INTO BE - PROMOTING INT(EGRITY) THROUGH O(RGANIZATIONAL) CHANGE AND BEHAVIOR TAILORED INTERVENTIONS

ADMINISTRATIVE CAPACITY DASHBOARD BY REP SOFIA, 11-14 JUNE 2024 FONDAZIONE

INTO BE - PROMOTING INT(EGRITY) THROUGH O(RGANIZATIONAL) CHANGE AND BEHAVIOR TAILORED INTERVENTIONS

An evaluative tool

to **monitor** Public Administrations in the EU Member States in terms of **Transparency**,

Anticorruption and

Performance



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EUROPEAN COMMISSION - 2018 "Measuring Public Administration: A Feasibility study for better comparative indicators in the EU"

THE EVIDENCE BASE FOR PUBLIC ADMINISTRATION – THE MACHINERY OF GOVERNMENT -HOWEVER REMAINS THIN.

FINALLY, APART FROM GOVERNMENT FINANCE STATISTICS, PUBLIC ADMINISTRATION DATA ARE NOT INCLUDED IN THE EUROSTAT SYSTEM. YET, TOO OFTEN SOPHISTICATED DATA PORTALS AND REPORTS ARE PRINCIPALLY **REPACKAGING THE SAME SOURCE DATA**.

UNDER THE HOOD, THE INDICATORS MAINLY RELY ON EXPERT OPINIONS OF ACADEMICS, DIPLOMATS, CORRESPONDENTS (...), WHICH MAKES THE EMPIRICAL EVIDENCE VULNERABLE FOR OUTLIERS YET, THE EMPIRICAL FOUNDATION REMAINS RATHER THIN.

MOST OF THE INDICATORS ARE BASED ON OBSERVATIONS OF A LIMITED NUMBER OF EXPERTS OR A SMALL SAMPLE OF BUSINESS OWNERS.

COMPARATIVE PUBLIC ADMINISTRATION NEEDS BETTER DATA.

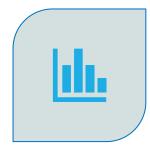
EUROPEAN COMMISSION – 2023 ENHANCING THE EUROPEAN ADMINISTRATIVE SPACE (ComPAct)

"Public administrations are essential for democratic governance and upholding the rule of law. Public administrations need to preserve and improve public's trust and to uphold democracy through **high standards of integrity, transparency, accountability** and preventing and fighting against corruption".

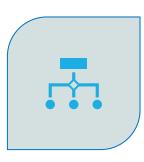
"A common set of overarching principles underpin the **quality of public administration**: (...) accountability, **openness of public administration**, integrity, and **oversight of administrative processes**".



WHY the Administrative Capacity Dashboard









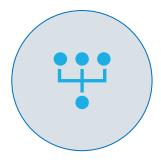
An innovative database of objective and independent data, published by PAs

An **informative tool** for the European public **decision makers** A **monitor** on Public Administrations' **performance** in terms of *transparency, anticorruption, performance* A **support** to **negotiations** between the European Commission and the EU Member States



WHAT is useful for?

The Administrative Capacity Dashboard allows European policy makers to:



Map Member States Regional Public Administrations' administrative capacity and its chronological trend



Identify strengths and weaknesses of Member States

Regional Public Administrations



Build a targeted support for each Administration in order to improve its weaknesses



Provide indicators to compare Member States' Public Administrations in terms of transparency and performance



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MAIN PURPOSE



An **informative dashboard** for the European Commission decision makers to: **compare** the administrative capacity in the EU MS, **support** the improvement of public governance, **monitor** its trend over time.



A **self-diagnosis tool** for each EU Member States (e.g., at regional/local level).



INNOVATION

The Index grounds on data that are:

- qualitative (and not only financial)
- **objective** (and not based on perception)
- independent (and not based on questionnaires)
- comparable.

It provides **alerts on default risk**, intercepting extra-financial and corruption risks.

It enables comparison on **transparency**, **integrity** and **performance** and identifies **best practices** to share.

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Easy Pie

25.

50.

100

ITS METHOD IS BASED ON THE **ESG SUSTAINABILITY INDEXES** USED IN THE FINANCIAL MARKETS

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The Index analyzes 6 macro-areas:

ເລີ້ມ <mark>Budget</mark>

ກີໂມ Governance

ໄດ້ Personnel management

ມີ Services and citizens

ກີ Procurement & suppliers

ລີ້ Environmental impact

Each macro-area is composed by multiple indicators.

The assessment process transforms "**not available information**" into information.

A mathematic algorithm translates the scores into the final Index.

FONDAZI

IS THE INDEX APPLIABLE TO THE EU MEMBER STATES?

The results of a **pilot project**, commissioned to our Foundation by the European Commission-DG Regio in 2020-2021, show indeed that:

- the Administrative Capacity Index method is applicable to the assessment of public governance in different EU Member States (in particular Spain, Ireland, Finland, Italy, Romania, Czech Republic)
- **Public Administration systems differ largely** one State from another, but they all perform the same functions
- they all (except Austria and Luxembourg) have adopted **a law on the right of access (FOIA)**, with 2 pillars:
 - the citizens' right of access to public information
 - the Administrations' duty of publishing information directly on their websites

Also, even if in some MS the national legislator has overlooked the duty of direct publication, the pilot project results show that there are PAs - mainly at local level - that publish more data and information than they are required by law.

WHY? MAINLY BECAUSE IT'S CONVENIENT:

they are able to respond to EU recommendations on transparency, regain citizens' trust, better allocate public money at the regional and local level, attract private investors.

Notwithstanding the differences among Member States, we could build **an evaluation grid**, selecting more than 50 indicators common to the Countries analysed.



Components

Dashboard



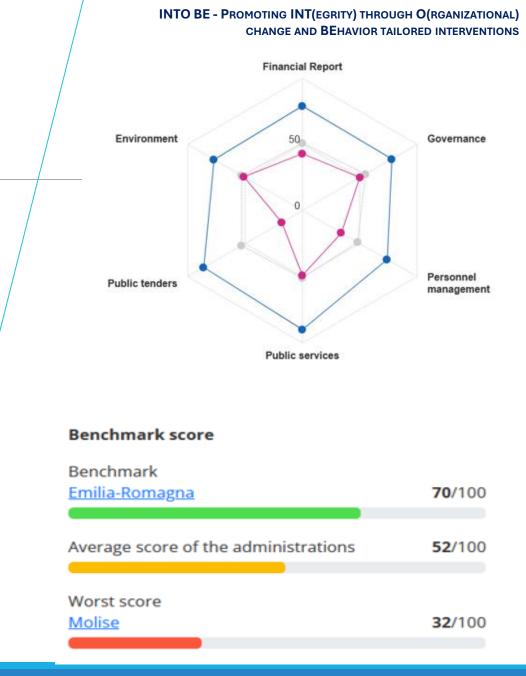
Consultation of comparative administrative capacity **Comparative analysis** of data and indicators

> Graphic and intuitive **representation** of the results



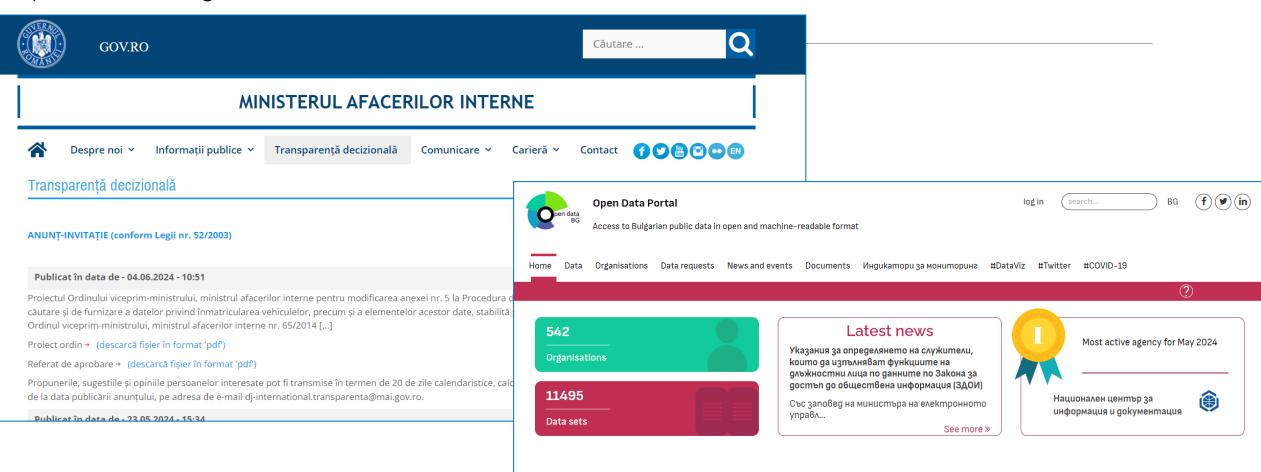
OVERVIEW OF THE RESULTS

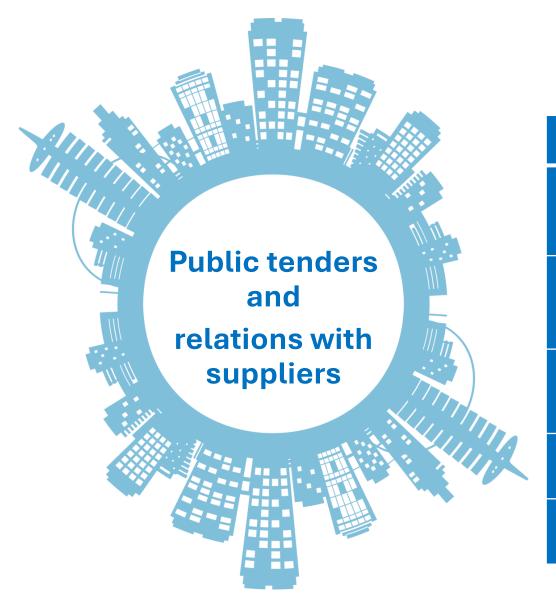
- Comparative analysis for different territorial level of Public Administrations
- Focus on single macro-areas
- Focus on single indicators for a comparative overview
- Focus on each Administration
- Cluster-based focus
- Infographics



DATA COMPLETENESS AND ACCURACY

Data sources are mainly Public Administrations' websites and Member States' national databases on the functioning and performance of Regional Administrations.





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Set of indicators per macro-areas *Example 1/2*

	Indicator	Check List
1	RECURRING CONTRACTORS IN DIRECT PROCUREMENTS	It verifies if there are suppliers awarding direct assignment more than once a year, considering only the contracts for an amount equal to or higher than EUR 5,000.
2	DIRECT PROCUREMENTS ON GLOBAL PUBLIC TENDERS - NUMBER	It verifies whether the Entity is inclined to direct assignments, rather than to bidding processes, in terms of number of direct assignments in comparison with the global number.
3	DIRECT PROCUREMENTS ON GLOBAL PUBLIC TENDERS - NUMBER	It verifies whether the Entity is inclined to direct assignments, rather than to bidding processes, in terms of the amount of direct assignments in comparison with the global amount.
4	TIMELINESS OF PAYMENTS INDICATOR	It verifies the average time by which the Entity pays its suppliers.
5	PER CAPITA DEBT AMOUNT VS SUPPLIERS	It verifies the global debt amount, as per Leglislative Decree no. 33/2013.

Personnel management

Set of indicators per macro-areas Example 2/2

	Indicator	Check List
1	PER CAPITA EXPENDITURE ON PERSONNEL	It highlights the weight of personnel expenditure on the administered population.
2	INCIDENCE OF PERSONNEL EXPENSES ON CURRENT EXPENSES	It highlights the weight of personnel expenses on total current expenses.
3	INCIDENCE OF EXPENDITURE FOR EXTERNAL CONSULTANCY ON PERSONNEL EXPENDITURE	It controls to what extent the entity uses external consultancy, rather than providing itself with some specific skills within its own structure.
4	DEGREE OF DIFFERENTIATION OF BONUS PAID TO MANAGERS	It evaluates whether the bonus amount is totally granted, to verify a critical consideration about the allocation of such bonus.
5	MANAGERS TO EMPLOYEES RATIO	It measures the incidence of top positions on total personnel.
6	PERSONNEL AVERAGE AGE	It negatively evaluates a high average age, assuming that it could mean more experience, but also more resistance to innovation and less flexibility in the role.
7	TRAINING OF EMPLOYEES	It considers whether the entity pays attention to the training of its employees.
		FONDAZIONE



PROCESS

Identification and **selection** of the data pertaining each indicator

Development of formulas to calculate the value

Monitoring of the chronological **trend**

Transformation of values into **scores** through specific **algorythms**

Comparative analysis

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Morris Cha

50.

Easy Pie

25%

75

100

THE ADMINISTRATIVE CAPACITY INDEX ©

WHAT IT IS

- It is a comparative assessment model for Public Administrations, and an informative tool for public decision makers.
- Its purpose is to:

- measure the administrative capacity at different territorial levels monitoring the relevant chronological trend and providing potential alerts on default and corruption risks

- **compare** transparency, efficiency and integrity

- develop a **targeted support to improve** the administrative capacity

- attract investiments
- regain citizens' trust

ITS INNOVATION

- The Index is **innovative** because it bases on data **already published by PAs**.
- So it is:
 - **objective**, since data are not based on interviews (and perception)

- **independent,** since data do not rely on the questionaries to be fulfilled by PAs (and their availability).

- **ITS METHODOLOGY**
- The Index analyses 6 macroareas: Financial Situation, Personnel Management, Services and Relations with citizens, Public tenders and relations with suppliers and Environment.
- Each macro-area is composed by multiple indicators.
- Mathematical **algorithms** allow for calculating the final Index.

HIGHLIGHTS

- The Public Rating and its trademark have been protected by copyright at the Italian Patent Office since 2012.
- The Index was applied in a pilot project awarded the European Commission DG Regio, and is the object of a new call for tender by the same DG.

FONDAZIONE