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Items for discussion and decision: Fundamental Principles of Official Statistics

Report of the Friends of the Chair group on the implementation of the Fundamental Principles of Official Statistics

Note by the Secretary-General

In accordance with Economic and Social Council decision 2014/219, the Secretary-General has the honour to transmit the report of the Friends of the Chair group on the implementation of the Fundamental Principles of Official Statistics, which was established at the forty-second session of the Statistical Commission. The report recalls some of the earlier work of the group, leading to the adoption of a revised preamble of the Fundamental Principles, an implementation survey and the development of guidelines for strengthening implementation of the Principles. The report also recalls the endorsement of the Principles by the Council in July 2013 and by the General Assembly in January 2014. The report also presents the final results of the group's consideration of how to effectively address perceived non-compliance.

* E/CN.3/2015/1.



Report of the Friends of the Chair group on the implementation of the Fundamental Principles of Official Statistics

I. Background and mandate

1. The Friends of the Chair group on the implementation of the Fundamental Principles of Official Statistics was established by the Statistical Commission at its forty-second session in 2011. The group was initially mandated to revise and update the language of the preamble of the Fundamental Principles, to assess how the Principles can be re-enforced and to develop a practical guide for the implementation of the Principles to include new developments and good practices by national statistical offices and other producers and users of statistics (see Commission decision 42/111 of 25 February 2011). The Commission subsequently considered the Fundamental Principles of Official Statistics (FPOS) and the reports of this group at its forty-third session (see decision 43/111 of 2 March 2012), at its forty-fourth session (see decision 44/102 of 1 March 2013) and, most recently, at its forty-fifth session (see decision 45/101 of 7 March 2014, whereby it strengthened and amended the mandate of the group).

2. The members of the group are Australia, Colombia, the Dominican Republic, Germany, Italy, Mexico, Norway, the Philippines, South Africa, the United Kingdom of Great Britain and Northern Ireland, the United Republic of Tanzania and the United States of America. The Statistical Office of the European Union (Eurostat) and of the Economic Commission for Europe serve as observers. Katherine Wallman (United States of America) and Sibylle von Oppeln-Bronikowski (Germany) currently lead the group as Co-Chairs.

II. Completed mandates

A. Early work: redrafting of the preamble and implementation survey

3. During its first two years of work (2011-2012), the Friends of the Chair group focused on drafting a revised preamble of the Fundamental Principles, which successfully concluded with its adoption by the Statistical Commission at its forty-fourth session in 2013 (see decision 44/102). During the same period, the group, together with the Statistics Division of the Department of Economic and Social Affairs of the United Nations, also carried out a review of the implementation of the Principles by Member States, the results of which were reported to and discussed by the Commission, also at the forty-fourth session.

B. Twentieth anniversary of the Fundamental Principles: endorsement by the Economic and Social Council and the General Assembly

4. In its decision 44/102, the Statistical Commission reiterated the importance of the Fundamental Principles' being widely known and respected among users and producers of official statistics, and in particular at the political level, both nationally

and globally, and therefore decided to recommend to the Economic and Social Council and the General Assembly the endorsement of the Principles, together with the newly revised preamble.

5. More specifically, the Statistical Commission recommended to the Economic and Social Council the adoption of a draft resolution on the Fundamental Principles of Official Statistics (see E/2013/24, chap. 1.A.). In accordance with that recommendation, the Council endorsed the Fundamental Principles in its resolution 2013/21 of 24 July 2013. In the same resolution, the Council recommended the Fundamental Principles to the General Assembly for endorsement.

6. Pursuant to the recommendation of the Economic and Social Council, the representative of Hungary, together with 48 co-sponsors, introduced a draft resolution on the matter at the sixty-eighth session of the General Assembly. After a short informal consultation process, the Assembly, in its resolution 68/261 of 29 January 2014, endorsed the Fundamental Principles of Official Statistics.

III. Recent achievements and ongoing mandate

A. Recent achievements: implementation guidelines, updated website and new promotional material

7. In its decision 44/102, the Statistical Commission, inter alia, stressed the need to focus on implementation and encouraged the Friends of the Chair group to conclude its work by formulating guidelines on how to strengthen implementation (based on good practices developed at the national and regional levels) and guidelines on how to ensure the full independence of national statistical systems.

8. The group developed a first draft of an implementation guide based on existing sources, such as the Statistics Division website, including its good practices database, and the *Handbook of Statistical Organization*. Implementation guidelines for each principle were presented to the Statistical Commission in a background document at its forty-fifth session (available from <http://unstats.un.org/unsd/statcom/doc14/BG-FP.pdf>). The draft guidelines included case studies and best practices covering a wide range of settings and arrangements (e.g., centralized versus decentralized systems of official statistics) and mapped out the relationship between relevant quality assurance frameworks and codes and the Fundamental Principles. Also presented in the background document were definitions of and an implementation guideline on achieving the independence of national statistical systems.

9. At the forty-fifth session, the Statistical Commission welcomed the first draft of the implementation guidelines as an excellent starting point and asked the Friends of the Chair group to continue its work on this important document and also on the implementation guideline for achieving independence. In this context, it invited countries to enrich the implementation guidelines with further comments and submissions of country good practices and requested the Statistics Division to make the completed implementation guidelines available on an improved website dedicated to the implementation of the Fundamental Principles of Official Statistics.

10. In late September 2014, an integrated draft comprising the implementation guidelines on the 10 Fundamental Principles (part I) and on independence (part II) was made available from the Statistics Division website (see <http://unstats.un.org/>

unsd/dnss/gp/impguide.aspx). On 30 September 2014, national statistical offices were formally invited to review the draft and send proposals and examples of good practices, by 3 November 2014. In total, 36 replies were received by the group, which is currently in the process of integrating these replies. The final implementation guidelines are expected to be available on the Division website by March 2015.

11. In 2014, the Statistical Commission also emphasised that the guidelines “should be a living document in the future”. For practical purposes, it is suggested that the implementation guide be updated every five years. The conduct of this updating cycle should be synchronized to occur in the same year as the quinquennial review of the implementation of the Principles, as mandated by the Commission. The first update should thus be carried out in 2017/18. A new Friends of the Chair group could be formed to carry out the work within this new cycle.

12. In accordance with the request of the Statistical Commission, the Statistics Division is updating the structure and design of the existing web pages on the Fundamental Principles of Official Statistics. The redesign will streamline the pages, make the content more accessible and incorporate utilization of Twitter to inform users of updates. The new website is expected to be launched in early February 2015. After completion of this structural update, the Division will reach out to all national statistical offices and request them to update the content of these web pages, with a particular focus on statistics-related laws.

13. The Statistics Division is developing new promotional material utilizing the text of the Fundamental Principles of Official Statistics, as endorsed by the General Assembly, in all of the official languages of the United Nations. The new material includes a one-page flyer, available in letter and A4 size as well as poster format for easy download and reprinting by any stakeholder, and a small booklet presenting the Principles. All material will be available for download from the Division website.

B. Ongoing work: exploring ways to effectively address perceived non-compliance with the Fundamental Principles

14. In its decision 44/102, the Statistical Commission also encouraged the Friends of the Chair group to (a) explore ways to effectively address perceived non-compliance with the Fundamental Principles and (b) to reflect upon how the applicability of the Principles could be extended beyond the realm of official statistics, specifically to the private sector. The group decided to focus on how to effectively address perceived non-compliance. The group first reported back to the Commission on these issues in 2014 (see [E/CN.3/2014/2](#)); further deliberations of the group were held between June and December 2014. Presented directly below are the conclusions of the group on how to effectively address perceived non-compliance with the Fundamental Principles.

1. General observations: operational definitions and indicators

15. The group recognizes the growing importance of the question how to best address perceived non-compliance, triggered by the elevated status of the Principles owing to endorsement by the General Assembly as well as by growing demands placed on official statistics in national, regional and international contexts. The group also notes the absence of a clear definition of compliance and non-compliance:

understanding of these concepts is currently refracted through individual perceptions and biases and might be interpreted differently in different national or regional contexts. This also affects the responses to the questionnaires used in the two global implementation surveys (see <http://unstats.un.org/unsd/dnss/gp/globreview-2012.aspx> and <http://unstats.un.org/unsd/dnss/gp/globreview.aspx>). A proper monitoring mechanism and future implementation surveys need to build upon operational definitions as well as indicators so that compliance with each principle can be measured. These definitions and indicators should be based, however, on already existing material, such as the new implementation guidelines and the questionnaires used in the two global implementation surveys.

2. Promoting compliance and detecting non-compliance

16. In the spirit of the belief that prevention is better than cure, emphasis needs to be placed on advocacy and the provision of incentives to comply. The endorsement of the Fundamental Principles by the Economic and Social Council and the General Assembly is considered an important step, generating a positive impact on implementation and one that discourages violations. In this respect, the implementation guidelines and the existing good practices website are valuable resources. It is also suggested that, to promote compliance, countries develop their own guidelines and codes which build on and reference the Fundamental Principles of Official Statistics. In this context, it is worth noting that certain forms of non-compliance are systemic while others occur rarely or only under extraordinary circumstances. Threats can emerge from outside the statistical system or they can be embedded within the system itself.

17. In 2014, the Statistical Commission also recommended that a survey be conducted every five years through which to explore improvements made by countries in the implementation of the Fundamental Principles of Official Statistics. As the Commission did not decide which modalities should be used in the conduct of this survey, possible modalities are discussed below.

18. *Self-assessment.* National statistical systems are in a unique position to assess and report on compliance with the Principles. Official statisticians can be the most reliable source of information. In the case of detected non-compliance, however, they will be faced with decisions on how to report or to whom and the extent of the details that can or need to be released. In this context, they would therefore benefit from the accounts of former or retired chief statisticians which could identify the warning signs of threats and possible non-compliance. Regular self-reporting on accomplishments and status reports seem to be an indispensable tool. These reports would provide details on the opportunities offered to, and the problems faced by, national statistical systems in their effort to attain the standards set out in the Fundamental Principles. However, as self-assessments are of limited value in providing assurance to a wide range of stakeholders, they should ideally be used in combination with other mechanisms, such as peer reviews.

19. *Peer reviews.* Objectivity in the monitoring of compliance can be better attained through the carrying out of peer reviews than through the conduct of self-assessments. For this purpose, countries could be grouped either geographically, based on regional cooperation mechanisms, or on similarities in their stage of development and the structure of their national statistical systems, or by using other relevant information collected on national statistical systems. A country with a

centralized national statistical system, for instance, could offer validation and relate better to a country with a similar structure, and in this regard officials in the former could provide their colleagues in other such national statistical systems with useful insights and recommendations for further development in line with their compliance with the Principles. Clear limitations to this type of evaluation are imposed, inter alia, by costs and dependence on the level of submission of documents and their accessibility to reviewers. Clear and transparent guidelines on how peer reviews will be conducted and how results will be published need to be established. This becomes particularly important in cases where non-compliance is detected.

20. *Certification.* An additional tool for further improving the implementation of the Principles entails providing incentives for compliance through awards or certification. Such forms of recognition could be periodically conferred on national statistical systems or offices following practices that exemplify sustained and consistent application of some or all of the Fundamental Principles of Official Statistics. Along the same lines, internationally accepted certification and accreditation could also be issued to national statistical systems and agencies, should these satisfy sufficiently, in the delivery of their statistical products and services, the criteria of all agreed observable indicators of consistent and sustained compliance with the Principles. Such certification is usually based on assessments of a third party (typically an independent institute), and would require, even more than the other tools mentioned, a proper assessment frame and indicators. In addition, this approach would involve significant costs.

21. *Technical assistance.* The availability of support programmes for national statistical systems or offices that are found to exhibit non-compliance with the Fundamental Principles of Official Statistics (regardless of the assessment method applied) is crucial. In this context, international organizations, in particular the Statistics Division, are encouraged to provide technical assistance to countries in the area of implementation of the Fundamental Principles.

22. *Coordination of monitoring efforts.* It is also worth noting that several international organizations have similar quality-related principles, which build to a large extent on the Fundamental Principles of Official Statistics. These organizations have assessment mechanisms, which detect non-compliance with their own quality assurance frameworks and, by extension, with the Fundamental Principles. It seems worthwhile for such international organizations to share their monitoring/assessment frameworks with each other. Clear mappings between the Principles and other, similar frameworks could form the basis of such coordination. The Committee for the Coordination of Statistical Activities (CCSA) and the Meeting of the Chief Statisticians of the United Nations System could play a key role in this regard.

3. Re-establishing compliance and rebuilding confidence

23. There is consensus that reactions and remedies will very much depend on the nature and gravity of, as well as the actor or actors responsible for, the non-compliance. Further, such actors can be internal or external to the statistical system. In this regard, transparency and swift action are key to restoring respect for the statistical institution and rebuilding public trust.

24. Member States that have functioning national legal frameworks which exercise effective oversight over their statistical systems are generally perceived as not

requiring external intervention. However, in cases where no such framework exists, the global statistical community may have an important role to play, although there is no agreement on who would be in the most appropriate position to take action.

25. The group notes that it remains politically difficult for many international intergovernmental organizations to intervene in such cases. However, the group also observes that there are some organizations in the global statistical system that can play — and have played — a more active role in similar matters. These include supranational organizations (such as Eurostat), some international organizations that have regular institutional monitoring roles, such as the International Monetary Fund (IMF), and non-governmental organizations, (such as the International Statistical Institute (ISI)). The mechanisms of Eurostat, IMF and ISI are described in more detail below.

26. The European Statistics Code of Practice for the National and Community Statistical Authorities sets out 15 key principles covering the production and dissemination of European official statistics and the institutional environment within which national and European Union statistical authorities operate. A set of indicators of good practice for each of the 15 principles provides a reference framework for reviewing the implementation of the Code of Practice. In 2011, the European Statistical System Committee adopted, together with the new version of the Code of Practice, the Quality Assurance Framework of the European Statistical System (ESS QAF). The Framework serves as a source of guidance on how to implement the Code of Practice. The European Statistical Governance Advisory Board (ESGAB) was established in March 2008 to provide an independent overview of the European Statistical System as regards the implementation of the Code of Practice. The first evaluation of compliance with the Code of Practice was launched by Eurostat directly following the adoption of the first version of the Code in 2005; it included a comprehensive self-assessment against the principles and indicators of the Code. To complement the self-assessments and to promote their greater depth, peer-review visits were carried out in the 31 national statistical institutes of European Union member States and European Free Trade Association (EFTA) countries and in Eurostat over the period 2006-2008. Improvement actions resulting from the peer reviews were followed annually by Eurostat and ESGAB until 2013. In December 2013, a new round of peer reviews covering the 32 national statistical systems of European Union member States and EFTA countries and Eurostat was launched. The final report of this new round will be available in the first quarter 2016. More details are available from the Eurostat website (http://epp.eurostat.ec.europa.eu/portal/page/portal/quality/code_of_practice/peer_reviews).

27. The Articles of Agreement of IMF establish an obligation for members to provide accurate information to the Fund for surveillance purposes (article VIII, sect. 5). A member may be found to be in breach of its obligation when it does not provide accurate information and when the lack of accuracy is not due to lack of capacity. In such cases, the Managing Director may issue a report to the Executive Board, which has to decide whether the member has breached its obligations, and may call upon the member to improve its statistical system. If a member fails to implement remedial action, the Executive Board may issue a declaration of censure. If the member has not taken the specified actions within the specified periods, the Executive Board may declare the member ineligible to use the general resources of the Fund, suspend its voting rights, and finally decide on a compulsory withdrawal of the member from the Fund. The IMF Statistics Department of assists the

Managing Director in verifying the accuracy of statistical information provided by members.

28. The IMF data standards initiatives — the General Data Dissemination System (GDDS), the Special Data Dissemination Standard (SDDS) and SDDS Plus — provide frameworks for data dissemination. While membership in SDDS and SDDS Plus is voluntary, it does require a commitment to disseminating data with prescribed coverage, timeliness and periodicity; and to preparing and observing the dates in advance release calendars. IMF reviews compliance monthly and publishes an annual observance report (available from <http://dsbb.imf.org/Pages/SDDS/AnnualObsReports.aspx>). If a SDDS subscriber or SDDS Plus adherent is found to exhibit non-observance of its obligations, the Managing Director will bring the case to the attention of the Executive Board, which will decide on remedial means. To inform the public on the quality of the data, SDDS and SDDS Plus members are encouraged to assess the observance of data standards and codes, preferably using the Fund's Data Quality Assessment Framework, and to publish the findings.

29. The International Statistical Institute, for example, as custodian of the ISI Declaration on Professional Ethics, set up an Advisory Board on Ethics to advise on compliance with the Declaration in 2010. Institute considers submissions on ethical issues, issues statements, and works with other organizations to raise and maintain ethical standards within the statistics profession. The ISI Executive Committee also approved a strategy for the Institute's actions concerning professional ethics, which includes writing letters of support to the statisticians that have been affected; writing letters to the authorities in the country expressing concern; approaching the relevant international agency urging its involvement; ensuring media awareness; publishing statements on the Institute's website which will then be available for quoting by the media and others; and working with other professional associations to provide a collective response. The scope of the work of the Institute and, in particular, of the Advisory Board on Ethics, encompasses the full range of statistics, including official statistics. Details on this work are available from the Institute's website (<http://www.isi-web.org/special-topics/professional-ethics>). ISI statements and letters on ethical issues are available from the related web page (<http://www.isi-web.org/8741>).

30. The group notes that the three organizations whose mechanisms are described above and many others have codes and frameworks that, in essence, build on the Fundamental Principles. The Fundamental Principles thus provide the very foundation for many other, more elaborate codes, which were articulated with monitoring processes in mind. In fact, these codes and frameworks, generally speaking, cover all crucial aspects of the Fundamental Principles successfully. Addressing non-compliance, like monitoring (see para. 22), should be coordinated among relevant organizations. National, regional, international and supranational organizations with an established procedure on how to address non-compliance with their respective codes and frameworks could play a leading role. In doing so, they should, when publicly addressing non-compliance with their own code, also make reference to possible non-compliance with the Fundamental Principles of Official Statistics, a universally agreed-upon document. In the absence of any consensus on a single mechanism solely focused on non-compliance with the Fundamental Principles, the group regards this as the most feasible approach that is currently available.

31. Recognizing that circumstances and political climates change, the group suggests following this approach and revisiting the question how to best address non-compliance at a later time, possibly in the context of the twenty-fifth anniversary of the adoption of the Fundamental Principles of Official Statistics to be observed in 2019. At the same time, the question how the Fundamental Principles can be extended to the private sector could be also revisited.

IV. Points for decision:

32. **It is suggested that the Commission:**

(a) **Call upon all organizations to reference the Fundamental Principles of Official Statistics when addressing non-compliance within their own related frameworks, to the extent and within the time frame possible;**

(b) **Request the Statistics Division to:**

(i) **Provide technical assistance to countries in the area of implementation of the Fundamental Principles of Official Statistics;**

(ii) **Actively invite countries to annually update their country profiles and good practices on the Division website;**

(iii) **Report back to the Statistical Commission in 2017 in the context of the preparation of the twenty-fifth anniversary of the adoption of the Fundamental Principles in 2019;**

(c) **State its intent to establish a new mechanism in 2017 designed to:**

(i) **Review and possibly revise the implementation guidelines;**

(ii) **Develop the necessary tools and mechanisms for the 2018 assessment round, the results of which should be reported back to the Statistical Commission in 2019, which will mark the commemoration of the twenty-fifth anniversary of the adoption of the Fundamental Principles;**

(iii) **Re-evaluate the mechanisms focused on how to best address perceived non-compliance with the Fundamental Principles and revisit the question how the Fundamental Principles can be extended to the private sector;**

(d) **Thank the current Friends of the Chair group for its work and dissolve the group.**