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**PROPOSAL**

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From: Secretary-General of the European Commission, signed by Ms Martine DEPREZ, Director

date of receipt: 12 February 2021

To: Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of the European Union

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Subject: Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Regulation (EC) No 138/2004 of the European Parliament and of the Council as regards regional economic accounts for agriculture

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Delegations will find attached document COM(2021) 54 final.

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Encl.: COM(2021) 54 final



Brussels, 12.2.2021  
COM(2021) 54 final

Proposal for a

**REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**

**amending Regulation (EC) No 138/2004 of the European Parliament and of the Council  
as regards regional economic accounts for agriculture**

(Text with EEA relevance)

## **EXPLANATORY MEMORANDUM**

### **1. CONTEXT OF THE PROPOSAL**

- **Reasons for and objectives of the proposal**

Eurostat has compiled European agricultural statistics on EU agriculture for decades. Today they cover the following aspects: structure of farms, economic accounts for agriculture, animal and crop production, organic farming, agricultural prices, pesticides, nutrients and other agri-environmental aspects. The main aim is to monitor and evaluate the common agricultural policy (CAP) and other important EU policies, and to support policy-making.

These data collections were evaluated in 2016<sup>1</sup> and found to be in need of an update to take account of changes in agriculture, the CAP and other related EU policies. The ‘Strategy for Agricultural Statistics for 2020 and beyond’<sup>2</sup> is a major programme to modernise European Union agricultural statistics run by the European Commission in close cooperation with Member States. The strategy is supported by the European Statistical System Committee and is part of the Regulatory Fitness and Performance programme (REFIT) whose aim is to streamline and improve the European agricultural statistics system (EASS). The strategy also follows international recommendations, such as the guidelines of the Intergovernmental Panel on Climate Change on reporting greenhouse gas emissions, and the standards of the UN Food and Agriculture Organization, and it implements the UN Global Strategy to improve agricultural and rural statistics.

Agriculture is a relatively small sector economically, but covers almost half of the land area of the EU and supplies most of its food, ensuring both food safety and food security. It has a large impact on climate change and the environment, and many rural communities depend on agriculture. The EU needs the most accurate information in this field to design policies that benefit all citizens of Europe by allocating the substantial budget of the CAP and related measures most efficiently and effectively across multiple dimensions. Furthermore, agriculture is at the heart of the Commission Communication on the European Green Deal<sup>3</sup>, in particular in its ‘Farm-to-Fork strategy’.

The performance of the agricultural sector as a whole can be assessed by bringing the information about the volume and price changes for agricultural goods and services under the umbrella of an accounting structure. To this end, the economic accounts for agriculture (EAA) provide a set of comparable data that offers important macroeconomic-level information to key users, in particular the Commission’s Directorate General for Agriculture and Rural Development (DG AGRI).

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<sup>1</sup> SWD(2017)96 - Commission staff working document evaluation accompanying the document ‘Strategy for Agricultural Statistics 2020 and beyond’ and subsequent potential legislative scenarios (Available only in English).

<sup>2</sup> <https://ec.europa.eu/eurostat/documents/749240/749310/Strategy+on+agricultural+statistics+Final+version+for+publication.pdf> (Available only in English).

<sup>3</sup> Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions on the European Green Deal, COM(2019) 640 of 11.12.2019.

As a satellite account of the European system of accounts (ESA 2010), the EAA very closely follow the methodology for national accounts. However, their compilation requires the formulation of appropriate rules and methods. Under the current methodology, Member States have been providing Eurostat with national and regional economic accounts for agriculture since 2000. In 2004, Regulation (EC) No 138/2004 of the European Parliament and of the Council of 5 December 2003 on the economic accounts for agriculture in the Community<sup>4</sup> came into force and formalised the national level economic accounts part; since then it has been amended six times. However, regional level accounts have not been included in the Regulation but have continued to be regularly transmitted by nearly all Member States under a gentlemen's agreement. This is suboptimal, as the statistics covered by the gentlemen's agreement are not formally part of the EAA, and there are no binding obligations or guarantee of delivery. Thus as regional economic accounts for agriculture are mature statistics that are important, they should be formalised by being included in the EAA Regulation. This is the only way to ensure their quality. The European Court of Auditors identified this issue in its Special Report SR 01/2016<sup>5</sup>, recommending the formalisation of the regional economic accounts for agriculture. The Commission accepted this finding.

In the same Special Report SR 01/2016, a lack of EAA quality reporting was also identified. Since 2016, Eurostat has been implementing this recommendation, and EAA quality reports have been provided by EU Member States (with very few exceptions) since 2019 with reference to the requirements of Article 12(2) of Regulation (EC) No 223/2009<sup>6</sup>. However, Article 12 provides for the specific inclusion of quality reporting requirements in sectoral legislation, which allows the modalities, structure, periodicity and assessment indicators of the quality reports to be defined, in addition to deadlines for data transmission. At present, the exact quality reporting arrangements are only informal and therefore should be formalised in line with these existing requirements of Regulation (EC) No 223/2009.

Finally, for the EAA, Member States transmit, for national-level data, first estimated data (deadline November of reference year  $n$ ), second estimated data (deadline January of year  $n+1$ ) and final data (deadline September of year  $n+1$ ). The second data follow too soon after the first for quality to be optimally improved, so the data transmission deadlines for the second estimate should be relaxed by 2 months from end January to end March of the year following the reference year.

- **Consistency with existing policy provisions in the policy area**

For policymakers, businesses and the general public to be able to take appropriate evidence-based decisions, statistics have to be reliable and of high quality.

The 2020 agricultural statistics strategy mentioned above includes the following key objectives:

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<sup>4</sup> Regulation (EC) No 138/2004 of the European Parliament and of the Council of 5 December 2003 on the economic accounts for agriculture in the Community (OJ L 33, 5.2.2004, p. 1).

<sup>5</sup> Special report No 1/2016: Is the Commission's system for performance measurement in relation to farmers' incomes well designed and based on sound data?

<sup>6</sup> Regulation (EC) No 223/2009 of the European Parliament and of the Council of 11 March 2009 on European statistics and repealing Regulation (EC, Euratom) No 1101/2008 of the European Parliament and of the Council on the transmission of data subject to statistical confidentiality to the Statistical Office of the European Communities, Council Regulation (EC) No 322/97 on Community Statistics, and Council Decision 89/382/EEC, Euratom establishing a Committee on the Statistical Programmes of the European Communities (OJ L 87, 31.3.2009, p. 164).

- produce high quality statistics that meet users' needs efficiently and effectively;
- improve the harmonisation and coherence of European agricultural statistics.

The three areas included in this proposal directly address these objectives.

- **Consistency with other Union policies**

Providing quality statistics to support European policies is the main driver of the 2013-2017 European statistical programme<sup>7</sup> (extended to 2020<sup>8</sup>). Environmental and agricultural statistics are one of the three pillars of statistical production under that programme. Among the programme's relevant objectives is 'the review and simplification of the agricultural data collection in line with the CAP review post-2013 and the redesign of the agricultural data collection processes, in particular with the objective of improving the quality and timeliness of the data'. This initiative implements that objective.

By providing better data for assessing the agricultural sector's sustainability for the environment, people, regions and the economy, the European agricultural statistics system will also contribute to at least two of the six priorities<sup>9</sup> of the von der Leyen Commission, namely:

- a European Green Deal with the underlying Farm-to-Fork and Biodiversity strategies; and
- an economy that works for people.

However, agricultural statistics are also useful for other Union or Member State priorities affecting or affected by agriculture and rural development.

Beyond this, the proposal for a single market programme<sup>10</sup> currently under interinstitutional discussion provides a framework for financing the development, production and dissemination of European statistics. The implementation of Union policies requires high quality, comparable and reliable statistical information about the economic, social, territorial and environmental situation in the Union. Additionally, European statistics allow European citizens to understand and participate in the democratic process and debate about the present state and future of the Union. In the case of agricultural statistics, the focus is on providing timely and relevant data for the needs of the common agricultural policy, the common fisheries policy and policies related to the environment, food security and animal welfare.

Agricultural statistics provide high quality statistical evidence for the implementation and monitoring of the CAP. The CAP is an important driver for jobs and smart, sustainable and inclusive growth in the Union. On top of its social objectives, rural development policy, being

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<sup>7</sup> The current programme was established by Regulation (EU) No 99/2013 of the European Parliament and of the Council of 15 January 2013 on the European statistical programme for the period 2013 to 2017. It has been extended to 2020 by Regulation (EU) 2017/1951 of the European Parliament and of the Council of 25 October 2017.

<sup>8</sup> Regulation (EU) 2017/1951 of the European Parliament and of the Council of 25 October 2017 amending Regulation (EU) No 99/2013 on the European statistical programme 2013-17, by extending it to 2020 (OJ L 284, 31.10.2017, p. 1).

<sup>9</sup> [https://ec.europa.eu/info/strategy/priorities-2019-2024\\_en](https://ec.europa.eu/info/strategy/priorities-2019-2024_en).

<sup>10</sup> COM (2018) 441.

an integral part of the CAP, aims to improve the competitiveness and sustainability of agricultural production. The CAP represents more than 37% of the Union's total budget in the context of the 2014-2020 multiannual financial framework (MFF).

Agricultural statistics are also increasingly needed for other key Union policies such as the European Green Deal, environmental and climate change policies, trade policy, social policy, regional policy, etc.

## **2. LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY**

- **Legal basis**

Article 338 of the Treaty on the Functioning of the European Union (TFEU) provides the legal basis for European statistics. Acting in accordance with the ordinary legislative procedure, the European Parliament and the Council adopt measures for producing statistics where this is necessary for the Union to carry out its role. Article 338 sets out the requirements for producing European statistics, stating that they must conform to standards of impartiality, reliability, objectivity, scientific independence, cost-effectiveness and statistical confidentiality.

The legal basis for the quality reports is Article 12 of Regulation (EC) No 223/2009.

- **Subsidiarity (for non-exclusive competence)**

The subsidiarity principle applies if the proposal does not fall within the exclusive competence of the Union. The ESS provides an infrastructure for statistical information. The system is designed to meet the needs of multiple users, for the purpose of decision-making in democratic societies. The proposal for this Regulation has been drafted to protect core activities of ESS partners while better ensuring the quality and comparability of EAA statistics.

One of the main criteria that the statistical data must meet is to be consistent and comparable. Member States cannot achieve the necessary consistency and comparability without a clear European framework, that is to say, Union legislation laying down the common statistical concepts, reporting formats and quality requirements.

The comparability requirement is very important for agricultural statistics because of the CAP.

The objective of the proposed action cannot be achieved satisfactorily by the Member States acting independently. Action can be taken more effectively at the Union level, based on a Union legal act ensuring the comparability of statistical information in the statistical domains covered by the proposed act. Meanwhile, the data collection itself can be carried out by the Member States.

- **Proportionality**

The proposal complies with the proportionality principle, in view of the following:

By applying the same principles across Member States, the proposal will ensure the quality and comparability of European agricultural statistics that have been collected and compiled. Similarly, it will ensure that European agricultural statistics remain relevant and are adapted

to respond to user needs. The Regulation will make the production of statistics more cost-effective while taking into account the specific characteristics of Member States' systems.

In accordance with the principle of proportionality, the proposed regulation confines itself to the minimum required to achieve its objective and does not go beyond what is necessary for that purpose.

- **Choice of the instrument**

Proposed instrument: a regulation.

Given the objectives and content of the proposal, a regulation is the most appropriate instrument. Important common EU policies such as the CAP inherently depend on comparable, harmonised and high quality agricultural statistics at European level. These can best be ensured by regulations, which are directly applicable in Member States and do not need to be transposed into national law first.

### **3. RESULTS OF *EX POST* EVALUATIONS, STAKEHOLDER CONSULTATIONS AND IMPACT ASSESSMENTS**

- ***Ex post* evaluations/fitness checks of existing legislation**

The evaluation of the 'Strategy for Agricultural Statistics for 2020 and beyond' referred to the then ongoing European Court of Auditors' audit (resulting in Special Report SR 01/2016) as providing indications on the extent to which EAA serves the data needs of the users. As indicated earlier, these findings are an important driver of the proposal.

- **Stakeholder consultations**

The development, production and dissemination of European agricultural statistics is achieved by Eurostat through close, coordinated and regular cooperation in the ESS, building upon a long partnership between Eurostat and the national statistical institutes (NSIs) as well as all other relevant authorities.

At an overall level and with reference to the 'Strategy for Agricultural Statistics for 2020 and beyond', the main categories of stakeholders of European agricultural statistics are data producers (NSIs and other national authorities as well as Eurostat), respondents (farmers, farmers' organisations and businesses) and users (public and private decision makers - in particular other Commission departments - researchers and journalists). They have been consulted extensively on problems and desired changes in the status quo, their data needs and priorities, possible policy options to solve the problems, impacts of suggested actions, and the formulation of the strategy specifically. The main fora for these consultations have been: (i) the meetings and seminars of the Standing Committee for Agricultural Statistics (CPSA) and its successor, the Directors' Group for Agricultural Statistics (DGAS) (composed of directors of agricultural statistics of NSIs) where Commission departments, international organisations, farmers' organisations are often heard; (ii) the European Statistical System Committee meetings (composed of the directors-general of the NSI); and (iii) regularly scheduled consultations and hearings within Commission departments.

A public consultation was carried out for the evaluation, and the results are detailed in a specific report<sup>11</sup>.

The main findings of this public consultation, forming the core of the 2020 agricultural statistics strategy and subsequently of this Regulation, are threefold:

**The current Union legislation on agricultural statistics does not adequately serve new and emerging data needs** because the provision of this data is not included in the legislative acts, and the acts are not flexible and integrated enough to respond to new needs in a timely manner.

These *new data needs* mainly stem from new developments in agriculture, revised legislation and changing policy priorities, in particular the recently reformed CAP.

**The data collections are not harmonised and coherent** because new data needs are emerging, legislation has been developed separately over many years, and partly different definitions and concepts are used in different agricultural statistics areas.

**The burden of providing data is perceived as too high** because data needs are increasing, data collection is not harmonised, and resources continue to shrink at the Union and national level. That burden was confirmed as jeopardising data collection and data quality.

As part of the modernisation of European Union agricultural statistics, the EAA have been undergoing their own modernisation since 2016. An input to this has been the findings of the audit carried out by the European Court of Auditors (Special Report SR 01/2016) on farmers' incomes. The recommendations from this report were brought under the broader modernisation exercise, which contain several improvements to EAA.

Two of these improvements were identified by the Commission as requiring a change to the existing Regulation, i.e. the integration of regional economic accounts for agriculture (REAA) and the relaxation of second estimate deadlines for EAA.

These were discussed extensively with both the Agricultural Accounts and Prices Working Group and with the higher level Directors Group on Agricultural Statistics, both of which are groups comprising experts from the Member States.

As the REAA are long established statistics that have been transmitted to Eurostat for many years, incorporating the REAA into Regulation (EC) No 138/2004 is mainly a case of integrating the existing methodology, as used under the longstanding gentlemen's agreement. Given that as it stands the methodology is largely satisfactory (EAA/EAF Manual Part VII<sup>12</sup>), there is no need to rewrite it. The methodology and the chapter on regional economic accounts for agriculture, which is to be included in the Regulation, can reflect what is

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<sup>11</sup> Eurostat public consultation webpage:  
<http://ec.europa.eu/eurostat/about/opportunities/consultations/eass> (Available only in English).  
Open public consultation report:  
<http://ec.europa.eu/eurostat/documents/10186/6937766/Agricultural-Statistics-Strategy-2020-Report.docx> (Available only in English).

<sup>12</sup> EAA Manual on the Economic Accounts for Agriculture and Forestry EAA/EAF 97 (Rev. 1.1), 2000  
<https://ec.europa.eu/eurostat/fr/web/products-manuals-and-guidelines/-/KS-27-00-782>  
(Available in English, French and German).

currently in the existing manual. Nevertheless, some smaller changes are necessary to take account of ESA 2010 and the technical consultations with the Member States.

This proposal has been fully discussed with the Agricultural Accounts and Prices Expert Group and with the Directors Group on Agricultural Statistics, which acknowledged that the Commission (Eurostat) would be proceeding with the proposal based on its own right of initiative. The proposal has also been presented to the European Statistical System Committee set up by Regulation (EC) No 223/2009.

- **Collection and use of expertise**

Eurostat has held extensive discussions on the content of the proposal with NSIs via specific task forces and via existing expert groups, including at directors' level.

The proposal was also presented to the European Statistical System Committee in October 2020.

- **Impact assessment**

The Regulatory Scrutiny Board issued a positive opinion on the impact assessment of the 'Strategy for Agricultural Statistics for 2020 and beyond'<sup>13</sup> of which the EAA is part<sup>14</sup>.

The impact assessment was undertaken at the strategy level because of a systematic approach across the whole agricultural statistics system, ensuring that all parts fit together.

The impact assessment found that the EASS should, as a preferred option, ultimately be covered by three regulations. Two of these regulations would be new and would replace several older EU regulations on agricultural statistics. The first of these, Integrated Farm Statistics (IFS), which covers data on farm structure, orchards and vineyards, was adopted as Regulation (EU) 2018/1091<sup>15</sup>. The second of these is a parallel legislative proposal on a regulation on statistics on agricultural input and output (SAIO), which covers inputs to and outputs of the agricultural sector: agricultural production (crops and animals) including organic farming, agricultural prices, nutrients and plant protection products. The third regulation, as referred to in the impact assessment, is Regulation (EC) No 138/2004 on the Economic Accounts for Agriculture (EAA), which is subject to the present proposal for an amending Regulation. As the EAA are a satellite account of the national accounts and macro-economic by nature, their integration into the new framework regulations was not proposed. Instead, it was proposed that these remain under separate legislation, as has been the case since the EAA Regulation first came into force in 2004.

- **Regulatory fitness and simplification**

The proposal is part of the 'Strategy for Agricultural Statistics for 2020 and beyond', a major programme to modernise EU agricultural statistics run by the European Commission in close cooperation with the EU Member States. The strategy is supported by the European Statistical

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<sup>13</sup> SWD(2016)430 (Available only in English).

<sup>14</sup> [https://ec.europa.eu/smart-regulation/impact/ia\\_carried\\_out/docs/ia\\_2016/sec\\_2016\\_0519\\_en.pdf](https://ec.europa.eu/smart-regulation/impact/ia_carried_out/docs/ia_2016/sec_2016_0519_en.pdf) (Available only in English).

<sup>15</sup> Regulation (EU) 2018/1091 of the European Parliament and of the Council of 18 July 2018 on integrated farm statistics and repealing Regulations (EC) No 1166/2008 and (EU) No 1337/2011 (OJ L 200, 7.8.2018, p. 1).

System Committee and is part of the REFIT programme whose aim is to streamline and improve the EASS.

The EAA are mature statistics covered by Regulation (EC) No 138/2004. The new regulation that is being proposed should cover all the components of the EAA in order to ensure the quality of these statistics. The use of gentlemen's agreements should be abolished. This would help simplify matters, as the reference point will be the new regulation, satisfying all data needs and all quality reporting requirements.

The proposal on what to include under the proposed regulation amendment results from the ongoing actions to modernise the EAA. The REAA are not the only data that have been covered by a gentlemen's agreement. In the case of EAA 'unit values', which are data that have been provided for many years under the same type of agreement, the modernisation exercise determined that the collection of unit values at EU level should be discontinued. As a result, unit values were not proposed for inclusion in the EAA regulation amendment and will be dropped. This represents a small but distinct reduction in the burden for stakeholders.

- **Fundamental rights**

The proposal has no consequences for the protection of fundamental rights.

#### **4. BUDGETARY IMPLICATIONS**

None

#### **5. OTHER ELEMENTS**

- **Implementation plans and monitoring, evaluation and reporting arrangements**

The proposed regulation is expected to be adopted by the European Parliament and the Council in 2021, with the adoption of the Commission's implementing measure on quality reporting to follow shortly after that. The Regulation will be directly applicable in all EU Member States without the need for an implementation plan.

Member States are expected to start providing data to the Commission under the new regulation in 2022.

The proposed legislative instrument is part of the EASS, which will undergo a comprehensive evaluation in order to assess, among other things, how effective and efficient it has been in achieving its objectives and to decide whether new measures or amendments are needed.

- **Compliance monitoring of the statistics produced**

Eurostat conducts regular compliance assessments. These assessments include a review of the data availability, quality and punctuality and follow-up actions in case of non-compliance.

In accordance with Union legislation, Member States are required to provide the Commission with relevant figures on agricultural statistics. These figures are subject to strict transmission deadlines which must be observed for the good management, dissemination and usefulness of European statistics, as missing or incomplete data lead to shortcomings in the availability of

information (that is to say, it is not possible to calculate Union aggregates and publish data according to planned time schedules).

Regulation (EC) No 223/2009 constitutes the basic legal framework for the functioning of the European statistical system and for all sectoral legislation on the production of European statistics.

While compliance assessments already consider timeliness, punctuality and completeness as important factors in ensuring a timely dissemination of agriculture statistics, more attention will be paid to these factors and other quality dimensions in order to ensure confidence in the statistics produced by Eurostat and the ESS.

- **Continuous improvement of the EASS: identification of new data needs and new data sources, improvement of coherence, reduction of burden**

At present, Eurostat conducts annual hearings with other Commission departments. An important aspect of these hearings is the exchange of information on respective work programmes. They provide a formal platform for discussing upcoming needs for new statistics and reviewing the usefulness of the statistics available.

Further collaboration with other Commission departments, NSIs and other national authorities will take place at different hierarchical levels in regular Expert Group meetings and seminars, Directors' Group meetings, European Statistical System Committee meetings, and through frequent bilateral exchanges. Particular attention will be paid to the identification of administrative data and other sources of information maintained under Union legislation and the assessment of their suitability for the production of statistics in order to establish agreements for their stability, accessibility and eventual adaptation to better fit statistical requirements. Furthermore, periodic surveys and analyses will be conducted to identify any potential for improving European agricultural statistics and reducing the administrative burden.

Those adjustments and the overall functioning of the legal framework will be monitored and evaluated in particular against the strategy objectives listed above.

- **Triennial monitoring reports**

In order to monitor the functioning of the renewed EASS and ensure that it fulfils the REFIT goals of simplification and burden reduction, a report will be published every 3 years on the functioning of the overall system.

- **Evaluation**

The second triennial monitoring report will be replaced by a retrospective evaluation of the renewed EASS, conducted according to the Commission's evaluation guidelines. This retrospective evaluation could also form the basis for further revisions of the legislation, if deemed necessary.

- **Detailed explanation of the specific provisions of the proposal**

The proposed regulation consists of two new articles and the amendment of both Annex I (EAA methodology) and Annex II (Transmission programme of data).

The main changes relate to Annex I and Annex II.

The first main change relates to regional economic accounts for agriculture (REAA). Member States have been providing Eurostat with REAA since 2000 under a gentlemen's agreement and in line with methodological practices that have been in place since that time. To integrate the REAA into Regulation (EC) No 138/2004, a chapter has been added to Annex I. This takes into account consultations with the expert groups of Member State delegates (the Agricultural Accounts and Prices Working Group and the Directors' Group on Agricultural Statistics) on including some small updates to the current methodology to ensure that it is up to date and fit for inclusion in the regulation. Annex II has been updated to reflect the corresponding transmission deadlines for the REAA.

Secondly, an article has been added to cover quality reporting requirements (Article 4a). Since 2019, EU Member States (with very few exceptions) have willingly provided EAA quality reports with reference to the requirements of Article 12(2) of Regulation (EC) 223/2009. However, there is no article in Regulation (EC) No 138/2004 on quality reporting. Article 12(2) of Regulation (EC) 223/2009 provides for specific inclusion of quality reporting requirements in sectoral legislation, which allows the modalities, structure, periodicity and assessment indicators of the quality reports to be defined and allows the deadlines for transmission to be set. At present, the exact quality reporting arrangements for the EAA are only informal and therefore would be formalised by the inclusion of Article 4a.

The third main change relates to relaxing the transmission deadlines for the second EAA estimates in order to facilitate improved data quality. For the EAA, Member States transmit, for national data, first estimated data (deadline November of reference year n), second estimated data (deadline January of year n+1) and final data (deadline September of year n+1). The second data follow too soon after the first data for quality to be substantially improved. Therefore transmission deadlines for the second estimates should be relaxed from January of year n+1 to March of year n+1 so that Member States have more time to obtain better quality data. As the timeliness of the crucial first estimates and final data remain unchanged, relaxation of the deadlines of the second estimates for this purpose is deemed appropriate. Annex II has been updated to reflect the proposed change in the transmission deadlines for the EAA second estimates.

The remaining proposed changes to articles are intended to address the following:

- to clarify the first transmission deadline of data for the regional economic accounts for agriculture (Article 3(2));
- to allow possible derogations from regional economic accounts for agriculture requirements (Article 4b);
- to make reference to the Committee procedure (Article 4c) which does not appear in the current legislation but which should be added;
- In Annex I, a very small number of additional changes are proposed (following consultations with the expert groups).

**Proposal for a**

**REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**

**amending Regulation (EC) No 138/2004 of the European Parliament and of the Council  
as regards regional economic accounts for agriculture**

(Text with EEA relevance)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 338(1) thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Acting in accordance with the ordinary legislative procedure,

Whereas:

(1) Regulation (EU) No 549/2013 of the European Parliament and the Council<sup>16</sup> contains the reference framework of common standards, definitions, classifications and accounting rules for drawing up the accounts of the Member States for the statistical requirements of the Union ('ESA 2010').

(2) Regulation (EC) No 138/2004 of the European Parliament and the Council<sup>17</sup> sets up the economic accounts for agriculture (EAA) in the Union by providing for the methodology and the time limits for the transmission of the agricultural accounts. The economic accounts for agriculture are satellite accounts of national accounts, as defined by ESA 2010, with the purpose of obtaining results that are harmonised and comparable between the Member States in order to draw up the accounts for the purposes of the Union.

(3) The regional economic accounts for agriculture (REAA) are a regional-level adaptation of the EAA. National figures alone cannot reveal the full and sometimes complex picture of what is happening at a more detailed level. Therefore, regional-level data help to increase the understanding of the diversity that exists between regions, complementing information for the Union, the euro area and individual Member States. The REAA therefore

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<sup>16</sup> Regulation (EU) No 549/2013 of the European Parliament and the Council of 21 May 2013 on the European system of national and regional accounts in the European Union (OJ L 174, 26.6.2013, p. 1).

<sup>17</sup> Regulation (EC) No 138/2004 of the European Parliament and of the Council of 5 December 2003 on the economic accounts for agriculture in the Community (OJ L 33, 5.2.2004, p. 1).

need to be integrated into Regulation (EC) No 138/2004 both in terms of methodology and appropriate transmission deadlines.

(4) Statistics are no longer considered to be just one among many sources of information for policymaking purposes but instead play a central role in the decision-making process. Evidence-based decision-making requires statistics that meet high-quality criteria, as set out in Regulation (EC) No 223/2009 of the European Parliament and of the Council<sup>18</sup>, in accordance with the purposes they are serving.

(5) Regulation (EC) No 223/2009 provides the legal framework for European statistics and requires Member States to comply with the statistical principles and quality criteria specified in the Regulation. Quality reports are essential for assessing, improving and communicating on the quality of European statistics. The European Statistical System Committee (ESSC) has endorsed the single integrated metadata structure as the ESS standard for quality reporting, thereby helping to satisfy, through uniform standards and harmonised methods, the statistical quality requirements laid down in Regulation (EC) No 223/2009, in particular those set out in Article 12 (3) thereof.

(6) In order to ensure uniform conditions for the implementation of this Regulation, implementing powers should be conferred on the Commission in respect of the arrangements for and the content of the quality reports. In addition, implementing powers should also be conferred on the Commission in respect of possible derogations from regional economic accounts for agriculture requirements. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council.

(7) The EAA provide important annual macroeconomic data to European policymakers three times a year; first and second estimates are followed by the final data. The current transmission deadline for the EAA second estimates does not provide much time after the end of the reference period to collect improved data compared to the data provided for the EAA first estimates. To improve the quality of these second estimates, the transmission deadline needs to be slightly postponed.

(8) Regulation (EC) No 138/2004 should therefore be amended accordingly.

(9) The European Statistical System Committee has been consulted,

HAVE ADOPTED THIS REGULATION:

#### *Article 1*

Regulation (EC) No 138/2004 is amended as follows:

(1) In Article 3 (2), the following sentence is added:

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<sup>18</sup> Regulation (EC) No 223/2009 of the European Parliament and of the Council of 11 March 2009 on European statistics and repealing Regulation (EC, Euratom) No 1101/2008 of the European Parliament and of the Council on the transmission of data subject to statistical confidentiality to the Statistical Office of the European Communities, Council Regulation (EC) No 322/97 on Community Statistics, and Council Decision 89/382/EEC, Euratom establishing a Committee on the Statistical Programmes of the European Communities (OJ L 87, 31.3.2009, p. 164).

‘2. The first transmission of data for the regional economic accounts for agriculture shall take place by 30 June 2022 at the latest.’

(2) The following Articles are inserted:

#### Article 4a

##### **Quality assessment**

1. Member States shall take the measures necessary to ensure the quality of the data and metadata transmitted.
2. For the purpose of this Regulation, the quality criteria set out in Article 12(1) of Regulation (EC) No 223/2009 shall apply to the data to be transmitted in accordance with Article 3 of this Regulation.
3. The Commission (Eurostat) shall assess the quality of the data transmitted.
4. In applying the quality criteria referred to in paragraph 2 to the data covered by this Regulation, the Commission shall, by means of implementing acts, define the modalities, structure, periodicity and assessment indicators of the quality reports and set the deadline for providing the reports to the Commission (Eurostat). Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 4c(2).
5. Member States shall inform the Commission (Eurostat) as soon as possible of any relevant information or change with regard to the implementation of this Regulation that would influence the quality of the data transmitted.
6. Upon a duly justified request from the Commission (Eurostat), Member States shall provide necessary additional clarification to evaluate the quality of the statistical information.

#### Article 4b

##### **Derogations**

1. Where the application of this Regulation would necessitate major adaptations in a national statistical system of a Member State as regards the implementation of the content of Annex I, point VII. ‘Regional economic accounts for agriculture’ and of the transmission programme of data for regional accounts for agriculture as referred to in Annex II, the Commission may adopt implementing acts granting derogations to that Member State for a maximum duration of two years.
2. The relevant Member State shall submit a duly reasoned request for such a derogation to the Commission within three months of [insert the date of the entry into force of this Regulation].
3. These implementing acts shall be adopted in accordance with the examination procedure referred to in Article 4c.

#### Article 4c

##### **Committee procedure**

1. The Commission shall be assisted by the European Statistical System Committee established by Regulation (EC) No 223/2009. That Committee shall be a committee within the meaning of Regulation (EU) No 182/2011.

2. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.'

(3) Annex I is amended in accordance with Annex I to this Regulation.

(4) Annex II is amended in accordance with Annex II to this Regulation.

## *Article 2*

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

*For the European Parliament*  
*The President*

*For the Council*  
*The President*