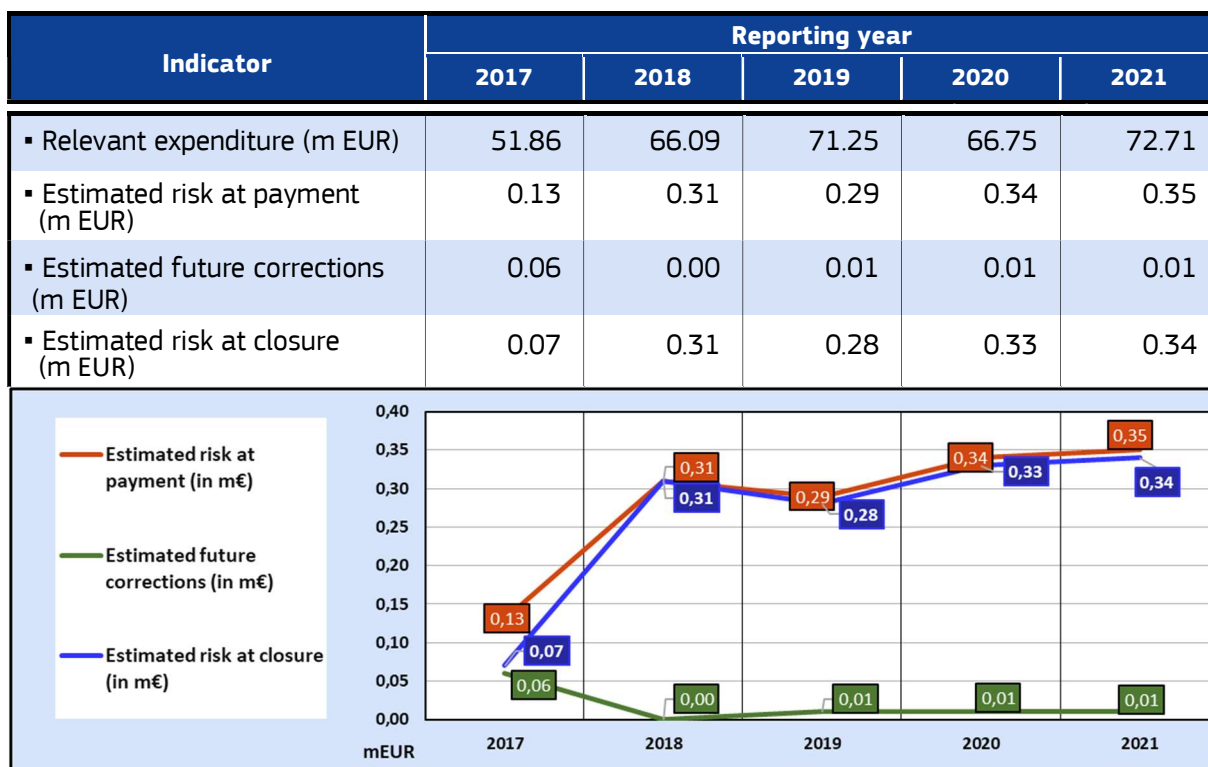
Table X : Estimated risk at payment and at closure (amounts in EUR million)

The full detailed version of the table is provided in Annex 9.

Eurostat	Relevant expenditure	Estimated risk (error rate %) at payment		Estimated future corrections and deductions		Estimated risk (error rate %) at closure	
		(3)		(4)		(5)	
		m EUR	%	m EUR	%	m EUR	%
RCS:							
• Grants	26.83	0.12	0.47	0.01		0.12	0.44
• Procurements	45.41	0.23	0.51	0.00		0.23	0.51
• Admin. credits	0.47	0.00	0.00	0.00		0.00	0.00
DG total	72.71 (m EUR)	0.35 (m EUR)	0.49 (%)	0.01 (m EUR)	0.01 (%)	0.34 (m EUR)	0.47 (%)

Eurostat regularly monitors and assesses the indicators related to legality and regularity of its transactions. The indicators 'Estimated risk at payment' and 'Estimated risk at closure' increased slightly from 2017 in the following years - however they remain stable at a low level.

Evolution of some important control indicators over a 5-years period



b) Fraud prevention, detection and correction

Eurostat has developed and implemented its own anti-fraud strategy since 2013, on the basis of the methodology provided by OLAF. It is updated at the end of each three year implementation period, or before, if necessary. It was last updated in June 2021. Its implementation is monitored and reported to the management twice a year. All necessary actions have been implemented and Eurostat contributed to the Commission's anti-fraud strategy. Eurostat doesn't have any financial recommendations from OLAF to follow-up on.

The anti-fraud exercise is integrated into Eurostat's normal reporting. Regular reporting is ensured in the Annual Activity Report and through the internal control reports, which include a specific section on anti-fraud/OLAF investigations. The reports are issued twice a year and addressed to the Commissioner.

In 2021, the implementation of the anti-fraud Action Plan 2021-2024 concentrated mainly on achieving the strategic objective of improving awareness among staff to strengthen Eurostat's anti-fraud capacities. An information session on anti-fraud was included in each of the four newcomers' induction programme training sessions.

Additionally, market concentration for procurement was monitored and the results presented to management.

On the basis of the available information, Eurostat has reasonable assurance that the anti-fraud measures in place are effective overall.

The quantified benefits of controls covering fraud prevention, detection and correction remain evident as only one potential fraud-related case was opened by OLAF in 2021 (currently under investigation) and there are no other pending investigations opened by OLAF from previous years (all potential fraud cases have been dismissed by OLAF since 2012). Eurostat neither registered a fraud nor reported to OLAF any potential fraud-related case during 2021. The unquantified benefits of fraud prevention are the deterrent effects of controls. In addition, no fraud risks were included in the Eurostat risk register.

c) Other control objectives: safeguarding of assets and information, reliability of reporting

Safeguarding assets and information

Eurostat's information systems and data are highly important assets supporting Eurostat's mission to be the leading provider of high-quality statistics 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.

As far as IT security and data integrity are concerned, the control objectives in place are mainly related to raising awareness of the EC Security policies, standards and best practices, including Eurostat's information security policy, implementation of the controls defined in the IT security policy, monitoring and control of access to IT infrastructure, and use of IT infrastructure and information. In 2021, there were no incidents recorded regarding data integrity in the reception and transmission of information, including the website.

Regarding the safeguarding of sensitive information, the control objectives are mainly the identification and definition of sensitive information in Eurostat, access to sensitive information, and control of access to sensitive information. During 2021, no incidents related to breach of confidentiality were reported.

Within the ESS, the ESS IT security framework defines the controls to be put in place in order to safeguard the sensitive information. Eurostat, as part of the ESS, has been certified by an external authority as correctly implementing these controls.

Reliability of reporting (GNI)

The DG of the Commission in charge of the budget (DG Budget) is the authorising service with regard to own resources. However, Eurostat is the Commission service in charge of checking the implementation of the Gross National Income (GNI) Regulation. This entails proposing methods to ensure the reliability, exhaustiveness and comparability of national GNI data, verifying the compilation of those data and directing the work of the GNI Expert

Group. Each year, this group adopts an opinion on the appropriateness of the countries' GNI data for own resource purposes with respect to reliability, comparability and exhaustiveness. The division of responsibilities between Eurostat and DG Budget in own resources verification is outlined in a Memorandum of Understanding. It includes good practices regarding GNI reservations, which allow Member States' (and UK's) GNI data to be revised after a cut-off date. The GNI verification work is carried out using a multi-annual verification cycle based on periodic inventories (description of sources and methods used to compile GNI) sent by the countries, as well as an annual verification of GNI questionnaires and reports on the quality underlying the data revisions.

The main indicators used in this activity are presented in Annex 7. These indicators are broken down by input, output and results for the multi-annual and annual verification. They underpin the legality and regularity of underlying transactions concerning own resources based on GNI.

In 2021 the follow-up work on reservations placed on Member States' GNI data concerning the verification cycle 2016-2019 continued and the preparatory works on the verification cycle 2020-2024 have been finalised.

2. 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.

Indicator	Timely Payments		
Category	Efficiency of Controls / Timeliness		
Objective	Ensure efficient processing of payments within the legal deadlines		
Result		DG Score	EC Score
		99%	98%
Comment	Eurostat's time-to-pay indicators show a slight increase in the reporting year. With the late adoption of the multi-annual financial framework and the annual work programme, the implementation of the programme could only start with a four-month delay, in May 2021 and resulted in an accumulated workload for the rest of the year. The slight increase in payment time is in line with the developments of other time-to indicators, all suggesting moderately slower operations in the reporting year.		
Definition	Indicator = Value A / Value B Value A : Payment Accepted Amount in time (EUR) Value B : Payment Accepted Amount (EUR)		

In the reporting year 2021, Eurostat made 99,52 percent of payments in time (98% for the Commission as a whole). The 0.48% of late payments represent 8 payments out of 1.680 payments made in the reporting year. Eurostat uses paperless payment processes and has a dedicated payment time monitoring system in place, supported with an active follow-up of the advancement of individual payment files through the payment process.

A number of additional efficiency indicators are presented in the table below:

Indicator	Reporting year				
	2017	2018	2019	2020	2021
Grants					
• Average time-to-inform applicants [Art 194 (2a) FR sets a time limit of six months] (180 days)	71 days	108 days	80 days	63 days	98 days
• Average time-to-sign grant agreements or notify grant decisions [Art 194 (2b) FR sets a time limit of three months] (90 days)	46 days	59 days	64 days	44 days	53 days
• Time-to-pay (% on time, number of transactions)	83.70%	91.20%	99.37%	*1)	*1)
• Payment accepted amount in time (in percentage)				100%	99.15%
• Average time-to-pay [Art 116 FR]	57 days	48 days	38 days	27 days	32 days
Procurements					
• Time-to-pay (% on time, number of transactions)	82.92%	92.52%	99.96%	*1)	*1)
• Payment accepted amount in time (in %)				100%	99.54%
• Average time-to-pay [Art 116 FR]	26.0 days	20.6 days	20.6 days	18.5 days	19.6 days

Source: European Commission, Eurostat

*1) This indicator is replaced by the indicator 'Payment accepted amount in time (in percentage)' since 2020.

On average, Eurostat informed applicants of grant decisions in 98 days and signed grant agreements in 53 days in 2021. These time-to indicators show an increase as compared to the previous year (63 and 44 days respectively, in 2020). Similarly to other time-to indicators, this is in part the consequence of the late adoption of the annual programme and the resulting strain in the implementation of the programme. Nevertheless, Eurostat's average time-to-grant indicator is well within the limits set in the Financial Regulation.

Among projects carried over from the previous year, i.e. projects under calls for proposals published in 2020 and relating grant agreements signed in 2021, the time limits to grant were exceeded in 18 cases. The delay was due to the complexity of the proposed action, the structure of the consortium and the set-up of the call (including 16 cases under the same call for proposal), and in some cases for reasons attributable to the applicant.

Other indicators:

Indicator	Objective	ESTAT Score	EC Score
• Timely Decommitments	Ensure efficient decommitment of outstanding RAL at the end of commitment life cycle	79%	76%

As the indicator ‘Timely Decommitments’ suggests, a number of commitments were flagged as suspicious, i.e. earmarked for de-commitment suggesting that all underlying payments were made. Verification of these listed commitments showed that not all de-commitments were overdue. A monitoring system has been put in place to improve the follow-up of these commitments. Eurostat has taken measures since the end of the reporting year, dealt with the budgetary commitments in question and de-committed unused amounts, where necessary. As a result, Eurostat’s ‘timely de-commitment’ indicator rose to 94 % by the end of January 2022.

3. Economy of controls

The calculation of cost of controls is based on a best and most reasonable estimate³⁶. 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 already in the previous year, the estimation of FTEs for staff was carried out using the ATLAS-Tool³⁷. The data in ATLAS 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, based on the best and most reasonable estimate.

The tables below present an overview of cost-effectiveness indicators. More detail is presented under Annex 7 of this AAR.

Overall cost of control:

Indicator	Reporting Year				
	2017	2018	2019	2020	2021
Overall					
(1) Overall cost of control (k€) *)	**)	10 694	11 022	10 615	10 365
(2) Overall cost of controls / total expenditure executed during the year (payments made for grants and procurements)	**)	11.3%	12.1%	14.2%	13.4%
*) Overall cost of control includes the cost of control related to grants, procurements, IT security and data integrity as well as safeguarding of sensitive information.					
**) No comparative data for previous years available					
Grants and procurements					
(1) Cost of control (k€)	9 066	10 162	10 522	8 630	8 818
(2) DG-horizontal control related tasks which are not	n.a.	n.a.	n.a.	1 279	941

³⁶ 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.

³⁷ ATLAS (Activity and Task Logging for Allocated Staff) is a workforce reporting and planning tool helping to allocate resources to priorities and providing up-to-date information on the allocation of resources to political priorities, and activities.

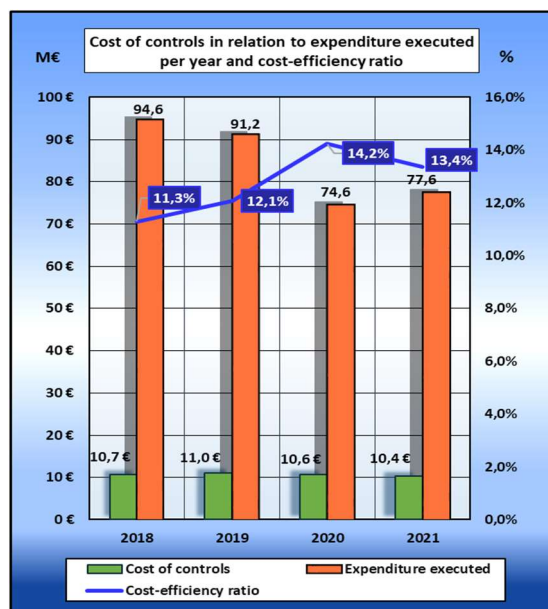
attributable to a single relevant control system					
(3) Total costs = (1) + (2)	9 066	10 162	10 522	9 909	9 759
(4) Total cost of controls of process / total expenditure executed during the year (the payments made for grants and procurements)	13.9%	10.7%	11.5%	13.4%	12.6%

Source: European Commission, Eurostat

N.B.: The structure for presenting cost of controls was modified based on a revised corporate guidance in 2020 to harmonise approaches across DGs. Costs which cannot be allocated to any single relevant control system (e.g. Budget and accounting; coordination incl. strategic programming and planning, etc.) were taken out of the overall cost of controls related to grants and procurements and shown separately

Overall cost of controls slightly decreased over a four-year reference period 2018 - 2021 (see green bars in the chart on the right). This decrease is particularly remarkable, since the annual average cost rate for staff costs rose inversely.

The amount of payments executed per year declined from EUR 94.6 million in 2018 to EUR 77.6 million in 2021 (see orange bars on the right). This effect was, among others, caused by the Covid-19 pandemic as the amount of payments that could be executed declined, mainly as the capacity to absorb grants on the part of Eurostat's beneficiaries was limited.



At first glance, the cost-effectiveness ratio of Eurostat appears relatively high, though decreasing slightly in the reporting period 2021. However, one of the key determinants of the ratio is the volume of payments made during a reporting year. In this context, it is important to underline 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. This results in diseconomies of scale.

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; the margin for reducing them is therefore limited.

Initiatives to improve cost-effectiveness of controls

In 2021, Eurostat continued to implement ongoing grant actions with simplified forms of financing, such as unit costs, single lump sum and financing not linked to costs. Eurostat makes all efforts to continue to offer simplified funding options in grant actions and if possible, extend their use. Experience gained in the use of simplified forms of costs and contributions by Eurostat has shown that such forms of financing significantly simplify administrative procedures and substantially reduce the risk of error, and it is therefore

4. Conclusion on the cost-effectiveness of controls

Based on the most relevant key indicators and control results, 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.

Eurostat regularly monitors and assesses the indicators on the efficiency of its controls. As explained above, Eurostat faces relatively high costs for the implementation of its activities, but these costs are proportionate and necessary.

In addition, benefits of the controls in place are demonstrated by error rates that are below the materiality threshold. Eurostat's efficiency indicators can be viewed positively. Timeliness of payments are slightly above comparative figures.

Budget implementation tasks have been affected only moderately by the Covid-19 pandemic. Due to mitigating measures and electronic processes in place, all financial transactions were run without interruption. Eurostat successfully implemented its annual work programme and ensured the continuity of ongoing procurement and grant projects.

In conclusion, Eurostat considers that the current control system and strategy represents a good balance between the invested efforts (cost of controls), the obtained error rates (effectiveness of controls) and delivery of objectives (efficiency).

2.1.2. Audit observations and recommendations

This section sets out the observations, opinions and conclusions reported by auditors – including the limited conclusion of the Internal Auditor on the state of internal control. Summaries of the management measures taken in response to the audit recommendations are also included, together with an assessment of the likely material impact of the findings on the achievement of the internal control objectives, and therefore on management's assurance.

Open issues from IAS audits before 2021

The final audit report of the '**Audit on HR Management in Eurostat**' was issued on 26/01/2021. During 2021 Eurostat considered four 'very important' recommendations referring to the development of an HR strategy, the HR planning process, the HR plan, and the monitoring of HR operational indicators as being implemented and 'ready for review'. Four further 'very important' recommendations referring to 'task mapping', 'skills mapping', 'workload assessment', and 'staff allocation' still need to be implemented. For any further information, please consult Annex 7.

Open issues from audits of the European Court of Auditors before 2021

Three ‘important’ recommendations where Eurostat is ‘Chef de file’ were issued by the European Court of Auditors in its Special Report 16/2019: **‘European Environmental Economic Accounts: Usefulness for policymakers can be improved’**. One recommendation has already been implemented. The implementation of the remaining recommendations is on track and expected to be finalised between 31/12/2022 and 31/12/2023.

The European Court of Auditors issued one ‘important’ recommendation in the Special Report 05/2020: **‘Sustainable use of plant protection products. Limited progress in measuring and reducing risks’**. Eurostat is ‘Chef de file’ for the implementation of this recommendation. An action plan has been established and its implementation is ongoing and planned to be finalised by 31/12/2023.

In its Special Report 08/2016: **‘Rail freight transport in the EU still not on the right track’** the European Court of Auditors issued the important Recommendation 4a, referring to monitoring and transparency of the performance of the rail freight sector. The ‘Chef de file’ for the implementation of this recommendation was changed from DG MOVE to Eurostat on 09/04/2021. The original deadline for its implementation was 31/12/2018 (set by DG MOVE at that time). The revised deadline for the implementation of this recommendation set by Eurostat is 30/06/2022. The implementation is ongoing and will be finalised as planned.

Information related to the implementation of the EU budget in the context of the current Covid-19 pandemic can be found under heading 2.1.1. (subheading ‘Conclusion on the cost-effectiveness of controls’).

Limited conclusion of the Internal Auditor on the state of internal control in Eurostat

On 14/02/2022, IAS concluded that the internal control systems in place for the audited processes are effective, except for the observations giving rise to four ‘very’ important recommendations issued in the final report of the ‘Audit on Eurostat’s HR management’. These recommendations need to be addressed, in line with the agreed action plans.

For further information on these four recommendations, please consult annex 7.

Conclusion on the assessment of audit observations and recommendations

- Eurostat accepted all issued recommendations.
- The IAS did not issue any ‘critical’, or ‘very important’ recommendations in 2021.
- Currently, Eurostat does not have any ‘critical’ or ‘very important’ recommendations issued by the European Court of Auditors.
- Currently, Eurostat does not have any audit recommendations overdue for more than six months.

- The IAS did not issue any recommendations in its report on the ‘Audit on Preparedness for the new European Statistical Programme under the new MFF 2021-2027’.
- During 2021, Eurostat implemented one ‘very important’ and one ‘important’ recommendation stemming from the IAS ‘Audit on Effectiveness of Eurostat’s cooperation with external stakeholders’, as well as four ‘very important’ recommendations stemming from the IAS ‘Audit on HR Management in Eurostat’.
- During 2021, Eurostat implemented two important recommendations issued by the European Court of Auditors.
- Eurostat is currently in the process of implementing one ‘important’ recommendation and four ‘very important’ recommendations, all issued in IAS audit reports, as well as four ‘important’ recommendations issued by the European Court of Auditors.
- Action plans referring to the ‘very important’ and ‘important’ audit recommendations were established and are being implemented.
- Detected risks have been reduced significantly. Therefore, from Eurostat’s point of view, the weaknesses and risks that were detected in the audited processes, do not endanger the functioning of the internal control system as a whole.
- IAS concluded on the state of internal control in Eurostat that the internal control systems in place for the audited processes are effective, except for the observations giving rise to four ‘very important’ recommendations.

Therefore, Eurostat concludes that audit observations and recommendations do not disclose significant weaknesses of the internal control system that would require a qualification to the declaration of assurance with a reservation.

2.1.3. Assessment of the effectiveness of internal control systems

The Commission has adopted an Internal Control Framework based on international good practice, to ensure the achievement of its policy and management objectives. Compliance with the internal control framework is a compulsory requirement.

Eurostat uses the organisational structure and the internal control systems suited to achieving its policy and internal control objectives in accordance with the internal control principles and has due regard to the risks associated with the environment in which it operates.

The functioning of the internal control systems was closely monitored throughout the year.

Eurostat’s management monitors twice a year the implementation of the mitigating actions identified for the risks relevant at DG-level.

Twice a year, Eurostat’s management also assesses whether:

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 'critical' risk: 'Failure to meet continuously increasing requests for new, more timely and more detailed statistics in a fast changing environment', is being mitigated in line with the established action plan. Two out of eight mitigating actions have already been implemented in 2021.

Eurostat's management 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'. Please refer to Annexe 8 for the detailed approach and its sources.

The analysis of the effectiveness of Eurostat's internal control system resulted in the assessment that the internal control principles 4, 15, and 16 are present and functioning but some improvements are needed.

The results of the assessment have been analysed and discussed between the Director-General and the Director in charge of Risk Management and Internal Control (DRMIC).

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 well overall, but some improvements are needed as minor deficiencies were identified related to the principles 4, 15, and 16.

The improvements and/or remedial measures implemented or envisaged refer mainly to internal control principle 4 and the related implementation of the IAS audit recommendations.

2.1.4. Conclusions on the assurance

This section reviews the assessment of the elements already reported above (in Sections 2.1.1, 2.1.2 and 2.1.3), and the sub-conclusions already reached. It draws an overall conclusion to support the declaration of assurance and whether it should be qualified with reservations.

The information reported in Section 2.1 stems from the results of management and auditor monitoring contained in the reports listed. These reports result from a systematic analysis of the evidence available. This approach provides sufficient guarantees as to the completeness and reliability of the information reported and results in a comprehensive coverage of the budget managed by the Director-General of Eurostat.

Eurostat's performance in 2021 demonstrated that it is on course to meet the long-term policy, programme and operational objectives. In Eurostat's judgement, its operational expenditure authorised has contributed to the policy achievements and generated Union-added value. The KPIs indicate that the usage of European statistics is increasing as a

general trend and in particular in recent years. Finally, the residual error rate for grants is consistently below the 2% materiality threshold.

The estimated overall amount at risk at closure for the 2021 payments made is EUR 0.34 million.

Based on an assessment of the most relevant key indicators and control results, Eurostat has assessed the cost-effectiveness and the efficiency of the control system as satisfactory in its current environment and has identified actions in order to improve.

Concerning the standard financial indicators, Eurostat's results for 2021 are in seven cases above the average Commission results. In three cases Eurostat's score is below the Commission average, however in two cases with only marginal deviation.

Eurostat has set up internal control processes aimed to ensure the adequate management of the risks relating to its operations. Eurostat performs a risk assessment at DG level twice a year.

In 2021 there were no incidents recorded regarding data integrity in the reception and transmission of information, including the website.

Eurostat neither registered a fraud nor reported to OLAF any potential fraud-related case during 2021. Only one *potential* fraud-related case was opened by OLAF in 2021 (currently under investigation) and there are no other pending investigations opened by OLAF from previous years (all potential fraud cases have been dismissed by OLAF since 2012).

Eurostat has assessed the observations and recommendations issued by the IAS and the ECA and continued in 2021 with the implementation of actions plans addressing audit recommendations.

IAS concluded on the state of internal control in Eurostat that the internal control systems in place for the audited processes are effective, except for the observations giving rise to four 'very important' 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.

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 well overall, but some improvements are needed. The improvements and/or remedial measures envisaged refer mainly to the further implementation of the IAS audit recommendations issued in the final report of the IAS audit on 'HR Management in Eurostat'.

The AOD gained a true and fair (i.e. a reliable, complete and correct) view of the state of affairs in Eurostat and has reasonable assurance that, overall, suitable controls are in place and working as intended.

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.

2.1.5. Declaration of Assurance

I, the undersigned,

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 view³⁸.

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, ex-post 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.

I am not aware of anything not reported here which could harm the interests of the institution or those of the Commission.

Luxembourg, 31/03/2022

Mariana Kotzeva

³⁸True and fair in this context means a reliable, complete and correct view on the state of affairs in the DG/Executive Agency.

2.2. Modern and efficient administration – other aspects

For an extensive reporting on all components, please refer to Annex 10.

Examples of initiatives to improve the economy and efficiency of financial and non-financial activities:

Financial:

- In 2021, Eurostat continued to implement ongoing grant actions with simplified forms of financing such as unit costs, single lump sum and financing not linked to costs.
- Eurostat makes all efforts to continue to offer simplified funding options for grant agreements. Experience gained in the use of simplified forms of costs and contributions by Eurostat has shown that such forms of financing significantly simplify administrative procedures and substantially reduce the risk of error, and it is therefore appropriate to maintain their use in actions implemented by Eurostat.
- In 2021, Eurostat's senior management adopted a new Control Strategy for budget implementation covering the years 2021-2027. It aims to provide an adequate set of controls related to Eurostat's financial transactions in order to achieve the control objectives while improving the cost-effectiveness of controls to be performed.

Non-financial:

- 2021 was the preparatory year for modernisation of the process and format of news releases. The news release modernisation project has two main aims: to develop a digital workspace for creating and disseminating news releases, thus reducing manual work and increasing security, and to improve the output format of news releases to make them more flexible, interactive, visual and accessible. Testing with journalists helped define the new format. After going into production in 2022, the project will increase the economy of news release preparation by automating parts of the process and thus saving about 15% of work input.

2.2.1. Human resource management

Effective management of Human Resources (HR) is one of the most important aspects of the European Commission's and Eurostat's administration. The year 2021 was still characterised by the ongoing Covid pandemic having an impact on HR management and HR processes like recruitment. Teleworking was for most of the year the default-working mode for all staff (only for a period of about two months was there a compulsory one day per week office presence). Teleworking from abroad for a maximum of ten days per year combined with at least five days of annual leave was a new option for all staff.

On 14 December 2021, the new Eurostat HR strategy 2021-2024 was approved by the Directors Meeting (DM). It implements the draft corporate Commission HR strategy, but is tailored to the specific needs and realities of Eurostat. The strategy was developed with the active involvement of staff and managers. Contributions and feedback from various workshops on the corporate HR strategy were reused for the local strategy. Senior management had in-depth discussions on the topic in different DMs and in the DM seminar in July 2021. The strategy is based on the assumption that the hybrid model of working and wide use of digital technologies will continue. It also builds on the recommendations of the Internal Audit Service audit on human resources management conducted in 2019 and the follow-up work implementing the audit's action plan. It clearly formulates strategic objectives (in the domains of attractive workplace, recruitment, talent development and HR processes & management) and identifies concrete actions and measures. The annual HR plan for 2021 (included as an Annex to the Eurostat HR strategy) lists concrete actions with target dates and will support the implementation of the strategic goals. Moreover, the strategy is based on sound analysis (incl. audit, HR data and surveys) and includes relevant data (e.g. workforce analysis, vacancy rate, profile analysis). The results of the ongoing skills mapping and gap analysis (talent gaps exercise), as well as the task mapping exercise and workload indicators will be very useful to identify critical gaps and to drive the workforce planning forward.

The new Commission Gender Equality Strategy provided measures to achieve gender equality at all levels of management by the end of 2024. In October 2021, Eurostat adopted its first equality action plan, spelling out five broad equality objectives and several actions for each objective. This action plan was prepared with the help of 'the Eurostat equality group' created in March 2021. In the course of 2021, some concrete actions were already started, in particular when it comes to awareness-raising actions. A functional mailbox was set up, new equality Intranet pages were developed and a large number of short articles were published on the intranet in order to enhance the visibility of the equality topic in the Directorate-General. In addition, the equality action plan was already discussed in a couple of Directorate staff meetings. Finally, Eurostat gave a presentation on the equality statistics produced at the Annual Equality Task Force event.

Eurostat is fully on track with the required number of first female appointments in middle management for the period 2020-2022. In March 2021, the second first female appointment (out of the two planned for this period) to a Head of Unit post took place. A third one followed in July 2021. At the end of 2021, women occupied 51.4% of middle management positions in Eurostat.

Eurostat nominated a Deputy to the Director for each of its Directorates. At the end of 2021, women occupied 57.1% of Deputy to the Director positions in Eurostat.

In addition, Eurostat used its allocated quota in the Female Talent Development Programme and will continue to do so.

Eurostat's results in the 2021 Staff Opinion Survey are much better than in the previous one held in 2017. As regards staff engagement index, Eurostat reached with 78% the highest score in the 2021 Commission Staff Survey, also achieved by three other

Directorates General in the Commission. This is an increase of 8 percentage points compared to the previous results. When looking at the 13 internal control monitoring criteria, Eurostat is above the EC average for almost all criteria, except one. Eurostat's results were much higher for those survey questions (an increase between 5 and 18 percentage points). The only question with a slight decrease of 1 percentage point is about the feeling to be able to manage career choices and determine career path. The better results are thanks to the efforts and actions following the previous survey, with a detailed plan of improvement actions prioritised on the basis of an assessment of their expected impact and their ease of implementation. This plan provided for:

- improved communication on available opportunities and individualised career support services,
- the promotion of a more active, open and regular communication between senior managers and staff,
- an enhanced information flow to provide staff with additional practical information about their area of work and cross-unit issues, and
- improved innovation in the production and dissemination of European Statistics. Eurostat will carefully look into the detailed 2021 results and take appropriate improvement actions if deemed necessary.

According to the risks identified in the area of HR in the beginning of 2021, Eurostat closely followed up the vacancy rate on a quarterly basis and vacancies in priority areas on a monthly basis. Eurostat opted for recruiting temporary agents as an immediate solution to the high number of vacant posts (increase of temporary staff from 6.52% to 10.9% in the period January 2021 to December 2021). Whenever justified due to the professional experience of the candidate, Eurostat requested the recruitment of a temporary agent in a higher grade than AD5 or AST1. In addition, Eurostat regularly reminded the Account Management Centre (AMC) to insist on timely organisation of medical visits required before recruitment.

Eurostat continuously informed DG HR about the situation on the Luxembourg job market.

Throughout 2021, a continued top priority for Eurostat has been to better inform its staff about the latest developments involving Eurostat and the Commission overall. On Eurostat's intranet page 'Cybernews', a daily set of news articles (four per day) was published. The articles covered the ongoing developments in Eurostat business activities and all HR related issues as well as on Commission corporate priorities. Eurostat also continued to focus on raising the profile of its staff members and promoting contact between the colleagues, including 'people' related articles.

Throughout 2021, Eurostat consistently promoted corporate priorities internally to its staff (Flexible Working, Introduction of M365, 2021 Staff Survey, Cybersecurity, Equality, diversity and inclusion, Green Commission). Putting these into the Eurostat context and showing how these were relevant to the daily work and life of our staff raised awareness of corporate priorities that might otherwise have seemed abstract.

Additionally, Eurostat published articles to inform staff about HR issues, including those dealing with the Covid-19 pandemic. Eurostat's location in Luxembourg has made it more important than ever to have its own internal articles to inform the staff of the evolving situation. Eurostat also published the analyses of the corporate 'Pulse surveys'.

In 2021, Eurostat's newsletter 'Eurostat-Infos' was published three times. In addition to articles introducing new Heads of Unit and Directors, in-depth 'behind the scenes' articles on Eurostat work and the staff responsible were published. Such articles cast light on important parts of Eurostat's operations that might have been unfamiliar to staff who were not directly involved.

2.2.2. Digital transformation and information management

During 2021, Eurostat kept its active participation in various corporate initiatives, in particular the ones linked to the European Commission Digital Strategy Modernisation Plan.

Eurostat was preparing the ground to explore the use of cloud technologies for statistical production, by actively participating in the European Commission Cloud Council, particularly in the group to enable the use of Sensitive Non Classified (SNC) information in the Cloud.

IT security is embedded in Eurostat business, therefore, significant efforts in IT security have been made, by updating all security plans of the information systems and taking actions to improve the overall security of data, such as the activation of Multi Factor Authentication (MFA) in all information systems handling SNC data.

Eurostat approved its new IT Strategy, updated its current IT governance and launched several associated communication and implementation actions. Among them, the in-depth analysis of the existing statistical production systems, which will produce a mid-term roadmap for their rationalisation.

The rollout of the new EDAMIS (data transmission tool) proceeded according to plan and by October all file-based datasets were submitted by the NSIs using the new transmission options³⁹.

Eurostat completed the development of the IT system that will support the dissemination of the Census 2021 data and opened the pre-production environment to the NSIs, along with all the necessary tools and documentation.

In parallel, significant progress was made in modernising the legacy solutions, bringing to near-completion the transition of the statistical domains that were using OLAP (Online Analytical Processing) technologies to other supported platforms, as well as the replacement of ColdFusion based applications.

Eurostat has additionally contributed to the Commission corporate data strategy leading its two horizontal responsibilities for geographical data and for the statistics produced by other Commission services. The network of statistical correspondents worked on the pilot implementation of the Reference Quality Framework for Other Statistics. Eurostat was an active member of the following actions' core groups: data inventory, data advisory and reference data. Additional support was provided to the MFF performance indicators groups, country knowledge action, data platform and data skills. Finally, the Eurostat Institutional Support Service has provided 20 training events (for more than 400 colleagues) and answered about 500 requests for assistance in the reuse of European statistics.

Furthermore, Eurostat advanced with the implementation of the European Statistical System standards for reference metadata and quality reports, which is now covering almost all relevant statistical areas.

Additionally, in line with the Commission paperless policy, only the Flagship publications and the Key Figures series had a limited printed edition with the possibility for users to request a printed copy. The Eurostat calendar has been produced on a 'print on demand' basis for Commission staff, and with a limited print run for other institutions and users. All other publications were digital only, in html and pdf format.

As regards the actions for compliance with the Commission's Data Protection Action Plan⁴⁰, they were continued in 2021 and included awareness raising activities. The target of 100% staff attending awareness raising activities on data protection compliance by 2024 required continuous efforts in 2021. The activities included presentations and training for general staff and management. Due to the persistent restrictions resulting from the Covid-19 crisis, only the online part of the activities could be carried out and the live events had to be shifted to 2022. Among those online activities, regular articles in Eurostat's intranet about data protection issues were a priority, in particular to inform staff about DG-relevant training events and concrete background information.

Compliance with obligations concerning record keeping and procedures for data subject rights, and allocation of resources for compliance were a very high priority. In this respect the function of Deputy Data Protection Co-ordinator for Eurostat was created. A suitable person was recruited and they will take up their duties in early 2022.

2.2.3. Sound environmental management

In line with the European Green Deal, the Commission is working on an action plan to become climate neutral by 2030. The Eco-Management and Audit Scheme (EMAS) in the Commission will play a key role in implementing this action plan. As part of the EMAS scheme, EMAS correspondents work in each Directorate-General to raise environmental

⁴⁰ (C(2018) 7432 final)

awareness in their respective DGs. Based on the success of the ESTAT EMAS network⁴¹, in 2021 Eurostat implemented an additional network of EMAS representatives in Eurostat units. It is composed of 36 members, with a role to promote environmental actions within their respective units.

The Covid-19 pandemic has brought unprecedented changes in the way we work and for the first time, EC staff have exclusively/primarily worked from home for long periods. The increased shift towards working from home and the reduction of missions in 2021 allowed Eurostat to further promote the digitalisation of our way of working and communicating to achieve tangible greenhouse gas (GHG) emission savings.

In 2021, Eurostat started to prepare the work to become the **first DG in the European Commission to establish a carbon footprint accounting system** for its own activities. This means that Eurostat started to quantify the impact of its activities in terms of greenhouse gas emissions. The calculation system will be finalised in 2022. For that purpose, Eurostat will use the same standard to ensure compatibility with the system used Commission-wide. Eurostat will share the results of this experience with other DGs in order to extend this practice to the whole Commission.

Measuring our own carbon footprint is the starting point to establish a commitment in 2022 (Eurostat's green strategy), with measures in different areas, to achieve carbon reductions in line with the Commission's green strategy to become climate neutral by 2030. Eurostat already started working on this strategy in 2021. In particular, a group of representatives was set up with colleagues from different Directorates and from the EMAS network. The areas of focus were identified, as follows:

- Carbon footprint management
- Meetings and conferences organised by Eurostat
- Missions
- Home-work commuting and moving around buildings
- Waste and resources (energy, water, paper⁴²)
- Sustainable catering
- IT, buildings (working with central Commission services to push for corporate improvements)
- Environmental awareness

This strategy will be finalised in 2022.

⁴¹ Eurostat created one of the first intra-DG EMAS networks in the Commission. This network is composed of more than 40 members and works to promote environmental awareness in Eurostat.

⁴² In line with the Commission paperless policy, all publications will remain digital, with the exception of a limited printed number of Flagship publications, Key Figures series and some calendars and leaflets for promotional purposes.