



CORTE DEI CONTI

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## INTOSAI WORKING GROUP ON KEY NATIONAL INDICATORS

The Recent Developments of KNIs in Italy  
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Key National Indicators are a specific set of indicators that measures economic and social progress in each country and are strictly connected to the goals of the 2030 UN Agenda.

The UN 2030 Agenda has set out 17 Sustainable Development Goals (SDGs) relating to various areas of critical importance for progress and prosperity. Their implementation involves all countries and all political and institutional stakeholders acting in collaborative partnership.



The SDGs respond to the need to foster universal peace and freedom, to eradicate poverty in all its forms and dimensions, and to achieve substantial improvements, in terms of personal security, well-being and justice, in the three dimensions of sustainable development: economic, social and environmental.



The Italian National Institute of Statistics (ISTAT) is fully involved in this context. Even before the UN agenda 2030, it had developed a set of "Equitable and Sustainable Well-being indicators" ("BES" Indicators), in 12 domains with the aim of monitoring the national well-being's progress.

Periodically, the BES indicators are updated by the ISTAT in order to grant their update to social and economic changes.

Even if they are different in number and general in scope, the BES Indicators cover the same areas as the SDGs indicators.



The BES indicators have obtained an increasingly importance and have been included in the process of economic planning.

The budget reform (the Law no. 163/2016) mandated the Government to monitor trends of the BES Indicators in the preceding three years and to predict their movements for the following three years, in a “no policy changes” scenario, as well as in the light of new program decisions.



In particular, the Law no. 163/2016 established the use of BES indicators in two phases of the economic – financial planning and through two different documents :

- The Annex to the Economic and Financial Document (DEF) that must show, on the basis of the data provided by the ISTAT (the National Institute of Statistics), the trend of the last three-year period of the BES Indicators and the forecasts on their development in the period taken into account, through the planned measures in order to achieve the economic policy goals;
- The Annual Report of the Minister of Economy and Finance to the Parliament (i.e. to the parliamentary competent Committees to be held each year before February 15). The Report should contain, the trend of the BES indicators analyzed in light of the effects of the Budget Law for the current three-year period, and on the most recent data provided by the ISTAT.



The Government included a first group of the BES Indicators in the budget process starting from the Economic and Financial Document for 2017 (the “DEF”).

Four indicators have been identified as particularly relevant for the quality of life of individual citizens and for the society as a whole in the DEF 2017 : (i) the average available income, (ii) the measure of inequality, (iii) the unemployment rate and (iv) the greenhouse gas emissions.

For each of these four indicators, the 2017 DEF reported the performance of: the past three years; the one foreseeable in the existing policy scenario; and the one that can be expected in a scenario resulting from foreseen policy decisions.

The decree of the Minister of Economy and Finance of October 16, 2017, identified the 12 BES Indicators to be included in the economic-financial planning for 2018.

In addition to the previously mentioned four indicators, there are:

- the absolute poverty index (incidence at individual level);
- the life expectancy in good health at birth;
- the excess weight;
- the early education leaving;
- the crime index (number of victims of home burglaries, pickpocketing and robberies per 1,000 inhabitants);
- the ratio between employment rate of women aged 25-49 with preschool age children and without children;
- the index of civil justice efficiency (real average duration - in days - of civil justice proceedings);
- the index of illegal construction (number of illegal buildings for 100 buildings authorized by the municipalities).





Therefore, the 2018 DEF has taken into consideration the whole list of 12 indicators with the aim of meeting the new needs of the society and updating the macroeconomic scenario.

Hence, the Italian Government has recognized the fundamental role of the BES Indicators in drawing and measuring its economic policy action.



The ISTAT and the Government present a Report on the BES Indicators to the Parliament. These reports play a complementary role. The Government's report shows forecast and impact analysis of public policies based on retrospective data and the evaluations provided by the ISTAT.

Moreover, the Budget Law for 2019 contained several important measures connected to some aspects of the BES Indicators. (For instance, the income of citizens and the “pension pack”).



In February 2018, the Ministry of Economy and Finance presented the first report after the entrance of the BES Indicators in the economic – financial planning and in the budget execution. In compliance with the DEF for 2017, it referred to the 4 indicators introduced in an experimental way.

In February 2019, the second report was presented.

It analysed the 12 Indicators' performance from 2005 to 2017 and the forecasts on the development of the other 4 Indicators in the next three years.

They relate to a medium-term update of economic-financial planning within the annual cycle, as already started with the publication of the DEF, in April.

The General Audit Plan of the Corte dei conti for 2019, as approved by the United Chambers for Audit, provides for the monitoring of the compliance of the public administrations' policies (at central and local level) with the commitments laid down by the sustainable development goals of the UN Agenda 2030.

Therefore, the audit activity of the Corte dei conti should cover all the economic sectors in the UN Agenda 2030 where the State plays a fundamental role: nutrition and sustainable agriculture, health, education, gender equality, innovation, sustainable models of production and consumption, fight against climate change, international cooperation, poverty, economic and employment conditions, inequalities, conditions of cities and terrestrial ecosystems, water and sanitation facilities, energy system, condition of the sea and quality of governance, peace, justice and public institutions.



## Final Remarks:

The BES indicators are the tools to assess the consistency of public policies with the UN Agenda 2030 commitments. The attention to the importance of indicators of equitable and sustainable well-being - in addition to Gross Domestic Product (GDP) and other «monetary value» indicators - in order to measure not only economic performance, but also social progress is definitively growing.

The aim of the audit activities of the Corte dei conti is to increase the attention of the State and of the Society on the achievement of SDGs and to improve the concrete actions of the administrators in this direction.



I thank you for your attention!

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