

Conclusions and list of actions of the CMFB plenary meetings of

22 September 2020, 15.30-17.30

25 September 2020, 10.30-12.30

6 October 2020, 10.30-12.30

13 October 2020, 10.30-12.30

16 November 2020

<i>Actions</i>	<i>Deadline</i>	<i>Responsible</i>
(1) Publish the report on BoP/NA consistency (non-financial accounts)	End-November 2020 (accomplished)	Eurostat, Secretariat
(2) Present the draft CMFB Vision on Globalisation and Statistics at the ESF Bureau meeting of 24 September 2020	24 September 2020 (accomplished)	Chair
(3) Forward the CMFB Vision on Globalisation and Statistics to the ESF	End of year	Chair, Secretariat
(4) Present the CMFB work programme for 2021-22 at the ESF Bureau meeting of 24 September 2020	24 September 2020 (accomplished)	Vice-Chair
(5) CMFB written procedure on the CMFB work programme for 2021-22	12– 26 October 2020 (accomplished)	Secretariat
(6) Establish a dedicated CIRCABC discussion forum for materiality thresholds in EDP statistics	End-November 2020	Eurostat
(7) CMFB Chair to inform the EFC SCS on CMFB discussion on materiality thresholds in EDP statistics	19 October 2020 EFC SCS meeting (accomplished)	Chair
(8) CMFB written procedure on the Final report of CMFB Task Force on the exchange of confidential information	7-21 October 2021 (accomplished)	Secretariat
(9) Forward the Final report of CMFB Task Force on the exchange of confidential information to the ESF	End of year	Chair, Secretariat
(10) Update on ongoing SNA and BPM review process	Next plenary meeting	Eurostat, ECB DG-S

Tuesday, 22 September 2020

1. ADOPTION OF THE AGENDA AND MAIN DEVELOPMENTS SINCE THE CMFB MEETING OF JANUARY 2020 (CHAIR) 15.30

- (1) The Chair welcomed participants and announced Mr. Gerard Eding and Mr. Robert Kirchner as CMFB Chair and Vice-Chair for the period 2021-2022. He further welcomed Mr František Bernadič as the new Director of Macroeconomic Statistics in Eurostat and hence a (returning) Member of the Committee.
- (2) The following points were mentioned:
- The publication of the “MIP visits–Lessons learned” (June 2020) and 2020 MIP Level 1 Report (July 2020).
 - The written procedure on the consistency report in BoP/NA (non-financial accounts). The final paper will be made available on CIRCABC.
 - The CMFB Task force on the Statistics on Sustainable Finance and Climate Related Risks (TF SuFiR): the co-chairs had been appointed and the first virtual meeting will take place on 29 September 2020.
 - The annual teleconference of CMFB-GLEIF stakeholder group that was held in July 2020. A questionnaire on the use of the LEI would follow in spring 2021. A discussion will take place at the next plenary meeting.
 - Big Data TF: the Co-Chairs were finalising the report, including proposals as regards the way forward, which would be subject to CMFB EB and CMFB written procedures and presented to the next plenary meeting.
 - An update on Brexit-related statistical issues will be discussed at the next CMFB EB in November 2020.
 - The SNA and BPM review process was ongoing, an update would be provided at the next plenary meeting.
 - Two important documents were finalised for the ESF: the final report of the CMFB TF on the exchange of confidential statistical information and the CMFB Vision Paper on Globalisation and Statistics.
 - Both the CMFB plenary and the EB will continue meeting via WebEx conferencing until the COVID situation is resolved.

2. WP ITEM III - CMFB VISION PAPER ON GLOBALISATION AND STATISTICS (SPONSORED BY ROBERT KIRCHNER AND URSULA HAVEL) 15.45

- (3) The sponsors briefly recalled the procedure behind the development of the Vision Paper and invited the CMFB to discuss it. The CMFB was invited to agree on:
- the Objectives, Goals, Strategies, and Measures (OGSM)
 - forwarding the CMFB vision on Globalisation and Statistics to the ESF
 - embedding follow-up actions in the draft CMFB work programme for 2021/2022 (including advisory support on how to achieve and implement the OGSM and to periodically update the OGSM in the light of the continuous interaction of ESS and ESCB and of changing external circumstances).
- (4) Participants praised the document and the Vision received broad support. The Committee supported continued work on a number of undertakings. The CMFB work programme may also be structured in close relation to this Vision, translating high-level goals into more concrete tasks. The ESF should be encouraged to express its view on concrete priorities when it receives the document.

- (5) The exchange of confidential statistical micro data was seen as one of the most important topics. Substantial legislative work is needed on this issue (esp. as regards the GNI pilot and foreign trade data exchange). A network of registers was seen as a prerequisite for several types of statistics and should be aimed for.
- (6) Participants welcomed the close link between the Vision and the DGINS conclusions adopted in Bratislava in 2019.
- (7) ECB DG-S congratulated the authors and contributors for the method applied, the transparent process followed and the very good outcome presented. The issues of statistical infrastructure (e.g. network of registers, data sharing, common identifiers such as the LEI) as information on MNEs and sub-sectoring were underlined. The two systems must clearly agree on 3-4 priorities, including in the ESF, to actively pursue in the coming years. In addition, ongoing initiatives that are already contributing to the accomplishment of the Vision should continue (e.g. the implementation of ESCB medium term strategies on financial accounts and b.o.p/i.i.p.).
- (8) Eurostat pointed out that the Vision was a most useful brainstorming. Business registers and the sharing of confidential data should be further discussed in depth at the appropriate fora.
- (9) The Chair thanked for the rich discussion and concluded that:
 - the CMFB congratulated the authors, contributors and supported the Vision;
 - the CMFB will forward the Vision to the ESF with an invitation to its Members for concrete follow-up steps and prioritisation;
 - sharing micro data and the (further) alignment of business registers (EGR and RIAD) were seen as most important by the Committee;
 - the Vision should shape part of the CMFB’s work programme for the coming years.

3. CMFB WORK PROGRAMME FOR 2021-2022 (CMFB CHAIR ELECT): GERARD EDING

- (10) Mr Gerard Eding, the CMFB Chair-Elect briefly presented the process and the main points of the draft work programme (WP) for 2021-2022. A written procedure for the prioritising was proposed.
- (11) Members thanked for the large variety and good structure of topics listed in the work programme, which received overall support.
- (12) A high number of issues were related to the CMFB Vision on Globalisation and Statistics which could be made more visible in the draft WP.
- (13) Concerning the implementation and review of international standards, the CMFB would more likely discuss alignment rather than implementation issues. The ECB’s review of the monetary policy strategy could yield some additional topics as well. Fintech, digital economy and ICW should be given priority. MIP issues, being a well-established process, may take up less time in the future.
- (14) Regarding GFS and EDP issues, the discussion on development banks should be concluded as there are new topics on the horizon in relation to COVID-19 and otherwise.
- (15) The CMFB could further develop the idea of introducing the proposed concept of concrete joint ESS-ESCB ‘projects’ e.g. small pilots in which a few NSIs and NCBs cooperate to develop a concrete product or process.
- (16) The ECB DG-S thanked the CMFB Chair Elect for the useful collection of views. A particular prioritisation would be done via written procedure. Should the ESF mandate the preparations for changes in the framework regulation for the exchange of confidential statistical information, work should be done separately (but in parallel and aligned) by the ESS and ESCB for the respective legal acts. The WP could be further streamlined distinguishing the activities for which the CMFB has a role but the implementation is an ESS / ESCB task.
- (17) In line with the discussion on the Vision, members suggested to carefully prioritise the work programme so that cooperation results not only in joint papers, but also in tangible statistical achievements.

- (18) The Chair concluded that there was a broad agreement as regards the proposal for the CMFB WP 2021-22, which would be presented at the ESF Bureau meeting of 24 September 2020. Thereafter, a CMFB written procedure would be organised. The CMFB Members should express their views as regards priorities and exploring the possibility of having concrete, CMFB-owned projects.

Friday, 25 September 2020

4. EXCESSIVE DEFICIT PROCEDURE	10.30
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4.1 EDP activities, with an update on progress with EDP methodological issues (Eurostat)

- (19) Eurostat provided an oral introduction to its recent EDP activities such as the publication of guidance notes on the recording of Covid related government interventions, bilateral advice, dialogue visits to the MSs and the virtual meetings of working groups.
- (20) Participants underlined the importance of the forthcoming guidance note on the Recovery and Resilience Facility. Concerning the involvement of MS in the work of EDPS WG and other substructures, virtual meetings followed by written procedures were the preferred option.
- (21) A structured timetable (due by end-2020) for the 2022 MGDD update was requested at relatively short notice. In this context, the Council's request to leave time for effective implementation was recalled.
- (22) Eurostat responded that the guidance notes would be made available in early November 2020. An EDPS WG virtual meeting and two written procedures were planned for December 2020, while virtual missions were not foreseen for the time being.
- (23) The Chair thanked for the update.

4.2 Materiality Thresholds (Eurostat)

- (24) Eurostat presented its views on the CMFB proposal and proposed an alternative way forward. The Chair thanked for the presentation and the substantive follow-up on the CMFB discussion.
- (25) Members thanked Eurostat for the suggestions. The proposal to introduce three types of action points (with high relevance points for immediate implementation, and non-material issues to be implemented only at the next benchmark revision) was supported. However, a systematic way of prioritisation was requested to this end, as well as thresholds (as part of a learning process, i.e. they could be changed). On the issue of how to identify high relevance points, some Members did not share Eurostat's view that materiality thresholds would not be in line with the EDP Regulation. Others suggested requesting a formal legal advice on the matter.
- (26) Eurostat added that non-material issues may be discussed, but their implementation postponed. The action points of the third category (sending of additional documents, changing labels, etc.) would be left out of the mission report if the MS in question would choose that option.
- (27) The EDP Regulation does not provide a mandate to the Commission to introduce materiality thresholds, which however does not pre-empt prioritisation. Some members stressed that EDP statistics are subject to the principles of relevance and cost effectiveness. An agreement was not reached on whether this requires permanent deferral (points never discussed), rather than postponement to the next benchmark revision. Eurostat intends to cooperate closely with MSs as regards the effective and efficient implementation of the EDP Regulation.
- (28) The Chair thanked Eurostat for the careful assessment of the CMFB proposal and the serious reflection of MSs' concerns. The constructive discussion on the proposed way forward was welcomed by the Members. Disagreement prevailed as regards the legal line of reasoning and the acclaimed need to amend the EDP Regulation in order to introduce materiality thresholds. The

CMFB welcomes Eurostat's initiative to set up a dedicated discussion forum on CIRCABC. The CMFB will continue to provide a forum for further discussion. Further discussion could already take place at the next plenary meeting. The Chair will inform the EFC SCS about the ongoing discussion.

Tuesday, 6 October 2020

5. WP ITEM III - FINAL REPORT OF CMFB TASK-FORCE ON THE EXCHANGE OF CONFIDENTIAL INFORMATION (SPONSORED BY ROBERT KIRCHNER AND VILLE VERTANEN)

10.30

- (29) The CMFB Vice-Chair and Sponsors thanked and praised the excellent work of the task force (TF). The TF Co-Chairs presented the final report.
- (30) Members found the report very complete and supported all the recommendations.
- The questionnaire results provided good quality empirical evidence regarding the long-standing discussions on the issue of sharing confidential statistical information (CSI).
 - Concerning the recommendations, the redefinition of CSI concept and the development of a sound legal basis were recognised as the two most important developments over the long term.
 - The implementation of the TF recommendations will definitively contribute for the exchange of register data, which will contribute decisively for the improvement of statistics in Europe.
 - The role of international organisations as facilitators for information exchange could be further stressed (e.g. FDI Network, GNI exercise, etc.). The experience gathered with these exercises was very important, however not all results were consolidated. The trust built up with MNEs during these projects should be developed further.
 - The demand for effective sharing of CSI was growing not only from the producers' side, but also from the research community. To this end, appropriate IT platforms are sometimes lacking, as well as harmonised standard protocols.
 - The follow-ups should be designed in a holistic approach, in a consistent manner with the CMFB Vision on Globalisation and Statistics. This work should be formulated in a practical manner for the short, medium and long terms.
- (31) ECB DG-S supported all recommendations, including both short and long term ambitions, and stressed the strategic importance of legal changes (recommendation 4). As regards the definition of CSI, both framework Regulations (EU 223 and CR 2533) provide definitions and the leeway should be checked from a legal point of view as well. Before publication of the report, the ESF should also endorse all proposals (including the quick wins, and especially if changes to the legal framework would be proposed) and clear follow up actions have to be agreed.
- (32) Eurostat thanked for the excellent report and emphasised the need for proper and well-designed follow-ups. The recommendations were very much in line with the conclusions of the 2019 ESSC meeting in Bratislava. The questionnaire revealed a very mixed picture, hence before changes to the legislative framework are proposed, it should be investigated how the boundaries of the existing one could be pushed. Regarding recommendation 2, it should be made clearer to respondents that the exchange of CSI would not go beyond the 'bubble of statisticians'. IT issues seemed less of a problem, scaling up the tools is a challenge, but protocols and techniques are already available. The integration of registers should be promoted.
- (33) The Co-Chairs thanked for and took note of the suggestions.

- (34) The Chair concluded that
- The CMFB complimented the work of the Task Force ECI, acknowledged the need and value of sharing confidential data.
 - The follow-up work has links to various other CMFB work streams (globalisation, asymmetries and consistency). Recommendations for addressing legal aspects gained a lot of support, however in the short-term alternative ways should be sought to promote the exchange of CSI (including narrowing the definition of CSI, building trust with MNEs and sharing of register data).
 - A two-week CMFB written comment procedure was agreed.
 - The issue would be discussed at the next meeting of the CMFB Executive Body
 - At the next meeting of the European Statistical Forum, it would be decided how the CMFB will proceed on the matter.

Tuesday, 13 October 2020

6. EXCESSIVE DEFICIT PROCEDURE – IMPACT OF COVID-19 MEASURES ON EDP STATISTICS

10.30

- (35) The Chair welcomed participants and briefly introduced the session by referring to measurement challenged caused by the COVID-19 pandemic on all statistical domains.

6.1 COVID-19 reporting template (Eurostat, ECB DG/S)

- (36) ECB DG-S and Eurostat presented the template.
- (37) Participants thanked for and supported the proposal, the analytical work on these data and the efforts to harmonise and ease the treatment of large government interventions in the economy. Concerning the use of this table, discussions within the EDPS WG had shown that the scope of measures remained difficult to define. The situation did not compare to that of the recent financial crises but necessitated a broader scope.
- (38) A question was raised whether the data would be published or shared beyond the statistical and central banking community, especially due to its experimental nature.
- (39) If the data are not fully suitable to this type of details, this might cause some revisions. The concept of COVID-related measures was still somewhat up for discussion.
- (40) Interventions emphasised that there may be no need to permanently report implicit liabilities, the lifetime or conditions for discontinuing the additional data collections should therefore also be addressed.
- (41) The presenters thanked for the Committee’s support and the useful discussion. Eurostat confirmed the time-limited nature of the data collection. The reporting would be highly appreciated but remains voluntary. The data collected under this exercise will not be published. The distinction between other reporting templates and the one for COVID-related interventions is less clear than in the case of crises-related financial intervention, Eurostat and ECB DG-S will further work on the criteria. ECB DG-S added that the information would be crucial to understand the functioning to economic stimulus offers a possibility to improve data harmonisation across Member States, and encouraged broader reporting participation by Member states.
- (42) The Chair concluded that:
- The CMFB thanked Eurostat and ECB DG-S for the coordination of the exercise and the presentation.
 - The CMFB supported the exercise, with a limited lifetime and the data not being shared or published outside the ESS and ESCB.

6.2 Statistical recording of COVID-related government interventions (Eurostat)

- (43) Eurostat presented the item, focusing on the different types of interventions i.e. PPPs and concessions, the SURE initiative, the EIB pan-European Guarantee Fund and the Recovery and Resilience Facility (RRF).
- (44) Members thanked for the presentation. An intervention supported the methodological clarifications. The recording of RRF non-repayable support should be similar to one-off regular EU grants. However, there seemed to be no need for an additional RRF table to be added to the already demanding EDP questionnaire. The RRF information should be integrated in the EU grants template of Annex III of the EDP notification tables. Detailed information on RRF operations will be exchanged anyway between the Commission and the Member States.
- (45) Eurostat added that it was the first time that the EU assumed such sizeable debt which entailed a separate recording of EU debt (which would no longer be simply the addition of Member States' debts). A separate table to make the RRF interventions visible would be necessary. This table would be the subject of a CMFB consultation.
- (46) The CMFB thanked Eurostat for the comprehensive presentation on the statistical treatment of COVID-related government interventions and, in principle, supported the proposals. The RRF is going to raise several issues for the classification and the discussion should continue. The CMFB consultation was welcomed.

7. ANY OTHER BUSINESS

- (47) The outgoing CMFB Chair thanked for the Committee's excellent support and cooperation since he took over the Chairmanship (which was de facto in 2017). ECB DG-S, Eurostat and the other Members expressed their appreciation towards Mr Andrea Brandolini.