

Application of the Protocol on the excessive deficit procedure annexed to the EC Treaty. Codification

2008/0053(CNS) - 08/03/2018 - Follow-up document

In accordance with Council Regulation (EC) No 479/2009 on the application of the Protocol on the excessive deficit procedure (EDP), the Commission presented a report on the quality of the actual data reported by Member States.

This annual report provides an overall assessment of the timeliness, reliability, completeness and consistency of the data and their compliance with accounting rules.

As a reminder, Member States send their actual and planned EDP data to Eurostat twice a year as part of the 'EDP notification tables', the 'Questionnaire relating to the EDP notification tables', the 'Supplementary table on government interventions to support financial institutions' and also via bilateral clarifications.

Eurostat also maintains contact with Member States by making regular EDP dialogue visits.

This report is based on the main findings and results of the EDP data reported by Member States in 2017. It focuses on the latest reports, submitted in October 2017, comparing them where appropriate with the data sent in April 2017 and in 2016.

Timeliness, reliability and completeness: the report noted that all Member States met the reporting deadlines for both notifications. Revisions made between the April 2017 and the October 2017 EDP notifications were due mainly to source data updates, primarily working balances and tax data, and methodological changes, such as reclassifications of units or transactions.

All Member States provided Eurostat with all the EDP notification tables in April and October. However, not all Member States provided all breakdowns in all EDP tables, in particular for local government.

Complete coverage of all government subsectors as well as inside the subsectors was achieved for just over half of the Member States. Belgium, Bulgaria, Germany, Ireland, France, Italy, Cyprus, Luxembourg, Malta, the Netherlands, Poland and the United Kingdom flagged the data they provided as provisional, i.e. subject to revision in future notifications.

The completeness of EDP tables can still be improved. However, the remaining issues are expected to have little impact on data quality.

Compliance with accounting rules and consistency of statistical data: Eurostat acknowledges **continued overall improvement** in the consistency and completeness of the reported data. Nevertheless, the **quality of fiscal data** needs to be improved further.

In 2017, Eurostat sought more bilateral clarifications when assessing the EDP notifications. It also increased contacts and consultations with Member States between notifications. The publication of all its letters of advice on methodology improved knowledge sharing and transparency. The same goes for its more comprehensive communication efforts between users and producers of statistics in relation to methodological developments.

Consistency problems with quarterly financial accounts persist for some Member States, in particular Greece.

Reservations: Eurostat expressed reservations on the quality of data reported by Luxembourg for the April EDP notification and France for the October EDP notification. It withdrew its reservations on Cyprus (April 2017) and Luxembourg (October 2017) and maintained those on Belgium and Hungary (April and October 2017).

Publications: Eurostat has altered the format of the EDP inventories, making structural changes and requiring more detailed information. Agreement has been reached on the new inventory template for ESA 2010 and, by the end of 2017, Eurostat had published revised inventories for 21 Member States. The remaining seven have provided it with a draft EDP inventory. The final EDP inventories for Greece, Ireland and Austria will be published in the coming months. Further progress is expected for France, Luxembourg, Cyprus and the Netherlands.