Session 4: Peer review methodology

CODE OF PRACTICE PEER REVIEWS: FIRST STEPS IN DEFINING A EUROPEAN STATISTICAL SYSTEM WIDE APPROACH

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A. Introduction

In mid 2006, the European Statistical System launches a peer review exercise with unprecedented scope during a short time period. Based on the European Statistics Code of Practice, a holistic quality framework adopted by the Statistical Programme Committee, all national statistical systems and Eurostat have committed themselves to undergo a review by peers against seven of the principles and indicators of the Code.

The methodology for the peer reviews is based on a comprehensive questionnaire putting into concrete the principles and indicators of the Code of Practice and a checklist tailored to the various user groups to be reviewed. In addition, National Statistical Institutes are requested to conduct a user satisfaction survey prior to the peer review based on a questionnaire developed by the IMF for the Data Review of Standards and Codes (Data ROSC)\(^1\). The methodology will be tested in two pilot peer reviews prior to launching the ESS-wide exercise.

Main challenges relate to

- Quality assurance of the peer review process given the need for comparability and validity of the results
- Efficiency considerations taking into account a heterogeneous information basis in the various countries and the exploitation of possible synergies with related exercises, like e.g. the IMF Data Review on Standards and Codes as well as costs, scope and time frame of the exercise
- The European system perspective of the peer reviews, i.e. identifying issues going beyond a single national statistical system relevant for (parts of) the European Statistical System
- Maintain enough flexibility to tailor the peer reviews to the needs of countries in terms of areas covered keeping in mind the benchmarking character of the exercise

This paper describes the approach chosen by the European Statistical System and tries to establish a link to related exercises. Part B briefly introduces the background and part C provides information on the methodology used. The paper concludes in part D with addressing the main challenges.

\(^1\) For more information please refer to: www.imf.org
B. Background

In May 2005 the Statistical Programme Committee adopted the European Statistics Code of Practice and committed itself to adhere to its principles. The Code of Practice presents an ambitious holistic approach to quality in statistics covering the institutional environment, statistical processes and statistical outputs. It has the dual purpose of, on the one hand, improving trust and confidence in statistical authorities by proposing certain institutional and organisational arrangements, and, on the other hand, reinforcing the quality of the statistics they produce and disseminate, by promoting the coherent application of best international statistical principles, methods and practices by all producers of official statistics in Europe.

In so far the implementation of the Code of Practice in the European Statistical System is nothing trivial. It is rather based on a longer-term strategy demanding high commitment and efforts by the partners of the European Statistical System.

The Statistical Programme Committee agreed on a stepwise monitoring procedure for the implementation of the Code over three years during which countries’ self-assessments should be paired with elements of peer review, benchmarking and monitoring on the basis of the explanatory indicators added to each principle of the Code.

As a first step towards the implementation of the Code of Practice, National Statistical Institutes and Eurostat carried out self-assessments against the indicators and principles of the Code, the first results being summarised in a report to the Economic and Financial Committee of the Council of the European Union which will be published on the Eurostat quality website.

Building on the self-assessments of the National Statistical Institutes and Eurostat, the European Statistical System launches a series of peer reviews. They are considered a vital element for the implementation of the Code of Practice given their capacity to encourage the sharing of best practice and to contribute to transparency of a basically self-regulatory approach, thus enhancing accountability and helping to build trust in the integrity of the European Statistical System, its processes and outputs.

The results of the peer review process feed the monitoring of the implementation of the Code in the European Statistical System.

C. Peer review methodology

Objectives of the peer reviews

The European Statistical System peer reviews conducted in the framework of the implementation of the Code of Practice serve the following objectives:

Peer reviews are carried out on the basis of the National Statistical Institutes and Eurostat self-assessments using the Code of Practice Questionnaires as a starting point. However, they are expected to go beyond this initial exercise adding value by raising issues from a peer’s perspective, going more into detail where needed and assessing the situation in a country as a whole. Areas for improvement and related actions identified in the self-assessments will be confirmed with peers contributing to their prioritisation where needed.

At the same time, countries – assisted by the peers - benefit from more detailed overviews of the results of the first European Statistical System self-assessments positioning themselves in the European Statistical System with regard to the degrees and modes of adhering to the Code’s principles. The peer review could

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thus stimulate a knowledge transfer from which all parties involved could profit by identifying benchmarks and sharing best practices.

As a result the peer reviews yield a report at country level focussing on the principles reviewed. In addition it includes a refined set of improvement actions covering all principles of the Code which are being used to feed the monitoring process of the implementation of the Code in the European Statistical System.

The peer reviews contribute to a more complete picture of adherence to the Code at European Statistical System level identifying any common difficulties or gaps with regard to compliance with the code and to raise them at the level of the Statistical Programme Committee.

Finally, the peer review introduces an external element in the implementation of the Code following basically a self-regulatory approach. It thus contributes to transparency of the process and accountability of the involved actors.

**Scope of the peer reviews**

The peer review exercise covers all European Union Member States. In addition, the European Union Candidate Countries and the European Economic Area – European Free Trade Association Countries have expressed their interest to participate. The reviews are carried out during a three-day country visit by teams of three persons comprising two experts from National Statistical Institutes and one from Eurostat.

In order to keep the peer review manageable, the scope of the peer reviews is limited to the institutional environment and dissemination part of the Code comprising the following principles: (1) Professional Independence, (2) Mandate for data collection, (3) Adequacy of resources, (4) Quality commitment, (5) Statistical confidentiality, (6) Impartiality and objectivity and (15) accessibility and clarity. In addition, few selected additional issues relating to other principles of the Code or specific statistical areas could be reviewed in single countries taking into account inter alia their choices in the self assessment exercise and the composition of the reviewer team.

While using the National Statistical Institutes' self-assessments as a starting point, the peer reviews go beyond this initial assessment for it addresses the national statistical system involving as well other national data producers and the co-ordination role of the National Statistical Institute within the system.

**Peer review information basis**

The peer reviews are prepared on the basis of a standard information package provided by Eurostat comprising

The National Statistical Institutes' self-assessment against the principles and indicators of the Code of Practice

The National Statistical Institutes' reply to a Eurostat questionnaire on the institutional set-up of the statistical system

A detailed overview of the National Statistical Institutes' position compared to the European Statistical System based on the self-assessments by all National Statistical Institutes and Eurostat

Reports produced under similar exercises, like the IMF Data Review on Standards and Codes (ROSC) carried out in 15 of the participating countries or the Global Assessments carried out by Eurostat in 10 countries in the forerun of their accession to European Union.

Information on the countries' compliance with European Union statistical legislation
In addition, National Statistical Institutes are requested to provide information on the results of a user satisfaction survey and any other information that it considers useful or that has been requested by the peers.

**Peer review assessment basis**

The Code of Practice itself with its 15 principles detailed each by up to 7 indicators provides the assessment basis for the peer review in the form of a detailed Code of Practice questionnaire which served already as a common basis for the National Statistical Institutes and Eurostat self-assessments.

In addition a checklist of rather open questions targeted to the various interview partners is provided to the peers to be used for stimulating discussion and inviting sometimes personal reflections going beyond the statements in the self-assessments thus allowing the peers an in depth understanding of the background and the situation. Graphs 1-3 give an overview.

**Graph 1:**

**European Statistics Code of Practice principles and indicators – extract**

<table>
<thead>
<tr>
<th>Principle 1: Professional Independence</th>
<th>The professional independence of statistical authorities from other policy, regulatory or administrative departments and bodies, as well as from private sector operators, ensures the credibility of European Statistics.</th>
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<tbody>
<tr>
<td><strong>Indicators</strong></td>
<td>The independence of the statistical authority from political and other external interference in producing and disseminating official statistics is specified in law.</td>
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<tr>
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<td>The head of the statistical authority has sufficiently high hierarchical standing to ensure senior level access to policy authorities and administrative public bodies. He/She should be of the highest professional calibre.</td>
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<td>The head of the statistical authority and, where appropriate, the heads of its statistical bodies have responsibility for ensuring that European Statistics are produced and disseminated in an independent manner.</td>
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<tr>
<td></td>
<td>The head of the statistical authority and, where appropriate, the heads of its statistical bodies have the sole responsibility for deciding on statistical methods, standards and procedures, and on the content and timing of statistical releases.</td>
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<td>The statistical work programmes are published and periodic reports describe progress made.</td>
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<tr>
<td></td>
<td>Statistical releases are clearly distinguished and issued separately from political/policy statements.</td>
</tr>
<tr>
<td></td>
<td>The statistical authority, when appropriate, comments publicly on statistical issues, including criticisms and misuses of official statistics.</td>
</tr>
</tbody>
</table>
**Indicator 1.7:**
The statistical authority, when appropriate, comments publicly on statistical issues, including criticisms and misuses of official statistics.

11. As the statistical authority, do you have a specific policy to intervene publicly on statistical issues, in case of ….
   a  … criticism of official statistics
      Yes.................................................................................................................................
      No.................................................................................................................................
   b  … misuses of official statistics
      Yes.................................................................................................................................
      No.................................................................................................................................
   c  … misinterpretation of official statistics
      Yes.................................................................................................................................
      No.................................................................................................................................
   d  If yes, please state briefly the policy

**Follow up:**

12. Which is the main area of strength with regard to professional independence of your organisation? Please state below.

13. Which is the main area of weakness with regard to professional independence of your organisation? Please state below.
Graph 3:
Checklist by interview partner and indicator – extract -

<table>
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<tr>
<td>1.7</td>
<td>Do you see evidence that your NSI speaks publicly when the reputation of official statistics is threatened?</td>
<td>Are you able decide to speak publicly when the reputation of your statistics is threatened?</td>
<td>How do you judge on which occasions to react to public threats to the reputation of your statistics?</td>
<td>Do you feel pleased or embarrassed when you see your DG arguing in public about statistical matters?</td>
</tr>
</tbody>
</table>

**User satisfaction survey**

Prior to a countries’ peer review, National Statistical Institutes are requested to carry out a short survey among known users or groups of users on their satisfaction with the countries’ official statistics. To this end, a questionnaire has been developed addressing key aspects of quality of selected national statistical products forming part of European Statistics, like e.g. employment figures, national accounts, etc.

The (aggregated) results of the survey serve as an input to the peer reviews. They are expected to provide a much broader picture on users’ opinion than could possibly be obtained from the few interviews envisaged during the on-site visit of the peers. In so far, they help to focus and substantiate any discussions during the peer review. In addition, they may build a basis for comparison over time or even – cautiously interpreted - across countries helping to tailor the implementation of the Code to areas where improvements seem to be needed most.

The suggested methodology largely builds upon a corresponding survey requested by the International Monetary Fonds (IMF) prior to a country’s Data ROSC. It thus relies on a tested and widely used set of questions. While the statistical areas covered have been adjusted to better reflect the range of European statistics, broad correspondence with the IMF methodology has been ensured, so that countries which have recently conducted the survey in the framework of an IMF Data ROCS will not have to repeat it for the purposes of the peer review process. Accordingly, National Statistical Institutes conducting the survey in the framework of the peer reviews may wish to use the results in view of a future invitation to the IMF to conduct a Data ROSC.

National Statistical Institutes already carrying out a similar survey will be asked to provide the results of that survey instead.

Although this introduces a certain bias, the target population comprises known users from the academic and research community, banks and business, government agencies, the national Parliaments, the media, the international community and other relevant user groups, specific to the selected statistical domains in order to keep the survey manageable and modest in terms of investment needed by the National Statistical Institute.

The questionnaire comprises two parts. The first part aims at identifying the users’ area of interest and the use of statistics and a second part focuses on the statistics’ quality.

National Statistical Institutes are requested to modify the questionnaire according to their needs in terms of language, format, and data carrier.
The statistical areas selected comprise a range of statistical areas and sources covered by European legislation. As far as deemed pertinent, National Statistical Institutes may add other important statistics.

For each area the following quality aspects are addressed: accuracy, timeliness and accessibility as well as an assessment of overall quality on a scale from 1-5. To allow users to consider as well other quality aspects, room is provided for comments.

**Peer review mechanics and final report**

Following two pilot peer reviews in March and April 2006 during which the methodology is tested, Eurostat organises an information and training workshop for all National Statistical Institutes experts proposed as peers to promote a common understanding of the objectives and to ensure broad comparability of the process.

The reviews take, in principle, three days to be spent on site. During these three days the review team interviews members of the board and staff of the National Statistical Institute. As far as considered pertinent, other important national or regional data producers are involved. In addition peers interview a selection of users and possibly as well respondents' representatives. Interviews are structured along the methodological guidelines leaving however enough flexibility to account for national peculiarities.

As a result of the peer review a report is produced by the peers focussing on the principles of the Code of Practice deriving a compliance status for the country. In addition National Statistical Institutes – supported by the peers – define a list of improvement actions towards full compliance with the Code. Published on the Eurostat quality website, this list serves the monitoring of the implementation of the Code of Practice in the European Statistical System.

**D. Challenges**

In terms of country coverage on the basis of a common quality framework while using the same methodology and being conducted during a short period of time, this round of peer review is a unique exercise for the European Statistical System. It provides an unprecedented opportunity for benchmarking, identification of spill-overs and issues to be addressed at European level, thus creating a momentum for quality initiatives in the European Statistical System.

To facilitate the exploitation of these synergies and in particular to allow the identification of best practices along the process requires a high quality process and results e.g. in terms of comparability. This holds even more in view of the final reports' role with regard to monitoring the implementation of the Code of Practice.

To address quality of the process, a common information and assessment basis has been defined. Experts are selected in a way that a high degree of overlap between various review teams is ensured. Eurostat caters for a debriefing of the single reviews and provides a common reporting format. This allows as well for a learning curve to be realised over time. To sustain knowledge about and accessibility of good practices identified during single peer reviews, Eurostat will feed a good practice database to be published on its website.

The peer reviews constitute a considerable investment in terms of costs and time of the participating peers as well of the participating countries and Eurostat. While the Statistical Programme Committee agreed on an inclusive approach covering the whole European Statistical System, the preparation of the peer reviews and the areas addressed can be tailored to the needs of a country. To the extent to which comprehensive information is available from similar exercises, like the IMF Data ROSC or the Global Assessment, the peer review can focus on updating the conclusions or following-up improvements over time. Resources are accordingly freed to address specific needs of the country relating to other principles of the Code or to specific statistical areas.
With a view to ensure overlaps in the processes and thus full compatibility of the results, the peer review methodology comprises elements from the IMF Data ROSC to the benefit of countries participating in a Data ROSC in the future.