

THE 2007-2013 ITALIAN PERFORMANCE RESERVE – MEASURABLE OBJECTIVES FOR PUBLIC SERVICES PROVISION IN MEZZOGIORNO (“OBIETTIVI DI SERVIZIO”)

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EXECUTIVE SUMMARY

The note offers a thorough insight into a result based programming practice. It analyses the experience of the performance reserve system currently implemented within the Italian National Strategic Regional Framework, rewarding the improvement in the provision of public services to Mezzogiorno citizens. The analysis focuses on the system of indicators and targets, on the design and implementation of actions needed to achieve expected results, on the strategic and technical governance of the system. Notwithstanding the peculiarities of the financial and governance framework, wider than the one strictly referred to Structural Fund co financed Operational Programmes, and some difficulties that are seriously hindering its implementation, the Italian experience provides useful indications for strengthening the results orientation of Cohesion Policy after 2013 and for fine tuning the performance reserve system proposed by the European Commission.

The most relevant lesson learnt is that a result based programming approach needs focused and detailed Operational Programmes and a clear endorsement by relevant authorities. This requires to design strategies following the logical sequence from expected results to needed actions, to define objectives and indicators fulfilling rigorous methodological principles through a deliberative process, to set targets and identify actions considering the time dimension and place specific factors, to analyse and prevent all possible obstacles stemming from pre-conditions and responsibilities beyond the sphere of the Managing Authority. The Action Plan approach used in the performance reserve system in Italy could represent a good format in this respect. Another important issue highlighted by the Italian experience is the need of a major capacity building effort both on methodological and sector specific programming and implementation skills at regional level. A methodological coordination action and technical assistance resources devoted to the production and upgrading of data at Member State level are also necessary, in order to guarantee the overall quality of indicators and programming.

In such a strengthened results-oriented programming framework, the financial incentives of a performance reserve can be effective if they act as reinforcing reputational incentives originated by an increased accountability of involved authorities and an easier control by citizens. A clear endorsement by relevant authorities is a necessary condition for the success of a results-oriented approach with or without a performance reserve. The troubles which are being faced by the Italian performance reserve stem indeed from a weakness on this side.

Nevertheless, when introducing financial incentives, additional conditions should be respected in order to facilitate the smooth and effective implementation of the system. In this respect the Italian experience suggests to concentrate the performance reserve on a few policy areas and indicators, excluding policy areas where there is a complex institutional and governance setting or where causality links are difficult to assess, to set targets with transparent and robust methodologies, to set aside a reward for each Operational Programme and indicator, to proportionate the reward to the effort required, to define clear and detailed rules well before the preparation of Operational Programmes. To avoid fragmentation and unequal conditions among Operational Programs, a coordinated central technical governance should also be guaranteed, with the involvement of relevant partners, for system design, monitoring, fine tuning and assessment.

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1. INTRODUCTION

This note analyses the experience of the 2007-2013 Italian Performance Reserve (PR), a system measuring and rewarding the performance of regional authorities against results achieved in a few policy fields in Mezzogiorno². The ultimate aim of the analysis is to draw conclusions from this experience for a stronger results-orientation of Cohesion Policy after 2013.

The PR is still being implemented. The final assessment and reward to authorities satisfying targets set at the beginning of the programming period is foreseen in 2013. Therefore an analysis of the experience may only reflect the rationale and the main features of the process leading to the definition of the system and the findings of the first years of its implementation. The analysis will also consider major findings of the 2000-06 PR, whose strengths and weaknesses inspired the design of the current system³. The most significant innovation in the 2007-13 system is the use of final objectives for performance measurement and reward. Current PR indicators corresponds to those that in the new ERDF framework⁴ are defined *outcome or results*⁵. The choice and monitoring of indicators and targets, the policy design and implementation and the governance of the PR system can all provide useful insights into a results-oriented practice.

The analysis will show that the 2007-13 PR was built in a wider framework than the one strictly referred to Structural Fund (SF) co-financed Operational Programs (OPs). The 2007-13 National Strategic Reference Framework (NSRF) was indeed based on the integrated planning of SF and national funds for regional development, within a unified strategic, financial and governance frame⁶. The larger amount of financial resources focused on relevant objectives, the wider range of authorities that could be involved, the higher flexibility of the national funding side in terms of eligibility rules and financial planning were all elements that allowed to introduce a results based approach and a PR rewarding final results. However, the wider framework presented also some risks, that indeed materialised during the implementation of the system. The lack of obligations with the EC on the national funding side made it indeed easier to redeploy funds

² The general features of the 2007-13 PR were introduced by Italian authorities in the 2006 NSRF proposal, approved by the European Commission in July 2007 (Section III.4 of the NSRF approved with decision CE(2007) 3329 on 13 July 2007). Details on indicators, governance, allocation criteria and rules were defined in a Government Act approved in August 2007 (Delibera CIPE 82/2007).

See http://www.dps.tesoro.it/documentazione/docs/obiettivi/4_delibera_E070082.pdf

³ For a thorough analysis of the 2000-06 experience see Anselmo-Brezzi-Raimondo-Uttili (2006), *Structural Funds Performance Reserve Mechanism in Italy 2000-06*, Materiali UVAL n.9.

<http://www.dps.tesoro.it/materialiuval/documenti.asp#9>

⁴ See Barca- MacCann 2011, *Outcome indicators and targets: towards a new system of monitoring and evaluation in EU Cohesion Policy* methodological note for the EC-DG Regional Policy

http://ec.europa.eu/regional_policy/sources/docgener/evaluation/performance_en.htm

⁵ The 2000-06 PR was based on structural reform and Public Administration related indicators, more similar to those that in the EC proposed CSF Regulations are introduced for ex ante conditionalities.

⁶ The NSRF is founded on the integration between EU SF and national resources for regional development (recently renamed as Fund for Development and Cohesion, formerly called FAS, Fund for Underutilized Areas), but also national funds for sector policies, within a common strategic, financial and governance frame. Although OPs are eventually financed and managed under one specific Fund (being it national or EU), a more comprehensive strategy was designed at national and regional level and a strict coordination was required during implementation. At national level, the NSRF defined the integrated strategy, including the objectives and basic principles of the PR. A National Committee for the Coordination and Monitoring of the Integrated Regional Policy was created with the aim of periodically discussing issues arising from NSRF implementation through the different programming tools. Regions, on their side, were required to prepare Regional Strategic Documents and identify an office responsible for the coordination and monitoring of regional integrated programming.

allocated for the achievement of identified results and cut the PR budget, reducing and making more uncertain the scope of intervention and weakening the original incentive. Moreover the PR system has to cope with a complex governance and an unclear ownership.

Notwithstanding the peculiarities of the system and the difficulties of its implementation, which will be analysed in the note, the Italian PR experience offers useful indications for strengthening the results-orientation of Cohesion Policy after 2013. The note focuses on 4 issues related to the implementation of the 2007-13 Italian PR and relevant for Cohesion Policy:

- The choice and use of indicators, with a focus on the deliberative process for the selection of indicators and on activities implemented to improve their availability and quality; PR indicators are then assessed using methodological principles proposed in the new Cohesion Policy framework;
- The targeting method followed, with its strengths and weaknesses;
- Policy design and implementation, focusing on the experience of the Action Plan;
- The strategic and technical governance of the system.

The analysis by issue is introduced by a synthetic description of the scheme and of the state of implementation. The final section draws conclusion and lessons for Cohesion Policy. The annex contains some additional information on PR indicators and targets.

2. SCHEME DESCRIPTION AND STATE OF IMPLEMENTATION

Indicators, rules, governance

In the 2007-13 NSRF strategy for Mezzogiorno the upgrade in the provision of public services is deemed crucial in order to improve the quality of life of citizens and the business environment in the area. The PR rewards the achievement of results in 4 of the policy areas where the level and quality of public services in Mezzogiorno is lagging behind compared to other areas of the country: Education; Child and elderly care; Water service and Waste management. Performance is assessed against 11 statistical indicators, used as a proxy for the level or the quality of public services to citizens in these policy areas. Reward is justified on the ground of the special effort required to reach minimum standards, therefore targets are set at the same level for all Regions⁷. In table 1 the list of indicators, with baseline and target values for Mezzogiorno is provided. In annex 1 a regional disaggregated picture is provided for each indicator, with data updated with last available values.

The scheme is applied to the eight Mezzogiorno regions⁸ and the Ministry of Education (participating only for the three indicators of the policy area Education). A 3 billion Euro from national sources were set aside in the total budget of the 2007-13 NSRF for Mezzogiorno⁹. The total amount was then allocated by authority (on the basis of allocation criteria applied for all funds)¹⁰ and by objective (in equal amounts) and

⁷ The rationale underlying the 2007-13 PR framework is described in-depth in Brezzi-Utili (2007), *Targeting final objectives of public service provision to expand capabilities. A policy application in the South of Italy*, paper presented at the Human Development and Capabilities Association, September 2007.

http://www.dps.tesoro.it/documentazione/QSN/seminari/JHD_Brezzi&Utili_sett07.pdf

⁸ Mezzogiorno regions are considered in a unique framework within the integrated regional programming, though they have different status under Cohesion Policy: Calabria, Campania, Puglia and Sicilia are Convergence Regions, with Basilicata in Transitional Support, Abruzzo and Molise are Regional Competitiveness and Employment Regions, with Sardinia in Transitional Support.

⁹ The PR represent around the 3% of the 101 billion Euro originally allocated to Mezzogiorno for the 2007-13 period (46,9 billion Euro of Structural Funds and national cofinancing and 54,7 billion Euro of national resources for regional development)

¹⁰ See section V.2.2 of the Italian NSFR for a synthetic description of the methodology used for the allocation of financial resources among OPs. See http://www.dps.tesoro.it/QSN/qsn_istruttoria_tecnica_riparto.asp for a more detailed description.

then indicator (using weights according to the relative importance of the indicator within the objective). This allocation resulted in the reserve being set aside by authority/indicator as table 2 shows.

TABLE 1 – PR OBJECTIVES, INDICATORS AND TARGET

POLICY AREA/ OBJECTIVE	INDICATOR	BASELINE	TARGET 2013
EDUCATION Improve students competence, reduce drop-outs and broaden population's learning opportunities	(S.01) Early school leavers	26%	Reducing the percentage to 10%
	(S.02) Students with poor competency in reading	35%	Reducing the percentage to 20%
	(S.03) Students with poor competency in mathematics	48%	Reducing the percentage to 21%
CHILD AND ELDERLY CARE Increase the availability of child and elderly care to favour women's participation in the labour market	(S.04) Percentage of municipalities with child-care	21%	Increasing the percentage to 35%
	(S.05) Children in child care	4%	Increasing the percentage to 12%
	(S.06) Share of elderly beneficiary of home assistance	2%	Increasing the percentage to 3,5%
URBAN WASTE MANAGEMENT Protect and improve the quality of the environment, in relation to urban waste management	(S.07) Amount of urban waste landfilled	395 kg per ab.	Reducing the amount to 230 kg per head
	(S.08) Percentage of recycled urban waste	9%	Increasing the percentage to 40%
	(S.09) Percentage of composted waste	3%	Increasing the percentage to 20%
WATER SERVICE Protect and improve the quality of the environment, in relation to integrated water service	(S.10) Percentage of water distributed	59%	Increasing the percentage to 75%
	(S.11) Population served by waste water treatment plants	63%	Increasing the percentage to 70%

Source: DPS-UVAL

TABLE 2 – PR ALLOCATION BY AUTHORITY AND INDICATOR

Authority	Policy area/Indicator											Total by authority
	Education			Child and elderly care			Waste management			Water service		
	S.01	S.02	S.03	S.04	S.05	S.06	S.07	S.08	S.09	S.10	S.11	
Abruzzo	10,86	10,86	10,86	8,87	8,87	17,74	13,30	13,30	8,87	17,74	17,74	139,01
Molise	6,06	6,06	6,06	4,95	4,95	9,89	7,43	7,43	4,95	9,89	9,89	77,56
Campania	52,16	52,16	52,16	42,60	42,60	85,20	63,90	63,90	42,60	85,20	85,20	667,68
Puglia	41,57	41,57	41,57	33,95	33,95	67,90	50,92	50,92	33,95	67,90	67,90	532,10
Basilicata	11,44	11,44	11,44	9,34	9,34	18,68	14,01	14,01	9,34	18,68	18,68	146,40
Calabria	23,74	23,74	23,74	19,39	19,39	38,78	29,08	29,08	19,39	38,78	38,78	303,89
Sicilia	54,80	54,80	54,80	44,76	44,76	89,52	67,14	67,14	44,76	89,52	89,52	701,52
Sardegna	28,95	28,95	28,95	23,64	23,64	47,29	35,47	35,47	23,64	47,29	47,29	370,58
M. Education	20,42	20,42	20,42	-	-	-	-	-	-	-	-	61,26
Total by indicator	250,00	250,00	250,00	187,50	187,50	375,00	281,25	281,25	187,50	375,00	375,00	3.000,00

Source: DPS-UVAL

The scheme foresees that the reserve share set aside for each authority/indicator will be assigned if quantified targets are met in 2013 (each target fulfilled is rewarded), on the basis of 2012 data. The Ministry of Education is rewarded for each target of the policy area Education satisfied in the 8 regions. Up to the 50 per cent of the resources could be assigned in 2009, rewarding the reduction of the gap between final and baseline values, measured with 2008 data.

Resources that will not have been assigned in 2013 for targets not achieved will be assigned in part (no more than the 50% of the total reward for the relevant indicator) to well performing municipalities in the same region (regional schemes have to be designed for this purpose by each regional authority). Remaining resources will go to better performing regional authorities. Therefore there is no direct competition between administrations: if targets are met all regional authorities and the Ministry of Education can obtain their share of PR, whose amount is known since the approval of the scheme.

In order to increase the accountability of participating administrations and spur democratic control on the actions taken for the achievement of objectives, for each PR policy area an Action Plan is required. The Action Plan is a programming document including all actions needed to reach expected results and the integrated financial plan. Such an additional programming document is necessary not only to provide a more detailed planning of actions, but also because actions to be monitored should be those financed by all available sources (Structural Funds and national resources) and foreseen in each Operational Program or other planning instrument. Furthermore, Action Plans encompass other kind of actions, like laws, regulations, organizational innovations, training, in other words all these conditions needed in order to make financial operations possible and effective. In this way all responsibilities are clearly stated. At the end of each year, a report on activities and the update of the Action Plan are required.

Since responsibilities also lie at the national level, for each policy area, Ministries relevant for each policy area are involved in the system. While the Ministry of Education plays a direct role, being responsible for ERDF, ESF and national funded Programs targeted on Mezzogiorno, the Ministries relevant for other objectives¹¹ support regional authorities through training, diffusion of best practices, workshops etc. within a Technical Assistance Program financed with national resources (amounting to 7 million Euro) specifically devoted to supporting the system.

As for the governance of the PR system, the Department for Development and Economic Cohesion (DPS) of the Ministry of Economic Development is responsible for the scheme at the national level and should report yearly on the progress achieved to the National Committee for the Coordination and Monitoring of the Integrated Regional Policy foreseen by the NSRF. A Central Technical Group (CTG) was established to monitor Action Plans, face methodological issues arising during the implementation of the scheme, guarantee the sound application of rules and assess target achievement at the intermediate and final deadlines. The CTG, coordinated by DPS, includes also representatives of participating administrations (regional authorities and Ministry of Education) and of the National Statistical Institute (ISTAT). The CTG reports to the head of DPS. Resources from national funds (amounting to 5 million Euro) are devoted to support the Technical Group and improve the availability and quality of indicators (see section 3 for details).

State of implementation

The implementation of the PR started in 2008, with the preparation of Action Plans by participating authorities and the operational planning of supporting and monitoring activities by the coordinating Ministry and other Ministries involved.

¹¹ Ministry of Health, Ministry of Environment, Ministry of Welfare

When the system had completed its inception phase in early 2009, the whole strategy designed in the NSRF had already started to be affected by cuts and reallocations on the national funding side (weighting for a half of the total NSRF amount originally planned) introduced by the Government established after 2008 elections. These changes were justified on the ground of the difficult general public finance situation, though they started to show a different policy approach¹². An immediate consequence of the redeployment of national funds for regional policy was the cancellation of Education and other three National OPs originally foreseen to cover Mezzogiorno non-convergence regions, not included in National OPs co financed by SF. Moreover the decision on allocation of resources to national funded Regional OPs (so called PAR), financing interventions in policy areas not eligible to SF support in non-convergence regions and strengthening support in convergence regions, was delayed.

Although the framework had been modified, with a general reduction of available funds, particularly felt in the Education policy area and in non-convergence regions, no decisions were taken in 2009 on changes in the PR indicators, targets or rules. The situation worsened in 2010. While the implementation of the PR had gone on during 2009 - with indicators updated, Annual Reports drafted¹³, technical assistance provided and the intermediate PR calculated by the CTG¹⁴ - national funds to PAR continued not to be allocated and decisions were not being taken for the transfer of the intermediate reward to regions and Ministry of Education. In addition to that, the Technical Assistance provided by Ministries was not refinanced after the first two years of implementation. At the end of 2010 a new redeployment of FAS resources downsized by 10% the amount allocated to PAR and by 20% the PR budget. Further cuts to the PR budget were then made during 2011. The remaining budget of the PR amounts to 1,03 billion Euro.

Despite a *de facto* dismissal of the PR in the last two years, no formal decision has been so far taken to revise or cancel the scheme. In such an uncertain and weakened framework, the implementation of the system slowed down in the last year, with only indicators being regularly updated¹⁵.

3. THE CHOICE AND USE OF INDICATORS

Deliberative process and actions taken to improve availability and quality of indicators

The choice of PR objectives (policy areas) and indicators was made at national level, within the preparatory works of the 2007-13 NSRF. Indicators to be used by all the authorities involved in the PR scheme were identified through a participatory approach. A working group was set up, including regional and central authorities involved and the national statistical office (ISTAT). Other relevant actors (other institutions providing data and information, association of service providers, representatives of local authorities) were also consulted.

Such a deliberative process was considered as a key condition for increasing the accountability of actors directly or indirectly responsible for the delivery of services (and the achievement of objectives). Indeed the analysis and discussion on possible alternative indicators make participants aware of strengths and weaknesses of each option and gave indications on their link with policy actions. Moreover, their involvement in the decision making process was considered to be important in order to avoid unjustified dispute on indicators during the implementation.

¹² An analysis of the policy approach followed by the Italian Government in the period 2008-2011 can be found in Polverari (2011), *Italy at 150: Still a divided society. Has the Italian State given up with Mezzogiorno?* paper presented at the 2011 APSA Conference in Seattle. http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1911380

¹³ For Action Plans of regional authorities and Ministry of Education see http://www.dps.tesoro.it/obiettivi_servizio/monitoraggio.asp#pianiazione

¹⁴ For the CGT document with calculations of the intermediate PR see http://www.dps.tesoro.it/documentazione/docs/obiettivi/OdS_IstruttoriaGT_intermedia_2009.pdf

¹⁵ See Annex 1 for an update of the progress made by PR indicators. All available data are available at http://www.dps.tesoro.it/obiettivi_servizio/eng/access_data.asp

At the end of the process, the list of eleven indicators commonly agreed upon, with the specification of sources, baseline values (and targets), became part of the government act regulating the PR. The list has not changed since then, though a debate on indicators is always open and changes are possible if duly justified.

Although indicators chosen are built on data collected through existing statistical surveys, financial and human resources are being devoted to improve the quality of indicators in terms of timely delivery and territorial disaggregation on one side, and the widespread use of indicators on the other. DPS signed an agreement with each data producer in order to guarantee the availability of information at the time and territorial level needed. In most cases the agreement included a financial support to data producers; nearly 3,7 million Euro from PR national resources and SF technical assistance resources are devoted to improve the availability and quality of statistics feeding PR indicators (see annex 2 for details).

For some indicators, a more relevant investment was made to ensure the very availability of data needed. It is the case of the water management cycle indicators, where statistics used to be not regular¹⁶ and the financial support allows to have two releases of data at the relevant PR deadlines. In the case of the OECD-PISA survey, a financial support is provided to enlarge the sample of pupils tested, in order to have statistical significant data available at regional (NUTS 2) level.

For other indicators, like those on urban waste management and on childcare, the financial support was aimed at speeding up existing surveys and releasing early data at least for Mezzogiorno. Moreover resources were devoted to make the public diffusion of disaggregated data possible (otherwise data would have been available only on demand). For the two surveys not requiring a financial support, the one producing data on early school leavers and the one on elderly care, the agreement was important as well in order to create a link between the producer and the users at national, regional and local level.

In addition to the financial support to data producers, DPS ensures a significant input of qualified human resources (a statistician and an economist) of its Evaluation Unit-UVAL to quality control, validation and diffusion of data. Through the monitoring of on-going surveys and continuous dialogue with data producers and regional authorities (having on their turn links with authorities involved in surveys at local level), the UVAL team is able to prevent possible delays and propose solutions, facilitate mutual understanding and sharing of methodological issues (through meetings, production of technical fiches¹⁷, workshops). Moreover it guarantees the validation of data, a second check necessary in order to avoid mistakes and inconsistencies, and their diffusion through the web site.

For all indicators, the data set accessible on the web site includes data for all Italian regions¹⁸, for some indicators data at a lower territorial layer are also available¹⁹. For indicators based on yearly surveys, data for Mezzogiorno regions are available by the end of the following year. Available data can be accessed also through DPS eXplorer²⁰, an innovative web tool developed in cooperation with the OECD within the *Global Project on Measuring the progress of societies*. Through this interactive tool it is possible to explore territorial data and indicators to create maps and dynamic charts, to analyse and compare the performance of regions. The "storytelling" section allows users to contribute with their own analyses and narratives.

¹⁶ The survey chosen, identified at the end of the participatory process as the best basis for PR indicators, had been since then only occasionally made (a census in 1999 and a sample survey in 2005). The producer (ISTAT) could not guarantee a new survey at the time needed. For this reason it was decided to cofinance two census surveys with national resources, in order to have updated data at least at the two deadlines fixed for the PR allocation (i.e. intermediate 2009 and final 2013).

¹⁷ http://www.dps.mef.gov.it/obiettivi_servizio/indicatori_target.asp#note_inf

¹⁸ http://www.dps.tesoro.it/obiettivi_servizio/dati.asp

¹⁹ http://www.dps.tesoro.it/obiettivi_servizio/dati_subregionali.asp

²⁰ http://www.dps.tesoro.it/DPSExplorer/ml_eng.asp

An assessment of indicators

After a few years of implementation it is possible to make a thorough assessment of indicators and check to what extent they fulfil methodological principles proposed in the preparatory materials of the European Commission for post 2013²¹, and partly included in the proposed CSF Regulation (annex IV). These principles require indicators to be: **reasonable, normative, robust, responsive to policy, feasible and debatable**²².

Criteria driving the selection of PR indicators correspond, to some extent, to a few of the latter. In 2007 indicators were indeed required to fulfil the following criteria:

- Measurability, i.e. derived from statistical information recognised as adequate, reliable and timely;
- Accountability, i.e. it should be possible to clearly identify the body responsible for the implementation and the delivery of the service, at different government levels;
- Public understanding and sharing, i.e. it should be possible for citizens to understand the relevance of objectives, and thus voice the demand and contribute to their achievement.

These well stated criteria stemmed from the basic principles of the PR scheme, however other general criteria were implicitly followed, not far from those that the new framework proposes.

All indicators of the PR scheme needed to be **robust** and **feasible**. These were indeed two of the most important criteria to be satisfied, implicitly considered under the measurability issue. A very strong choice had been made to use only indicators from statistical sources already available, investment was only required to improve timeliness and territorial disaggregation of existing surveys. This choice could result in a constraint for the fulfilment of other criteria (that in principle could have been satisfied with ad hoc surveys). However it was necessary in a scheme linking financial reward to the achievement of the indicator target, where it is important to rely on indicators built on data regularly collected in the whole territory involved and validated by independent and qualified bodies. This makes indicators accepted by participants and reduce the risk of dispute during implementation.

The policy areas where so far there has been more debate on indicators used are indeed those where data appear less robust. It is the case of the indicators of the Water service, where there is a lack of consolidated statistics. In this case, the survey chosen, the best possible one to fulfil the robustness criterion, has been criticised by interested parties on different grounds (unclear definitions, doubts on the reliability of estimates provided by managers surveyed). The other survey being debated is the one on Elderly care, which is a survey of administrative nature managed by the Ministry of Health. In this case, doubts were raised on the reliability of information collected at local level (unclear definitions, double counting). In both cases the activities aimed at improving indicator quality and the dialogue between data producers and regional authorities contributed to a better understanding and to solve some dispute. Only one indicator of the Water service is actually being discussed for a possible revision, within a working group with representatives of the CTG, regions and data producer.

The latter examples show that indicators are indeed also **debatable**. The revision of indicators is an extreme, but always possible, option. What happens more often is the revision of data by the producer after a first official release. This can be due to further checks required by interested parties, but more often it is a regular practice of data producers (fine tuning of previous years data when new surveys are completed). In the case of data revision by the producer, these are simply acknowledged and highlighted in the web site of the PR.

²¹ Barca-MacCann (2011) op.cit.

²² In the proposed CSF Regulations (annex IV), general ex ante conditionalities on indicators refer to a subset of criteria proposed in Barca-MacCann (2011): robustness and statistical validation, timely collection and public availability of data, responsiveness to policy, clarity of normative interpretation.

Other than the debate on the reliability of indicators (and data), in a results-oriented framework, the timely collection and public availability of data should spur a debate also on the direction and extent of changes, on differences among territories and links of observed indicators with other variables. In the PR system, all this is possible through DPS eXplorer. However it is still a too sophisticated tool for citizens. Simpler and more user friendly tools should be developed like info graphics and interactive user friendly maps. In this respect, so far the criterion used in the selection of PR indicators, explicitly requiring indicators to be simple to understand and share, and not only debatable, has been fulfilled only to some extent.

As for criteria linking indicators to the policy, all indicators chosen needed of course to be **reasonable** and **normative**. Only for Elderly care, it was difficult to find an indicator representing all the relevant features of the objective. In this case the objective was to relieve women from elderly care, in order to favour their participation to the labour market. Therefore it would have been important to measure the totality of old people assisted at home regardless the kind and the source of assistance, healthcare from the health system or social care from the municipalities, which are not always integrated. Unfortunately only data on the healthcare side were robust enough. Therefore the indicator measures only one pillar of the service, though actions are foreseen also on the social side.

For some other policy areas it was necessary to include more than one indicator in order to capture in a comprehensive way the desired effects of the policy and to clarify its normative interpretation. It was the case of Urban waste management, where three indicators were needed for correctly catching the effective development of the whole cycle. For Childcare also, the indicator measuring children in childcare had to be complemented with an indicator on the dissemination of services throughout the regional territory, in order to avoid their concentration only in major urban areas.

Finally, the criterion requiring indicators to be **responsive to policy** was one of the three explicitly stated in the PR indicator selection process. In the definition used in the PR framework there is a stronger focus on the bodies responsible, at different government levels, for the delivery of the service and thus for affecting the indicator with their action. PR indicators differ greatly in this respect. There are a few that are directly linked to policy action, like the indicator on the dissemination of child care services or the one referring to the population served by advanced waste treatment plants. In these cases the policy action needed might be complex and requiring a long time to produce effect, but the causality link is quite clear. On the opposite side there are some indicators for which the causality link between the policy action and the expected result is more indirect, like the indicators on Education, where economic, social and cultural factors play a relevant role. The implementation of the PR showed that this is a tricky criterion, because an indicator must be responsive to policy, but this may bias policy choices in favour of those actions having more direct and immediate effects, furthermore in a PR framework. This is more evident when the reasonability criterion is not perfectly fulfilled, covering only to some extent the effects of existing policy tools and target population, like the case of elderly care.

4. TARGETS AND REWARD MECHANISM

In the PR the target setting approach is strictly linked to the rationale underlying the reward mechanism, justified on the ground of the special effort required to Mezzogiorno regions to reach minimum levels in the provision of public services to their citizens. Targets were therefore generally set benchmarking against national or international average values, considered as a minimum standard to be reached by all. For a few indicators, other benchmarks were used from the Lisbon Strategy, national legislation or technical standards (annex 3 provides details on the benchmarks used for all targets).

Targets, defined through the deliberative process leading to the choice of indicators, were set at the same level for all regions, regardless their baseline values. The deadline for final assessment was 2013 (with 2012

data). Some targets were very ambitious and required a relevant effort to be reached in 5 years²³. Nevertheless, with the introduction of a flexibility clause²⁴ during the negotiation, they were accepted by all. To spur participation of regional authorities, an intermediate deadline was fixed in 2009 (with assessment based on 2008 data). The intermediate reward (amounting to no more than half of the total reward for that indicator) is calculated on the basis of the reduction of the gap between final and baseline value of selected indicators and is more than proportional for initial improvement of indicator values²⁵.

The intermediate assessment was introduced because of the political cycle, shorter than the time span needed to achieve final targets and obtain the reward. The aim was to draw the attention of regional key decision makers on the PR policy objectives in the first, crucial years and creating a debate before spring 2010 regional elections. The method for calculating intermediate reward had also the effect of encouraging the participation of most lagging behind regions in the system.

The perspective of an intermediate assessment has indeed accelerated the inception of the PR system, in terms of availability of indicators, drafting of Action Plans, technical assistance. Some doubts can be raised on the incentive provided by the intermediate reward in terms of acceleration of actions needed to achieve objectives. The time span between the finalisation of the PR system (2007) and surveys providing data for the intermediate assessment (2008 – early 2009) was generally too short for actions to affect result indicators, even if in most cases actions planned in the previous programming period were being implemented and could be readdressed to achieve PR results. The use of output or implementation indicators for the intermediate assessment, as the post 2013 *milestones* proposed by the EC, might have provided a stronger incentive in this respect. However in the PR system design this option was explicitly excluded. The underlying assumption was that the way objectives can be achieved can differ, it is a choice and a responsibility of participating authorities to define the path. Targeting result indicators also for the intermediate assessment had nevertheless the positive effect of drawing the attention of authorities on the time dimension of policy action and on the need of focusing action.

5. POLICY DESIGN AND IMPLEMENTATION: OPERATIONAL PROGRAMS AND ACTION PLANS

Although incentives are linked only to the achievement of final results and participating authorities are left the responsibility of choosing the way to reach results, the PR system required to strengthen programming and to design the intervention logic in a way more rigorous than usually done in SF OPs²⁶: defining interventions in a sequence starting from expected results and outputs, introducing all conditions needed to implement interventions, considering the time dimension and localization.

As the PR is included in a framework wider than that of SF OPs, a double, parallel track had to be followed in the design of the four targeted policies. Regional and Ministry of Education OPs had to include measures to achieve the different targeted objectives, while sticking to rules and principles of the corresponding Fund. Single fund programming foreseen by 2007-13 Regulations and non-convergence region OPs constraints in some policy areas did not allow in most cases to encompass in a single Program all the actions needed to pursue PR objectives. The Action Plan was therefore the document including all the actions identified for the achievement of objectives and financed in the different OPs. Action Plans were supposed to contain more detailed information on planned investments: timetable, localization, target population, responsibilities. Similar details were also explicitly required for investments planned within the previous programming cycle of regional policy and still being implemented, for investments financed with

²³ However in a few cases baseline values were already beyond target values. In these limited cases, regions were required to keep at least the baseline value.

²⁴ This clause allows regions to be fully rewarded if 60% of the target has been achieved by the deadline. It can be applied to no more than 4 indicators, provided that at least one indicator of each policy area is fully achieved.

²⁵ A higher weight (1,5) is applied for each point of gap reduction up to the 25% of the total gap reduced.

²⁶ Casavola (2009) *Operational rules and results in Cohesion Policy programmes: analysis and proposals for conditionalities*, Barca Report Working Paper

other relevant national sources and for non-financial actions, like laws, regulations, organizational changes needed in order to make the financial investment effective.

At national level Action Plans did not need to be negotiated or approved, as the way results had to be reached was a choice and responsibility of regional authorities. They were considered as a working document of the regional authority (or Ministry of Education), providing a frame and details for the activities negotiated and approved in the OPs and in other national programming tools. The monitoring of Action Plans within the more general governance frame of the NSRF and of the Regional Strategic Documents would have contributed to assess and readdress actions when needed.

Action Plans were mostly finalised throughout 2008, with the last ones approved in early 2009. They were generally drafted with the participation of all the regional directorates involved (within a regional coordinating committee), discussed with social, economic and local institutional partners and eventually approved by the regional Government cabinet. In 2008 all SF OPs had already been approved, while 2007-13 Programs financed by national regional development funds had been only designed and partly negotiated. Therefore resources from this source included in the 2008 Action Plans were uncertain and so remain so far.

Action Plans are therefore being implemented with this major flaw in the originally intended integrated programming approach. The uncertainty on the national funding side goes beyond the effects of reduced or delayed funding and affects the overall governance of the system, weakening the implementation of Action Plans and of the PR framework. The separation between the two programming levels has been increasing, and the unbalance between a strand (OPs) which follows strict rules and a strand where there is no enforcement (Action Plan) ended up to weaken the latter. The Structural Fund side does not seem to be influenced by the results to be achieved within the PR system. Action Plans therefore generally acknowledge conclusions of other decision making processes, rather than driving result achievement in OPs. Nevertheless some interesting effects of this innovative, though partially realised, approach can be detected in terms of capacity building and increased results-oriented actions at least in some policy areas.

The preparation of Action Plans represented an unusual exercise in most regions. Considering the target to be achieved, it encouraged integration between regional and ordinary policy sides and the use of indicators for planning interventions. This exercise was more easily done where a regional strategy had already been well defined. The Action Plan thus provided an opportunity to define operational details and pool and integrate necessary financial and non-financial resources. At regional level this was the case for waste management and childcare in Sardinia, which indeed started to show significant increases in the values of indicators already in 2009.

Where regional authorities were less prepared, it helped to rely on a national strategy or on the technical assistance of the relevant Ministry. This was the case for childcare, where a multi-year plan to increase the supply of services had been launched with national funds, which fitted very well with the NSRF and the PR system. The case of childcare shows indeed the value added of this approach in terms of coordination between national and regional authorities, integration among funds and implementation of structural conditions. For those regions more lagging behind, Action Plans were an opportunity to identify the missing elements of the regulatory framework which could hinder the achievement of results, for example the regional law regulating standards to be respected by private childcare services in order to apply for public funding. The technical assistance provided by the Ministry helped regions to implement those changes needed in order to better regulate the supply of services at regional level (for instance by clarifying the definition of innovative childcare services to be provided in rural areas) and thus allowing a wider range of possible interventions that could be financed with the different available funds. Similar positive effects of the Action Plan approach on coordination and integration between government levels and funding sources can be detected for the Elderly care policy area.

The coordination and integration proved more difficult within the Education policy area, where the Ministry was directly involved with its own National OPs and a technical assistance for regions had therefore not been foreseen by the PR system. The changes occurred in the original plans of covering all regions with National OPs left non convergence regions without any kind of assistance by the Ministry. However, also in convergence regions, where the SF National OPs are being successfully implemented as progress in OECD-PISA data show, without an additional effort the integration and coordination between different levels of government and different policies needed to achieve results is difficult. This is due for sure to the complexity of the PR objectives for Education, but also to the fact that the Ministry of Education plays the difficult role of Managing Authority and concentrate all its efforts in Program implementation tasks.

As for the environmental policy areas, the Action Plan approach was a good opportunity to reflect on measurability issues (for instance an issue arise on the need to strengthen water leakages detection systems), timeframe of interventions and effects on indicators, or to provide detailed and complete overviews of project being implemented and planned. However, due to the high complexity in the governance and decision making processes of the water and waste management policy areas, the value added of the Action Plan and of the technical assistance of the Ministry of Environment was less significant to improve the strategy, remove obstacles and accelerate investments.

The result based integrated programming approach therefore did not benefit to the same extent all policy areas. It was weakened by the difficulties of the PR, but other reasons linked to the complexity of causality links in some policy areas, as the example on Education shows, and of the institutional setting in others, consider the example on Environmental issues, must also be acknowledged. As a result of such a lighter implementation, capacity building benefits are not widespread within the regional administration, being concentrated among officials coordinating the scheme at regional level and to some extent within departments dealing with sector policies.

6. GOVERNANCE OF THE PR SCHEME: THE CENTRAL TECHNICAL GROUP

Even if the PR scheme is based on result indicators, relying on statistical sources and well defined rules, and leaves to participating authorities the responsibility in the choice and implementation of actions needed to achieve expected results, it was nevertheless considered necessary to manage the system both on technical and strategic grounds.

The strategic governance, aimed at accelerating and qualifying the policy action and increasing accountability of relevant actors, should have been guaranteed through the sound design, implementation and monitoring of Action Plans, the involvement of relevant Ministries, specific actions to spur democratic control of citizens. All this, as shown in the previous sections, has been facing some difficulties which are not yet overcome.

Notwithstanding the problems faced by the strategic governance of the PR system, a technical governance has continued to be ensured through the maintenance and upgrading of the methodological basis (indicators and rules), as well as monitoring and assessment of target achievement. The latter are tasks of DPS, implemented by the Evaluation Unit.

Since in a PR scheme there is the need for decisions to be taken not only at the deadlines for the allocation of resources, but also during implementation for the clarification of rules²⁷, in addition to the activity

²⁷ PR systems can be indeed considered incomplete contracts, which need to be completed during implementation. For an application of the theory of contract to the 2000-06 PR experience in Italy, Brezzi- Raimondo-Utili (2007) *Using performance management to make administrations accountable: the Italian case*, in "International handbook of practice-based performance management", SAGE Publications

guaranteed by the DPS, a technical group (CTG) was established since 2008, including DPS representatives as well as representatives of authorities directly involved and of the National statistical office (ISTAT). This is a way to continue the participatory approach adopted since the preparatory stage.

To give some examples of the decisions taken by the CTG, those leading to the calculation of intermediate rewards can be mentioned. In the months preceding the intermediate assessment, the CTG tested rules defined in the 2007 Government Act regulating the system, applying them to available data. These simulations highlighted circumstance not encompassed by the approved frame (e.g. what to do if the data producer revise the data used for the assessment). The CTG on this basis agreed upon additional rules to be applied at the intermediate deadline. The CTG was also involved in the integration of rules for the definition of PR scheme at regional level. In this case the rules approved in 2007 only mentioned the possibility of rewarding well performing local service providers if the regional target is not achieved at the 2013 deadline. A definition of successful performance is provided and regions are required to define schemes specifying details, whose consistency with the general framework of rules has to be assessed by the CTG. This is an example where initial rules are vague and the CTG is explicitly required to better specify and complete them. A final example of CTG activities is the fine tuning of indicators. The use of statistical indicator reduce the importance of this task for the 2007-13 CTG, however there can be the necessity to take decisions on the revision of indicators²⁸.

In addition to the task of guaranteeing the fair and transparent application of rules on methodological grounds, the CTG has also the task of supporting the strategic governance of the system, ensuring that actions taken by regional authorities and the Ministry of Education are those most likely conducive to expected targets. The CGT was therefore supposed to assess Action Plans at the outset and then monitor their implementation, thus feeding the debate on the achievement of objectives. This task required specific sector evaluation skills which were not necessarily represented in the CTG or in the Evaluation Unit supporting it. A technical assistance budget was available for this purpose, to hire consultants or to finance evaluation studies. Nevertheless the demand for a strategic contribution of the CTG has been so far rather weak. The uncertain implementation and the unclear ownership of the PR system prevented a debate on expected results from being initiated. Therefore the role of the CGT in this area has been so far limited, also due to little flexibility in the use of technical assistance budget.

7. CONCLUSIONS AND LESSONS FOR COHESION POLICY

The experience of the Italian 2007-13 PR analysed in this paper can provide useful indications not only for the fine tuning and implementation of the PR framework sketched in the General Regulations proposed by the EC, but, most generally, for strengthening the results-oriented approach of Cohesion Policy after 2013. The first, most relevant lesson refers indeed to the use of result indicators in programming practice, notwithstanding the PR mechanism. One of the most important achievement of the 2007-13 PR system has been the introduction of a programming approach based on results, through the Action Plan. The Action Plan was an opportunity to design strategies in the correct logical sequence, which in Italy but also in other Member States²⁹ is unusual within Cohesion Policy, from expected results to needed actions. It also forced decision makers to consider all available financial sources, conditions (laws, regulations, organizational changes) necessary for financial actions to be taken and produce effects, responsibilities (very often beyond the scope of one single Managing Authority). Objectives and indicators, defined through a deliberative process at national level and fulfilling rigorous methodological principles, provided a guidance for the choice of actions and hence the design of Action Plans. Targets and deadlines required to focus on the time

²⁸ For instance the case already mentioned of the water management indicator, where the data producer provided a more detailed definition in the last survey and a decision need to be taken by the CTG on what definition should be retained for the assessment, with possible effects also on the target (if the definition changes).

²⁹ See Casavola (2009) op.cit.

span needed to implement investments and produce effects and on places or target groups where to concentrate actions.

Action Plans requirements might represent a good format for post 2013 Structural Fund OPs, which need to be focused and detailed to cope with the stronger results-orientation of Cohesion Policy. The Action Plan approach could be limited to the most relevant objectives identified in the OPs. In some instances, the Action Plan could also be approved in a lighter version and then finalised within a fixed deadline. The note acknowledges the difficulties faced in the preparation and implementation of Action Plans in the Italian PR experience, due to the unclear ownership and weak governance of the system. These difficulties could be overcome within the stricter rules of Structural Funds, where commitment of all involved actors would increase. However the need of enlarging the range of actors to different extent involved should be considered. The Italian PR experience shows indeed the value added of the integration between national and regional policies in achieving common results obtained through the involvement of relevant Ministries and Agencies during implementation. What is nevertheless always necessary is a major capacity building effort, both on methodological and programming skills, and a mainstreaming of indicator and evaluation practice into programming and implementation.

In the Italian PR experience, the use of the same few indicators, defined at central level with the participation of relevant partners, and a coordinated action to improve their availability and quality proved to be very effective also to make regional officials more conscious of the meaning and drawbacks of indicators and to increase their capacity in using indicators. In the post 2013 Cohesion Policy programming and implementation practice, where result indicators will be necessarily identified and quantified at OP level, a further and more widespread capacity building effort will be needed. Nevertheless some methodological coordination action and technical assistance resources at Member State level will always be necessary, in order to guarantee the overall quality of indicators (with some economies of scale) and hence the respect of the methodological principles required in the proposed EC Regulations.

In addition to actions required to improve the use of indicators, a capacity building action is needed also on sector specific programming and implementation tasks, at all the levels involved in negotiation. In Italy this has been to some extent guaranteed through the activity of line Ministries, which provided general guidance on regulatory issues and exchange of best practice among regions. However the PR Action Plan experience in Italy shows that in the programming stage a know-how is needed on quality standard, unit cost, technology available in order to better identify and quantify output and input indicators and link them with results. An in-depth knowledge is also necessary on the regulatory framework and on all place specific factors that could influence the achievement of expected results in order to define a timetable of all needed actions.

If the intervention logic is well defined, with targets for result and output indicators, a timetable and milestones set and the Action Plan is endorsed by relevant authorities, financial incentive or sanctions should only act to reinforce reputational incentives. This was not the case in Italy, where the result based PR system had to fit with a different programming approach and participating authorities feel accountable only to a limited extent for PR objectives. The Italian experience shows indeed that financial incentives alone are not sufficient to induce a result oriented attitude in all relevant actors.

In the framework proposed by the EC for next programming period, where the performance reserve is more consistent with the underlying programming approach, financial incentives could be more effective in strengthening the results orientation of OPs provided that some conditions are fulfilled. In this respect the Italian experience can provide some insights into the strengths and weaknesses of the indicators that could be used in the PR and the potential effectiveness of rewards.

A first issue refers to the use of result indicators in a PR framework. The time constraint posed by OPs financial plans makes it more difficult to link the new Cohesion Policy PR strictly to the achievement of

results, than it was for the Italian PR funded with national resources and with reward allocation foreseen at the end of the programming period. The EC proposal of rewarding financial, output or implementation indicators as *milestones* of the intervention logic leading to expected results³⁰ is the solution for all those cases in which rewarding results is not “appropriate”, being too early to expect them to take place. This solution may provide a stronger incentive to take actions than the approach based on progress towards results used in the Italian PR for the intermediate assessment. However it requires, even more than in a results-based programming framework without financial rewards, a detailed and rigorous OP design with an Action Plan-like approach. Moreover it needs a qualified monitoring and fine tuning since the intervention logic and the milestones may need to be revised during implementation.

An additional warning refers to the risk of fragmentation of the PR, and hence of difficult technical governance. In both 2000-06 and 2007-13 Italian experiences, PR indicators and targets were the same for all OPs and this facilitated the negotiation and implementation of the PR system. If, as in the new Cohesion Policy framework, milestones are linked to the intervention logic defined to reach a result, their identification will likely occur at OP level. The negotiation on PR milestones and target should nevertheless follow common rules and be coordinated at MS level, in order to guarantee equal conditions among OP. Some lessons on this respect can be drawn from the 2000-2006 Italian PR, where there was indeed one criterion based on (output) indicators identified and quantified at OP level. This was one of the most difficult to be applied, because of the high number of indicators and because targets had been set by regional authorities without robust benchmarks. Therefore a further recommendation is to concentrate on very few indicators and set targets with transparent and robust methodologies with a significant technical coordination among OPs.

Notwithstanding the type of objective rewarded, the PR experiences in Italy show that the effectiveness of the reward on the achievement of final results may vary among policy areas. In some cases the reward could not even be an effective tool. Sanctions may provide stronger signals if responsibilities for the achievement of the objectives lie mostly outside the Managing Authority, as in the case of waste management and water cycle in Italy. Rewards may provide a strong incentive if the achievement of the objectives is directly linked to the action of the beneficiary at local level, like in the case of child and elderly care in Italy, even stronger if they are reinvested in the same policy area. The Italian PR also showed that differences among policy areas also require to introduce a reward (or sanction) proportionate to the effort needed.

Nevertheless, the need of fixing clear and undisputable rules would suggest to use either sanctions or rewards and not to mix them for the same priority as the EC Regulation seems to propose. As for sanctions for unmet results introduced in the proposed Regulations at the closure of the OP in case of “serious failure”, in the Italian PR they were excluded because, unless there is a very direct link with actions and responsibilities of the Managing Authority, there is a high risk of them being disputed during implementation and hence ineffective and difficult to apply.

In fine tuning the PR framework proposed for the new Cohesion Policy, some issues raised when discussing about rules and governance in the Italian experience should also be considered, even more if PR indicators and targets vary among programs and are defined through bilateral negotiation between the Member State and the European Commission.

³⁰ To summarise the performance framework proposed by the European Commission in articles 18, 19 and 20 of the General Regulation, rewards (in terms of additional financial resources) and sanctions (in terms of payment suspension) are linked to milestones to be verified in 2019 (with an intermediate verification in 2017), while sanctions (in terms of financial corrections) for “serious failure” in meeting 2022 targets are foreseen at the closure of the OP, after the 2023 final implementation report. Rewards and sanctions are linked to different types of indicators. Sanctions at the closure of the programme refer to result indicators. Milestones to be rewarded or sanctioned during the implementation include - as specified in Annex 1 of the General Regulation - financial, output and, only “where appropriate”, result indicators as well as key implementation steps.

Some general principles followed in Italy first in the 2000-06 PR and then in the current experience proved useful and guaranteed the successful application at the assessment stage, i.e. when the participating authority had to accept the decision. A first general principle is to define rules as detailed as possible and as beforehand as possible, without leaving too many decisions undetermined. Incentives should be clear (for instance either sanction or reward) and linked as far as possible to responsible authorities, deadline and targets should be reasonable. If a PR is set aside, it is advisable to avoid direct competition among programs, even more if indicators and targets differ. A reserve set aside for each program and indicator, with a reward for each milestone, like in the Italian experience, facilitate negotiation, implementation and assessment.

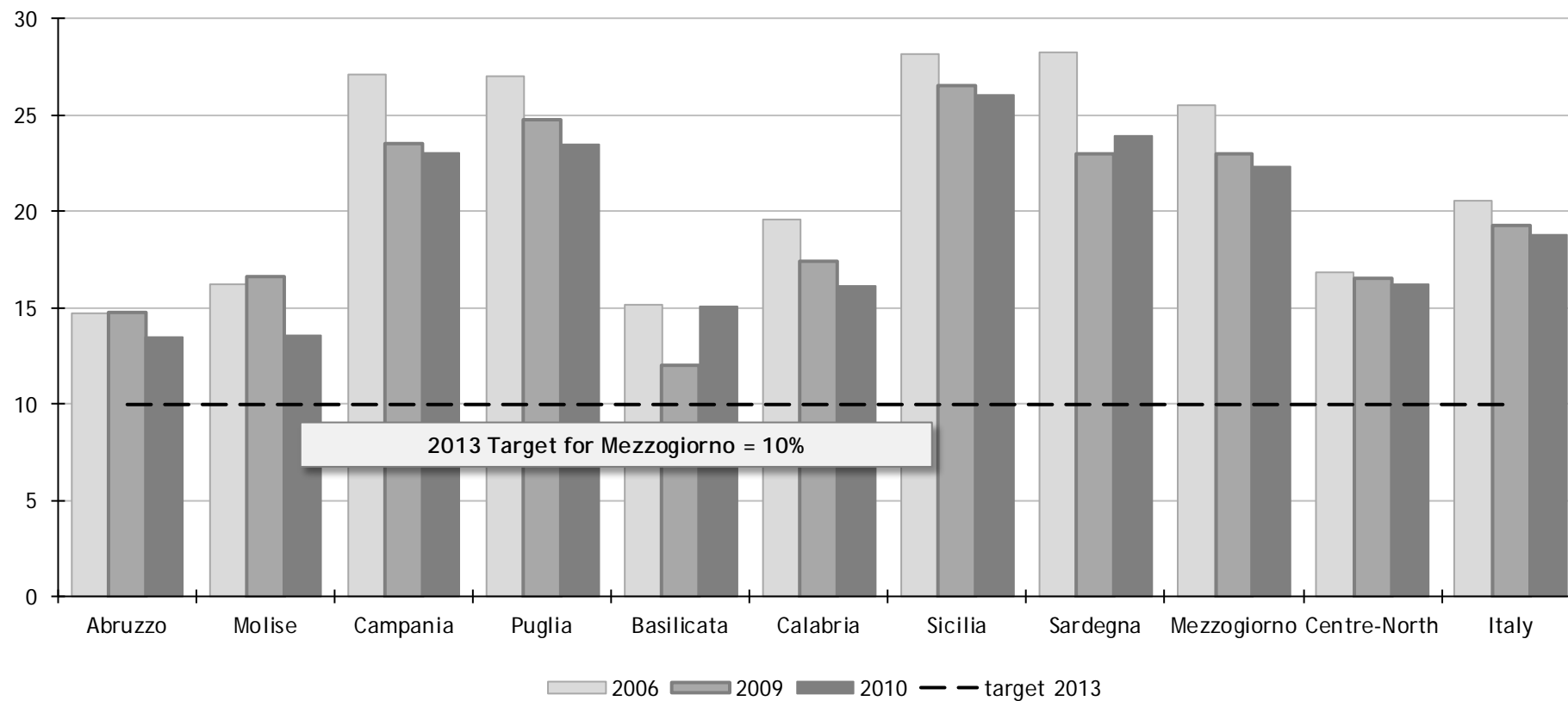
The experience of a central technical group, with representatives of involved authorities, for monitoring and assessment is another practice that proved useful and has so far guaranteed an implementation of rules that has been recognised as fair and has not been disputed. Since indicators that might be used in the new Cohesion Policy PR framework will be surely debatable, there cannot be an automatic application of clear-cut rules at the deadline (like the case of n+2 rule): there is always scope for monitoring and clarifying the rules and for avoiding an unequal application among different programs. The current Italian PR experience confirms the need of an independent and qualified technical group with methodological skills, but also suggests to include (through the support of experts or the creation of sub groups) sector specific skills.

To conclude, the Italian experience show that a PR system is able to strengthen the results-orientation of a Programme only under certain conditions. In addition to the conditions summarised above, it is important to recall that a key issue for the successful implementation of a PR system is a firm commitment by all relevant actors. A PR built within SF OPs should reduce the risks of unclear ownership and complex governance faced by the Italian PR. A clear endorsement by relevant authorities is indeed a necessary condition for the success of a results-oriented approach with or without a performance reserve. However to maximise the benefits of a PR and avoid the risks of overwhelming technicalities, the design and application of PR rules should be mainstreamed as much as possible within the OP preparation, negotiation, implementation and monitoring process.

ANNEX 1: PROGRESS OF PR INDICATORS IN MEZZOGIORNO REGIONS FROM BASELINE TO LAST AVAILABLE VALUES



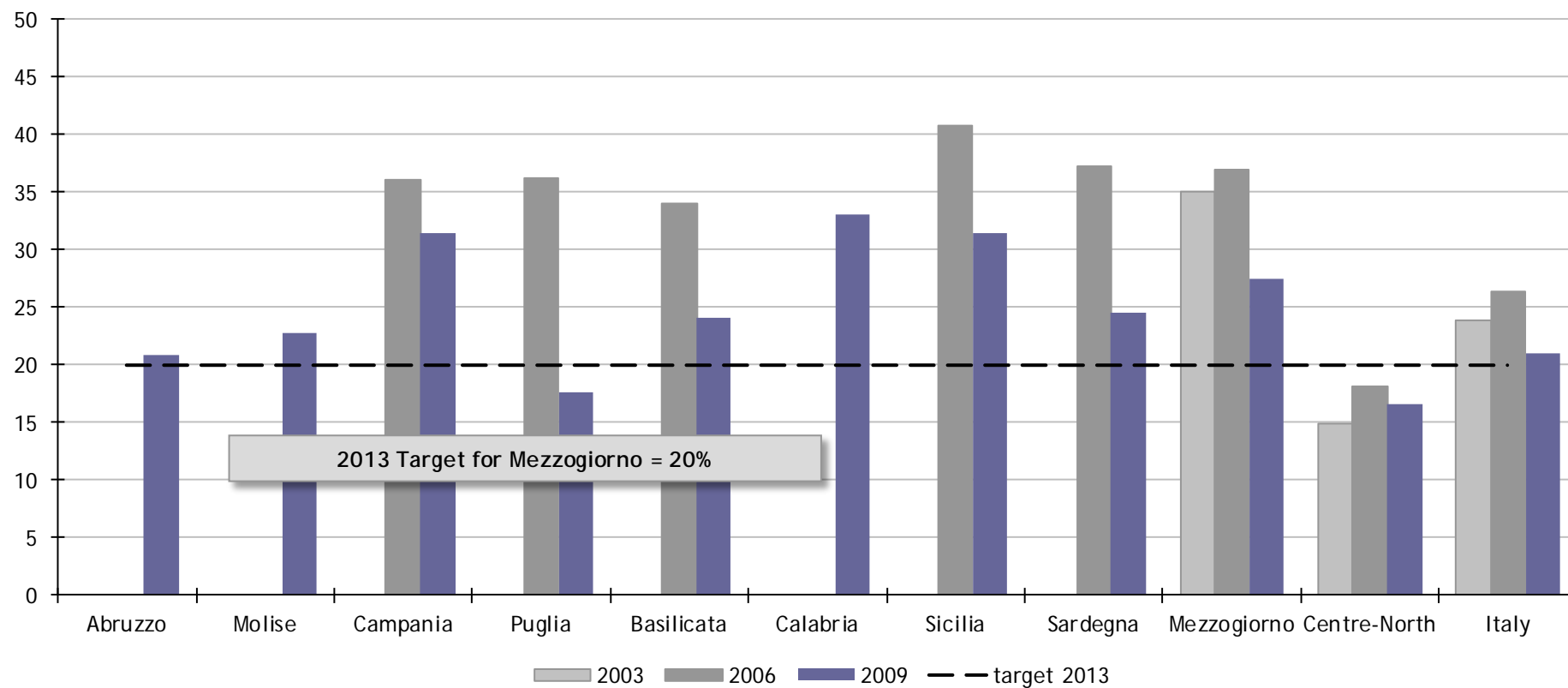
Indicator S.01 - Percentage of the population aged 18-24 holding, at most, a middle school diploma



Source: DPS-UVAL elaboration on Istat data



Indicator S.02 - Percentage of 15 year old students with poor competences in reading



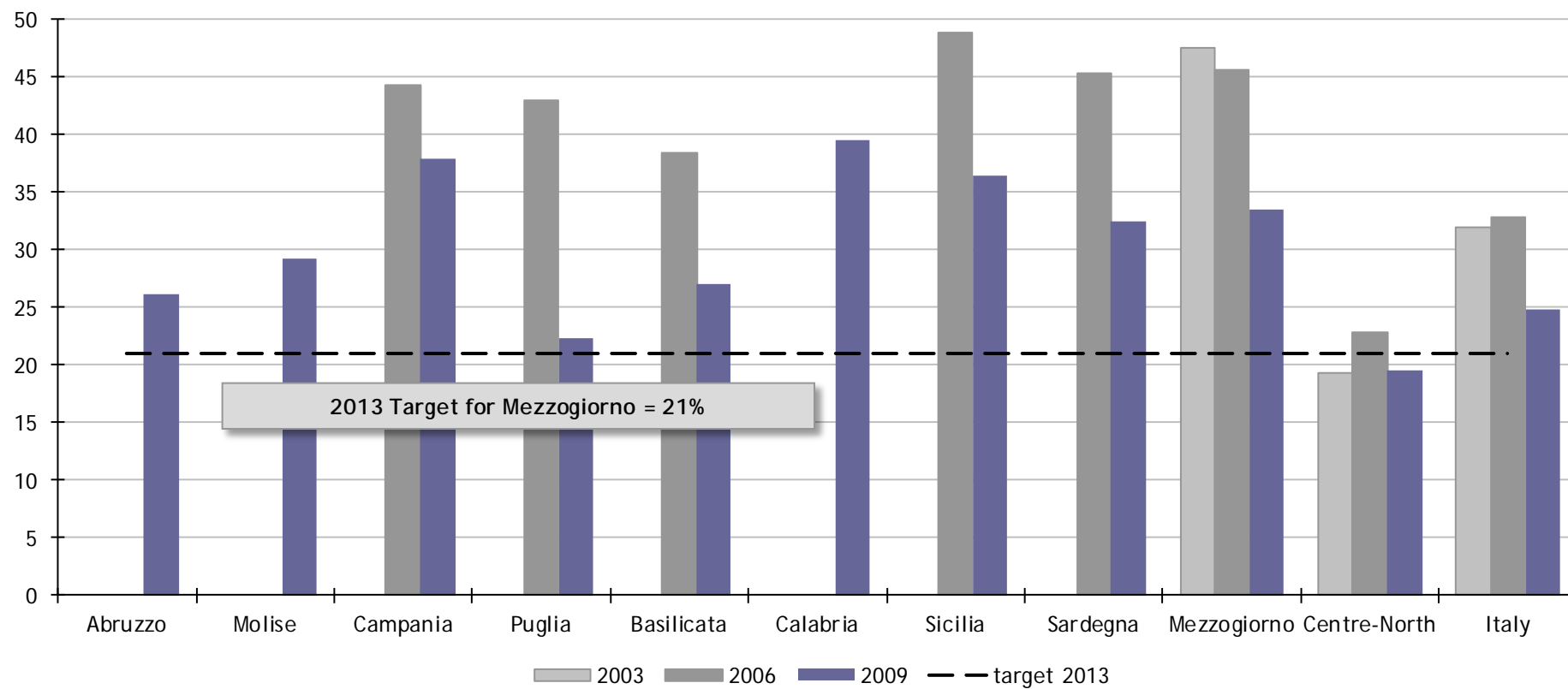
Source: DPS-UVAL elaboration on OECD-PISA data

Note:

2003 data are available only for macroregions; 2006 data are available for macroregions and for a few Mezzogiorno regions; 2009 data are available for all regions



Indicator S.03 - Percentage of 15 year old students with poor competences in mathematics



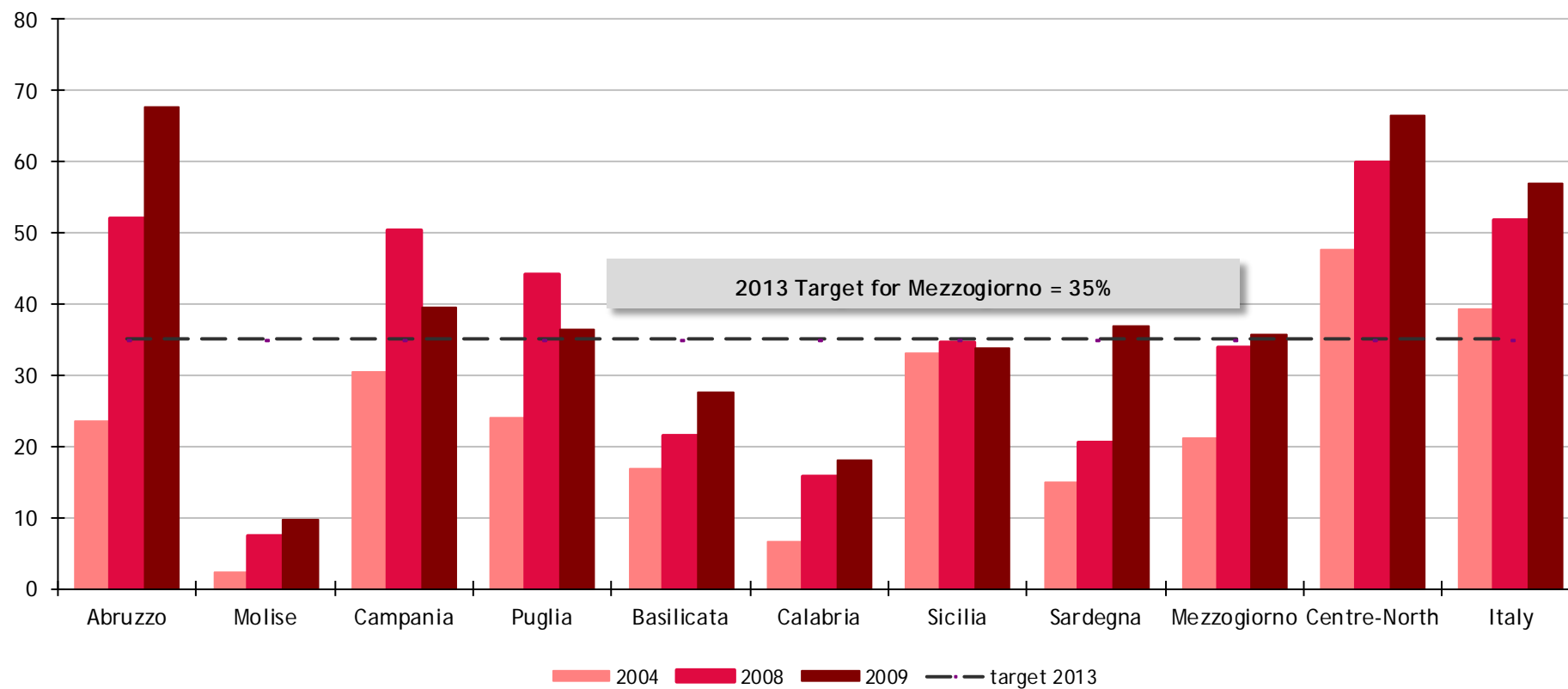
Source: DPS-UVAL elaboration on OECD-PISA data

Note:

2003 data are available only for macroregions; 2006 data are available for macroregions and for a few Mezzogiorno regions; 2009 data are available for all regions



Indicator S.04 - Percentage of municipalities with child-care services



Source: DPS-UVAL elaboration on Istat data

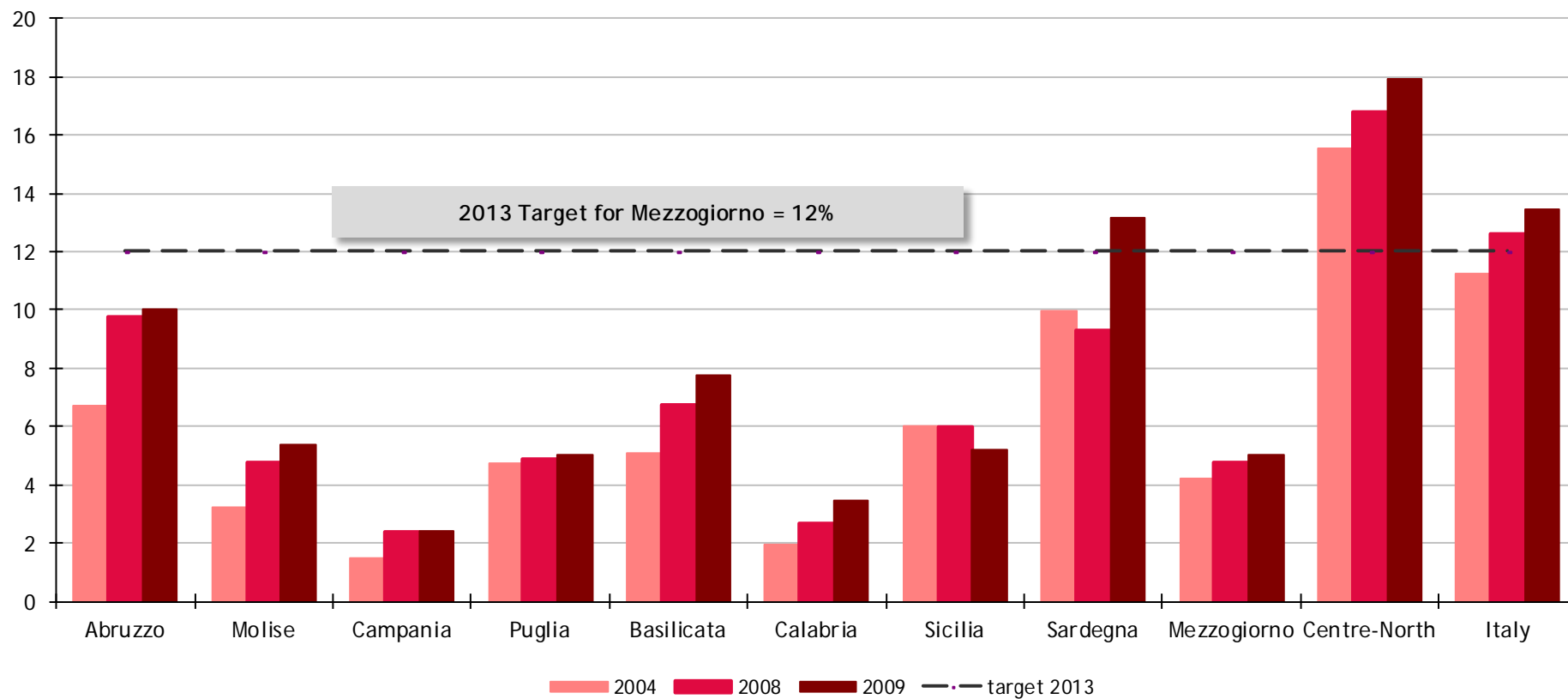
Note:

All childcare services financed or co-financed by individual and associated municipal authorities are included.

ANNEX 1: PROGRESS OF PR INDICATORS IN MEZZOGIORNO REGIONS FROM BASELINE TO LAST AVAILABLE VALUES



Indicator S.05 - Percentage of children aged 0-3 in childcare

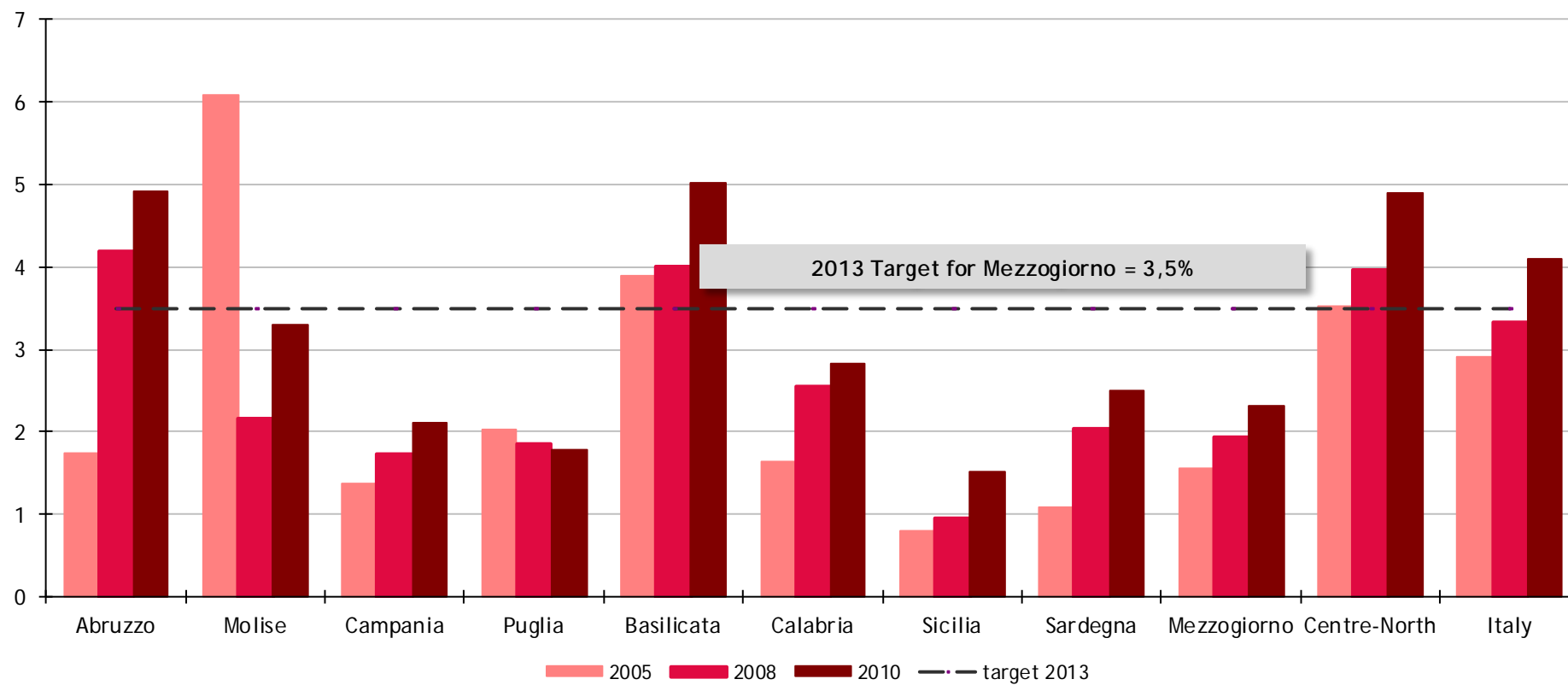


Source: DPS-UVAL elaboration on Istat data

ANNEX 1: PROGRESS OF PR INDICATORS IN MEZZOGIORNO REGIONS FROM BASELINE TO LAST AVAILABLE VALUES



Indicator S.06 - Percentage of population over 65 beneficiary of home assistance

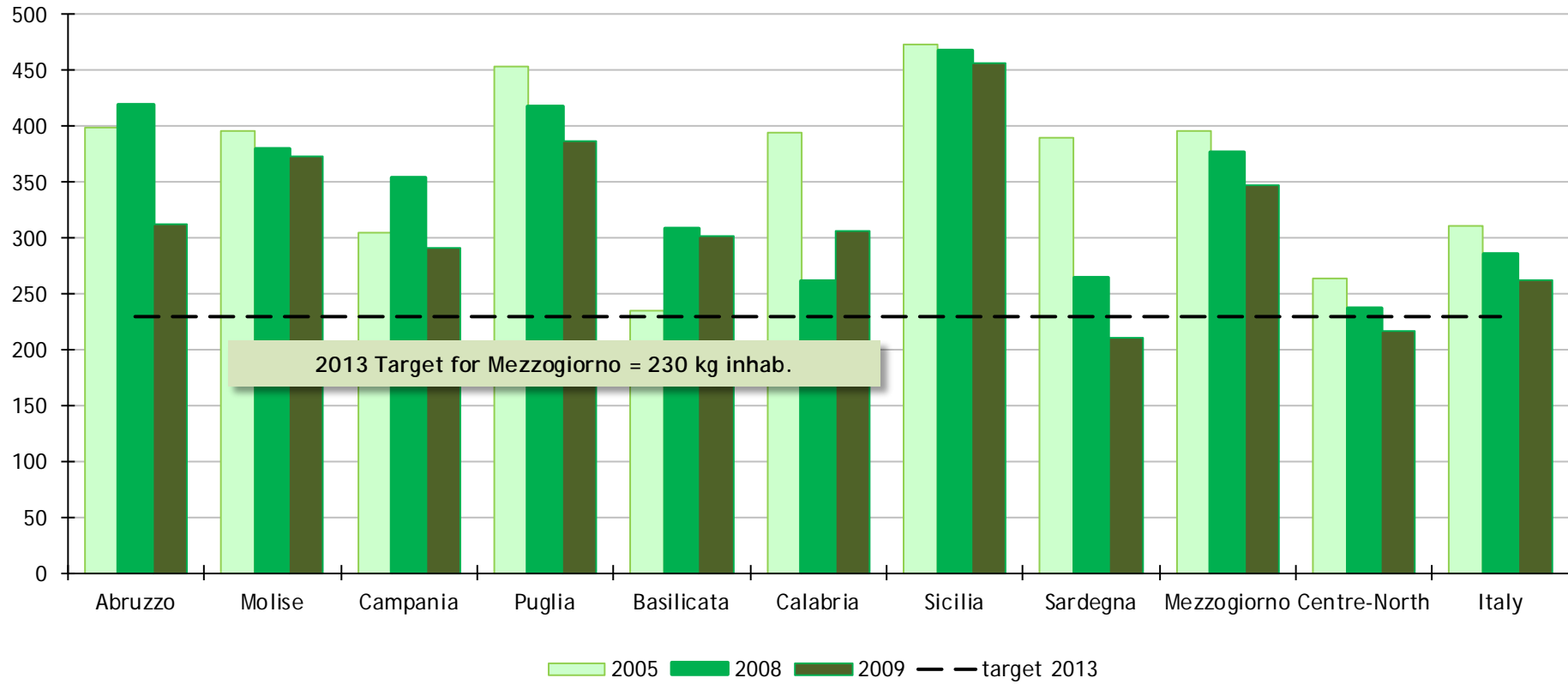


Source: Istat e DPS-UVAL elaboration on Ministry of Health data

ANNEX 1: PROGRESS OF PR INDICATORS IN MEZZOGIORNO REGIONS FROM BASELINE TO LAST AVAILABLE VALUES



Indicator S.07 - Kilograms of urban waste landfilled per inhabitant

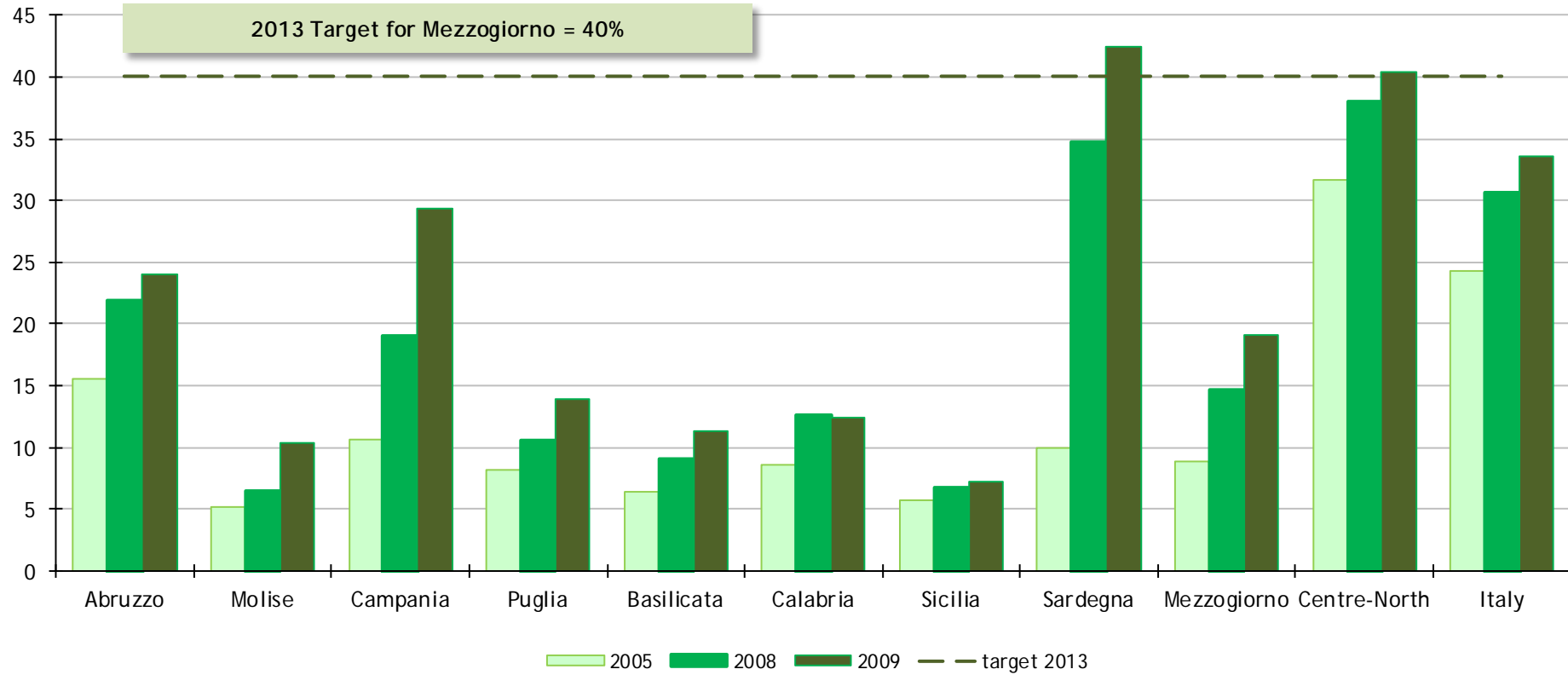


Source: DPS-UVAL elaboration on ISPRA data

ANNEX 1: PROGRESS OF PR INDICATORS IN MEZZOGIORNO REGIONS FROM BASELINE TO LAST AVAILABLE VALUES



Indicator S.08 - Percentage of recycled urban waste

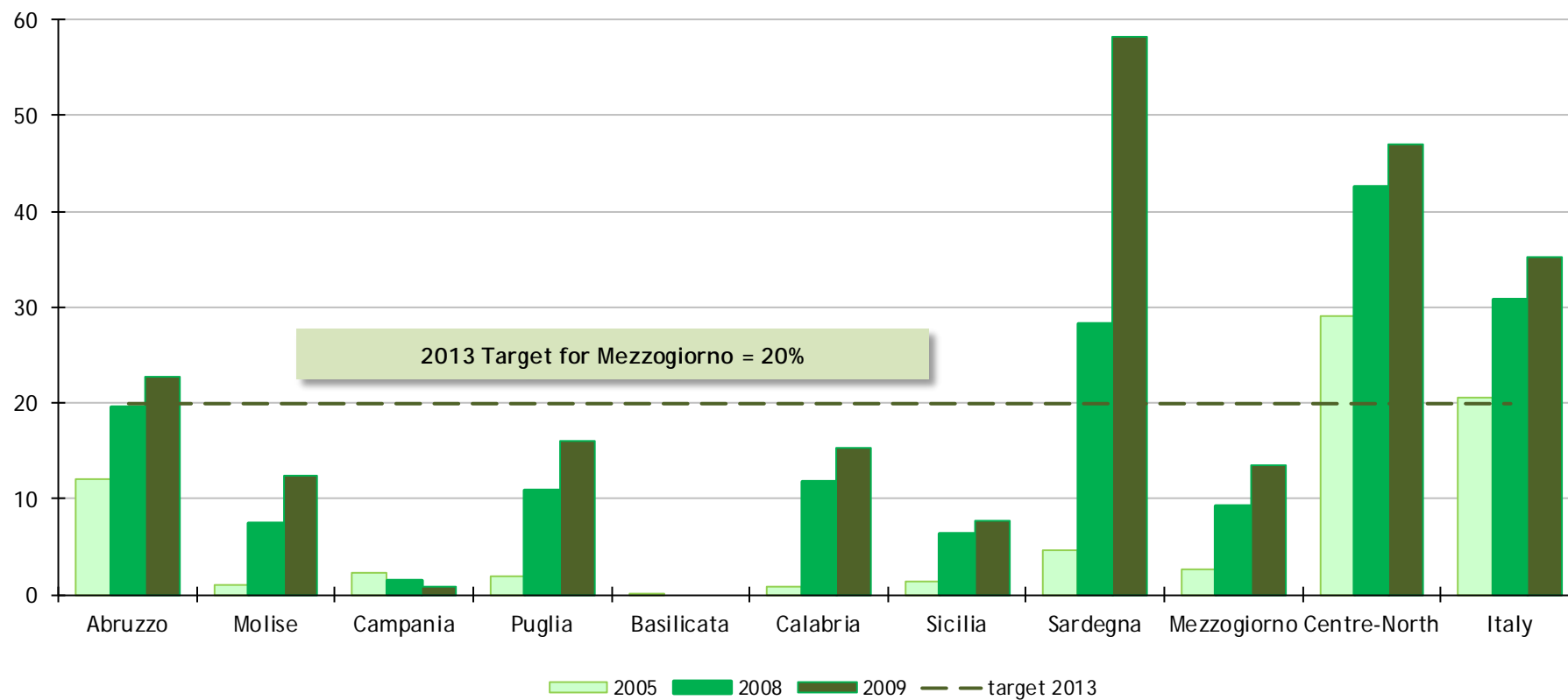


Source: DPS-UVAL elaboration on ISPRA data

ANNEX 1: PROGRESS OF PR INDICATORS IN MEZZOGIORNO REGIONS FROM BASELINE TO LAST AVAILABLE VALUES



Indicator S.09 - Percentage of composted waste

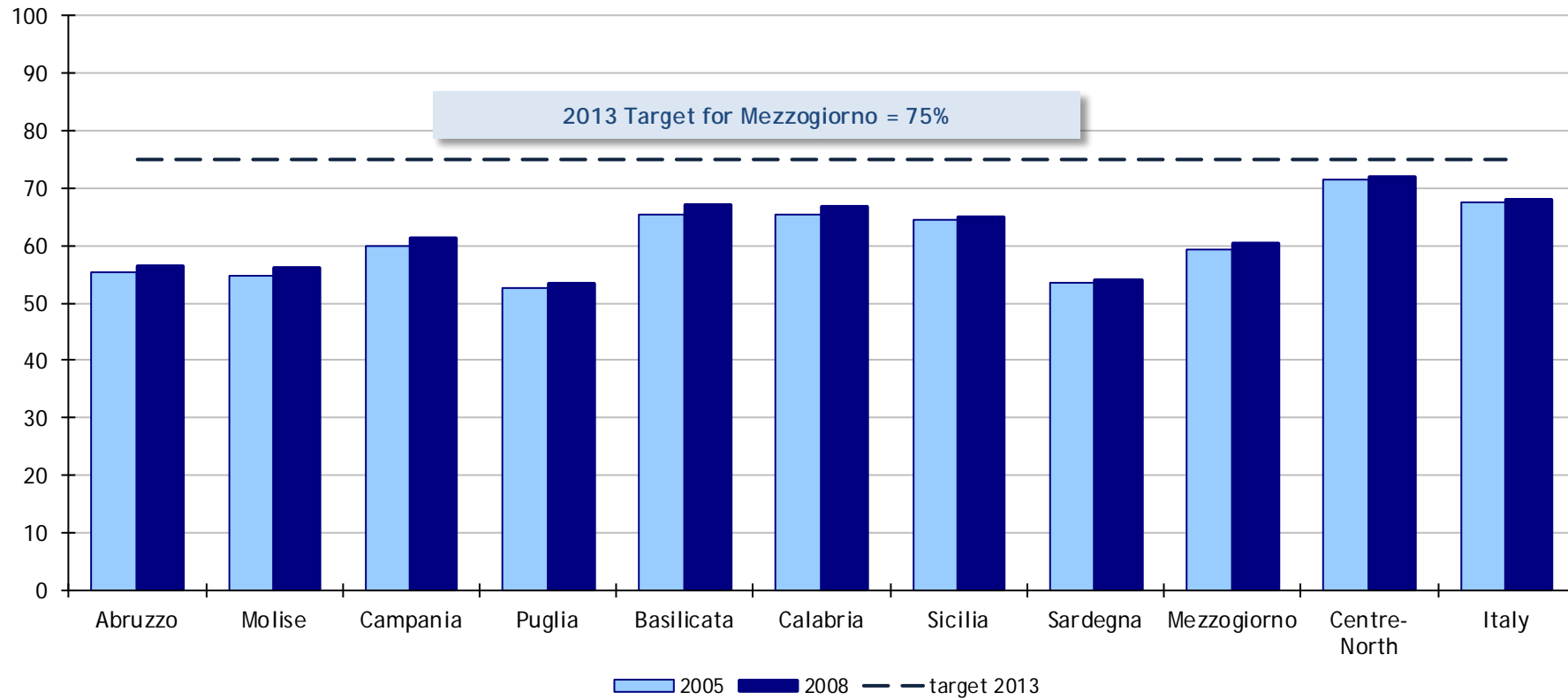


Source: DPS-UVAL elaboration on ISPRA data

ANNEX 1: PROGRESS OF PR INDICATORS IN MEZZOGIORNO REGIONS FROM BASELINE TO LAST AVAILABLE VALUES



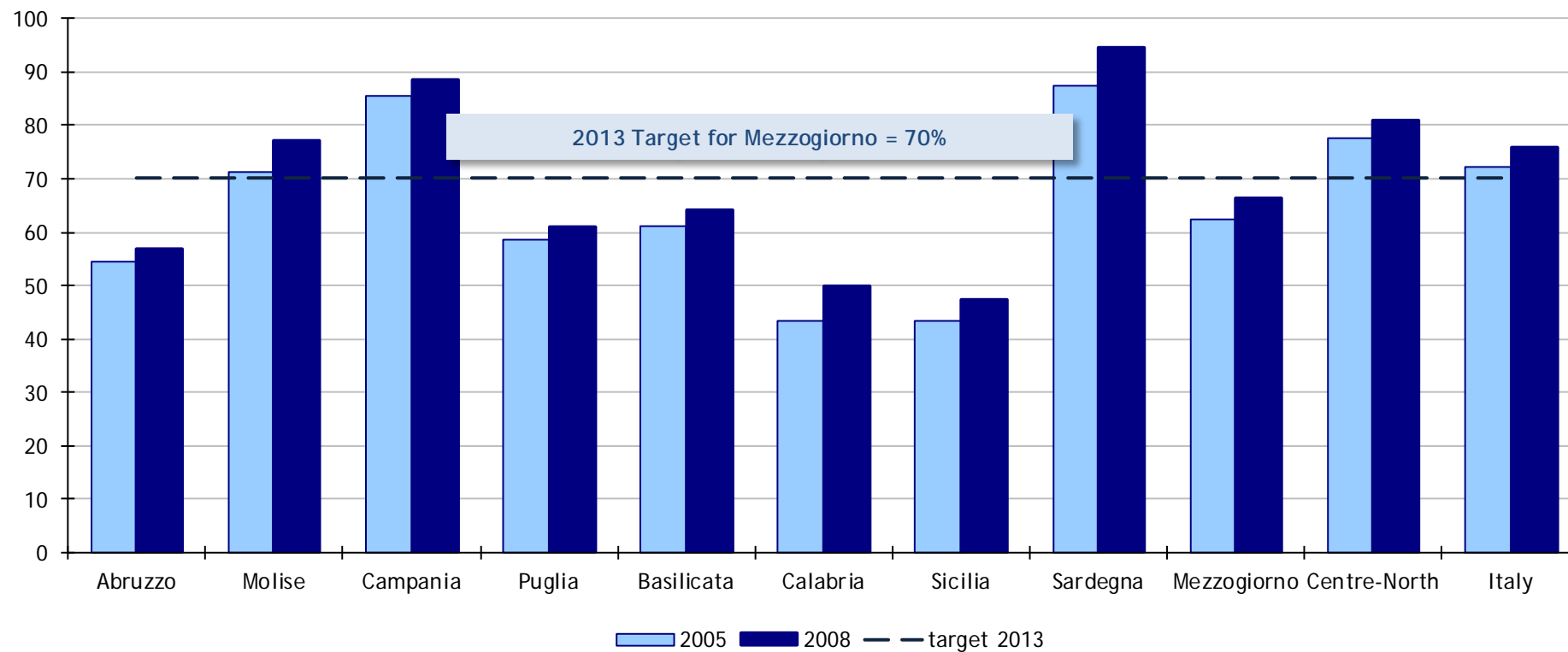
Indicator S.10 - Percentage of water distributed



Source: DPS-UVAL elaboration on Istat data



Indicatore S.11 - Population served by advanced waste water treatment plants



Source: DPS-UVAL elaboration on Istat data

ANNEX 2: DETAILS ON STATISTICAL SURVEYS PROVIDING DATA FOR PR INDICATORS

INDICATOR	SOURCE	DPS FINANCIAL SUPPORT (Euro)	EXPECTED EFFECTS OF SUPPORT/AGREEMENT	DATA FREQUENCY	DATA TERRITORIAL DISAGGREGATION
(S.01) Early school leavers	ISTAT	--	--	yearly	Regions (NUTS 2)
(S.02) Students with poor competency in reading (S.03) Students with poor competency in mathematics	OECD - PISA	2.384.000	Regional sampling for 2012 survey	2009, 2012	Regions (NUTS 2)
(S.04) Percentage of municipalities with child-care (S.05) Children in child care	ISTAT	341.000	Early delivery of data for Mezzogiorno regions/ publication of data at municipal level	yearly	Regions (NUTS2) for S04 Municipality for S05
(S.06) Share of elderly beneficiary of home assistance	MINISTRY HEALTH	--	Early delivery of data	yearly	Health Local Authority (ASL)
(S.07) Amount of urban waste land filled (S.08) Percentage of recycled urban waste (S.09) Percentage of composted waste	ISPRA	300.000	Early delivery of data for Mezzogiorno regions	yearly	Plant (S07 and S09) Municipality (S08)
(S.10) Percentage of water distributed (S.11) Population served by waste water treatment plants	ISTAT	654.000	Surveys in 2008 and 2012	2008, 2012	Water management local authority (ATO)

ANNEX 3: BENCHMARKS FOR PR INDICATOR TARGETS

INDICATOR	BASELINE	TARGET 2013	BENCHMARK
(S.01) Early school leavers	26%	10%	Lisbon strategy
(S.02) Students with poor competency in reading	35%	20%	Average value OECD countries in baseline year (2003)
(S.03) Students with poor competency in mathematics	48%	21%	Average value OECD countries in baseline year (2003)
(S.04) Percentage of municipalities with child-care	21%	35%	Average value Italy in baseline year (2004)
(S.05) Children in child care	4%	12%	Average value Italy in baseline year (2004)
(S.06) Share of elderly beneficiary of home assistance	2%	3,5%	Average value Centre-North in baseline year (2005)
(S.07) Amount of urban waste landfilled	395 kg per head	230 kg per head	Average value EU (25) in baseline year (2005)
(S.08) Percentage of recycled urban waste	9%	40%	National law value
(S.09) Percentage of composted waste	3%	20%	Average value EU (25) in baseline year (2005)
(S.10) Percentage of water distributed	59%	75%	Assessment by experts
(S.11) Population served by waste water treatment plants	63%	70%	Average value Centre-North (without Liguria) in baseline year (2005)