



**Governo italiano**

*Presidenza del Consiglio dei Ministri*

# Modernization of the Public Administration

Establishment of a performance-based evaluation system





# Table of contents

Current situation.....	Slide 1
Legal framework of the reform.....	Slide 2
Central Commission for evaluation and transparency.....	Slide 3
Benchmark.....	Slide 4
Conclusions.....	Slide 5



## Current situation

- With regard to performance-based evaluation, the analysis of the situation in Italy's public administration offers the following picture:
  - The reform of internal controls in the Public Administration (1999) established a Scientific and Technical Committee (CTS) within the Presidency of the Council of Ministers in charge of preparing and disseminating methodologies. However its impact on the quality of planning and control has remained very low.
  - In addition, the Strategic control within Ministries has been developed with low quality and the management control has remained mainly underdeveloped. A recent Study of the Central State Accounts underlines the input-orientation of previous performance schemes.
  - Enablers, such as internal strategic and management control, IT systems and specific training (evaluation, planning and control) have had little impact on the overall performance of administrations.
  - There is a lack of internal and external accountability for managers and civil servants, Citizen Charters have been broadly misused or offer low quality standards.



## Legal framework of the reform

- In response to this situation, the Decree 150/2009 on the efficiency of Public Administrations puts in place a wide performance management system based on the following specificities:
  - Objectives following the SMART methodology.
  - Introduction of the input-output-outcome and customer satisfaction dimensions for performance evaluation at unit and organisation levels.
  - Strong linkage between individual and unit performance.
  - Three differentiated thresholds of individual performance (25-50-25), connected to incentives (the last 25 are not granted any incentive).
  - Variety of incentives (monetary/non-monetary).
  - A strong emphasis on transparency requirements throughout the performance management cycle.



# Central Commission for evaluation and transparency

- The Decree establishes a new central Institution in charge of defining and disseminating performance-based quantitative and qualitative methodologies, as well as of monitoring their implementation.
  
- The Central Commission has the following tasks:
  1. **Customer focus:** the Commission should help deliver a customer focused administration, both in terms of planning and evaluation (outcome).
  2. **Performance:** the Commission should help define an effective performance-based (efficiency and effectiveness) management cycle (output).
  3. **Standardization:** taking into account the division of competences between central, regional and local administrations, the Commission should interact with all administrations to help ensure a comparable delivery of public services.
  4. **Transparency :** the Commission will define a scheme for transparency requirements and centralize data on performance on a “Transparency Portal”.



# Benchmark

- The experience of public service reforms in other EU Member states is a valuable asset in defining the strategic lines of the Italian reform.
- These reforms include the establishment of a centralised body (United-Kingdom, Spain, Portugal) or the redefinition of an existing body (Belgium and France) with the following characteristics:
  - Small sized and highly qualified.
  - Close to the political leadership.
  - Supporting the reform rather than controlling administrations.
- Moreover, beyond the specific organisational models, these bodies have a common operational purpose:
  - Developing and disseminating tools in support of the modernisation strategy, such as Change Management tools, Customer Satisfaction tools, Business Process Reengineering tools, Balanced Scorecards, Quality Management tools.



# Conclusions

- The establishment of a new centralized body can create added value to the reform by:
  - Defining suitable methodologies to enable administrations to efficiently deliver expected outcomes.
  - Ensuring transparency and comparability, thus reinforcing accountability and enabling the effective attribution of incentives.
  - Developing a dialogue with all stakeholders, useful both for planning and evaluation.
  
- The body cannot be seen as an end in itself. It should be established in a revised context of norms and within a framework of reform shared by all levels of administration.
  
- The Italian strategic approach for a performance-based evaluation system capitalizes on the growing pressure put by citizens on the quality of service delivery.