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Development of EU Governance Indicators

Public Sector Governance Indicators – Final Report

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Public Sector Governance Indicators for EU Regions



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Introduction

With a budget of 351.8 billion euros (\$430.5 billion) for 2014–2020—about one-third of the entire EU budget—the European Union’s Cohesion Policy is its biggest investment instrument. The Cohesion Policy is implemented primarily through investments in EU regions and cities. Governance constraints have been identified as causing delays in the implementation of Cohesion Policy programs, and in reducing the impact of investments. The European Commission’s 6th Cohesion Report stipulates that there is a “growing understanding that without good governance high growth rates and regional economic convergence cannot be achieved” (European Commission, 2014: 3). The report devotes an entire chapter to the importance of good governance for economic and social development.

The Development of EU Governance Indicators Project, funded by the Directorate-General Regional and Urban Policy (DG REGIO) under an Administrative Agreement signed in October 2015, includes three work streams. One of these is the development of actionable Public Sector Governance (PSG) indicators. The PSG indicators build on the Indicators of the Strength of Public Management Systems (ISPMS) Initiative, a multi-stakeholder effort coordinated by the World Bank seeking to develop a consensus among practitioners around a set of cross-national performance indicators of the strength and quality of governance and public management systems. The ISPMS Initiative proposed a set of criteria to identify governance indicators relevant for policy making. The World Bank team took stock of the universe of indicators that met ISPMS criteria and identified a subset that is responsive to the objective of measuring the strength and capacity of public sector management based on the World Bank’s operational experience in supporting public sector reforms in EU Member States and candidate countries at the subnational level.

This report summarizes the work of the Bank team in collaboration with DG REGIO to identify and curate an initial set of PSG indicators that can measure the performance of public sector institutions at the national and subnational levels. The report focuses on the process used to identify and agree upon the seven sets of PSG indicators contained in [Annex 2](#): public financial management (including public investment management), public procurement, tax administration, human resource management, the justice sector, public accountability mechanisms, and anti-corruption. Additional deliverables produced during the implementation of the project are not discussed here. The work began with the production of a Consultation Note by the Bank team to develop and explain a methodology for identifying those public administration functions that are critical to the operation of good governance in EU Member States at the national and subnational levels.¹ Once agreement was reached with DG REGIO on the seven public administration functions listed above, the Bank team identified the governance features that would be measured for each area and then developed seven PSG indicator sets.

The report is divided into four parts and includes two annexes. It starts by presenting a brief discussion of the analytical framework developed to define public sector governance and the methodology used to identify the aspects of public sector performance to be measured (Part I). The report then describes the Bank team’s process in working with DG REGIO to identify, analyze, and curate a final list of actionable indicators to measure performance in each of the seven public administration areas with a potential application at the subnational level. The specific steps taken by the team to develop each of the seven sets of indicators are also outlined (Part II). The final part identifies some potential uses for the PSG indicators and some ideas for expanding the World Bank’s work to collect data and expand some of the indicator sets with a particular focus on applicability at the subnational level (Part III). Detailed definitions of the governance variables that each set of indicators is intended to measure are included in [Annex 1](#). [Annex 2](#)

¹ According to the current Nomenclature of Territorial Units for Statistics (NUTS) 2013 classification, there are 276 EU regions at the NUTS 2 level (Eurostat 2013). The regions are a mix of administrative and purely statistical entities, which as such do not necessarily correspond to functional labor markets, functional economic urban areas or political jurisdictions.

aggregates the seven sets of PSG indicators with additional information on the methodology, data availability, and coverage for each of the data sources used to generate the indicator sets.

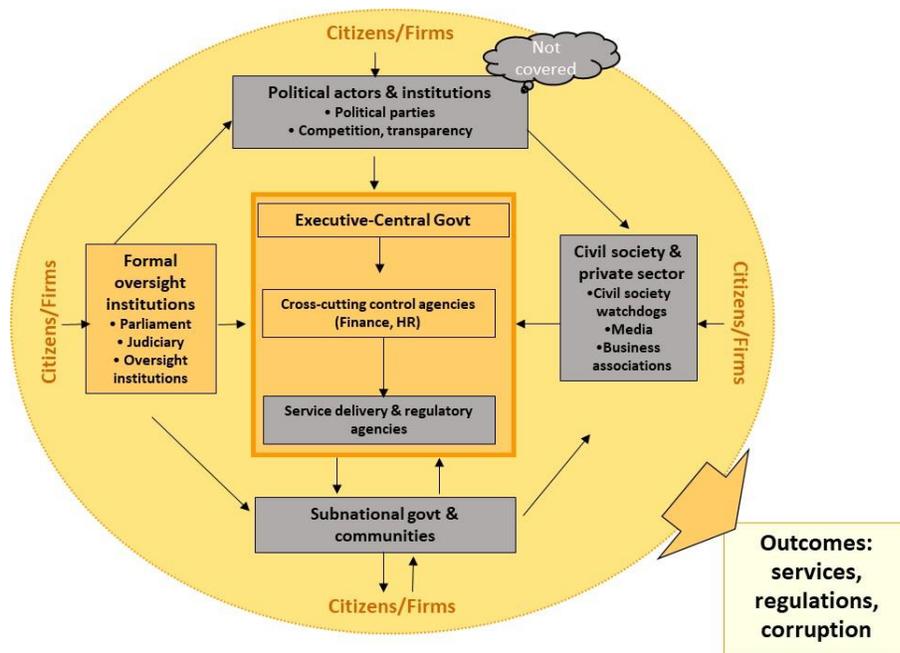
I. Analytical Framework and Methodology

We broadly define “governance” as **the way the state acquires and exercises its authority to provide public goods and services**. This functional definition highlights governance’s intrinsic complexity and the challenge that practitioners face when attempting to measure it. The World Bank’s World Development Report 2017 highlights the role of power, rules, and actors in shaping governance relations. In particular, it defines governance as “the process through which state and non-state actors interact to define and implement policies within a given set of formal and informal rules that shape and are shaped by power” (World Bank, 2017). As defined, governance is a multi-dimensional phenomenon that can affect different sectors and groups of citizens in a country, and that can operate through both informal and formal rules. This complexity and the multi-sectoral breadth of governance have led to the development of various methods to measure it, producing a sizeable amount of quite dissimilar information and data.

Figure 1 provides a simplified illustration of a typical country’s governance system. The circular figure highlights the relationships among state institutions and between those institutions and citizens. A governance system includes the institutions in charge of the management of public resources and service delivery—that is, the public administration and the executive of a country—which is shown in the center of the figure. These institutions work closely with subnational institutions in the management of resources and service delivery at the local level (subnational government and communities). Governance systems also include institutions responsible for the distribution of power, such as political parties (political actors and institutions) and those institutions responsible for the formation of laws and regulations and the oversight of the functioning of the state (formal oversight institutions).

Governance, however, is about more than just the institutions of a country—it is also about the relationships between different parts of the state machinery and between the state and its citizens. The way in which these relationships are established and sustained has an impact on the quality of governance in a country. The ability of a citizen to provide feedback to the public office responsible for the provision of a specific service, for example, can affect both the quality of the service provided and the quality of the government agencies providing that service.

Figure 1. A country's governance system



While governance encompasses the institutions and relationships among different public entities and stakeholders (figure 1), the PSG indicators focus only on the public sector and public administration, in particular on governance systems at the subnational level. The PSG indicators discussed in Part II include those indicators that can capture (i) the performance of the public administration while managing public resources and delivering services and (ii) the performance of key public sector institutions, especially at the subnational level. The PSG indicators complement the two other work streams that comprise the EU Governance Indicators Project. The Citizen-Centric Governance Indicators capture the relationship between the private and public sectors and the delivery of services at the local/subnational and national levels, while the Regulatory Governance Indicators capture the design, coordination, implementation, and monitoring of regulations by regulatory agencies (these two baskets of governance indicators are identified in figure 1 by the grey boxes on the right and in the center).

To develop the PSG indicators, the World Bank identified the features of the public administration that can affect its performance and the quality of the services delivered by public institutions. The performance of the public administration is a function of a key set of public sector management characteristics, as captured by the following equation:

$$Performance = f \{institutional\ arrangements, capacity, culture\}$$

The PSG indicators seek to identify and measure these characteristics across a series of public administration functions.

A country's institutional arrangements (both formal and informal) form the foundation of the structure and shape of the public administration and, as such, can affect its ability to operate and function effectively. These arrangements define the rules under which the public administration operates: Who delivers which public service? To whom? How is the budget allocated? How is accountability defined? Who is rewarded and when? And who can change the rules and under what conditions?

These arrangements alone, however, do not guarantee that the public administration will function well. They must be supported by the capacity—that is, the underlying skills and resources—of the public administration, including both staff technical capacity and the organizational and leadership capacity of public institutions. Capacity also includes the availability of adequate resources (financial, personnel, equipment, facilities/buildings, etc.) to carry out the public administration’s work and the quality of those resources (types of technology and staff qualifications).

Finally, the specific culture and environment of the country or region where the public administration or agency operates affects its performance. A public administration’s institutional arrangements may be structured and implemented differently depending upon the culture present in the system.

When reviewing existing governance indicators, the Bank team narrowed its focus to “actionable” indicators of governance—that is, indicators that measure a dimension of governance that can be directly affected by a specific policy intervention and that can be used to measure the impact of that policy intervention. Actionable governance indicators (AGIs) focus on specific and narrowly-defined aspects of governance, rather than broad dimensions. These indicators are defined clearly, providing information on discrete elements of governance reforms and often capturing data on the “missing middle” in the outcome chain—institutional arrangements, organizational capacity, and system performance. Because of their specificity, AGIs can help establish the link between policy actions and indicator values. In short, AGIs provide greater clarity regarding the actions that governments can take to achieve better governance outcomes and effectively monitor policy implementation.

“Actionability” implies greater clarity and specificity regarding what may be wrong (or right) in terms of policy interventions and why, and helps to monitor progress more clearly as governments implement specific policies. AGIs are not limited to objective measurements; subjective indicators can be actionable. Subjective indicators, however, may more often be generated in less precise ways, thereby undermining their reliability and credibility. In general, indicators with narrower and more explicit definitions are more actionable.

While actionability is the critical characteristic of the indicators identified for the PSG indicator basket (it is also important for the other two baskets), it is not the only feature on which researchers and policy makers should focus. Two additional features—replicability and contestability—are equally important for reliable and robust indicators of governance. Reliable indicators should be replicable across studies, requiring independent and informed observers that arrive at similar scores (replicability). In the case of the PSG indicators, the Bank team identified indicators that can be meaningful and potentially replicable at the subnational level. The indicators should also be based on precise definitions, allowing for tractable and meaningful deliberations regarding the meaning and implications of particular indicator values (contestability).

Actionable governance indicators can facilitate the design and implementation of reforms targeting the improvement of specific elements of a particular governance dimension. The Bank team selected the sets of PSG indicators to (i) improve the design of governance reforms; (ii) improve the implementation and monitoring of specific governance reforms; and (iii) strengthen understanding of what works under what circumstances in addressing critical governance challenges.

II. Developing Indicators for Seven Key Aspects of Public Sector Governance Performance

Using this framework and methodology—and following consultations with the European Commission’s Inter-Service Group on Public Administration Quality and Innovation—the Bank team and DG REGIO identified seven areas of public sector governance where the PSG indicator sets would measure performance. These areas are public financial management (including public investment management), public procurement, tax administration, human resource management, the justice sector, public accountability mechanisms, and anti-corruption.

The Bank team collected and reviewed the set of indicators that satisfied the ISPMS Initiative criteria (namely that they be actionable, action-worthy, behavioral, replicable and feasible). The ISPMS Initiative was limited to **five public administration functions**: public administration and civil service, tax administration, public financial management, procurement, and public information systems. While important, these functions are insufficient to encompass the broader range of public administration functions and public sector institutions captured by the World Bank’s definition of governance ([figure 1](#)). Also, ISPMS datasets were limited to those that covered at least 20 countries; the Bank team felt this excluded some newer and innovative approaches and indicator sets that could provide indicators relevant for DG REGIO’s cohesion policy and the monitoring of its implementation.

The Bank team conducted a review of the European Commission’s work on governance to identify themes that DG REGIO and other Directorates-General have recognized as critical to the implementation of the European Union’s cohesion strategy, EU Structural and Investment Funds, the European 2020 Agenda and, more generally, themes that are important to promoting economic development throughout EU Member States. Modernizing public administration, reducing the costs of inefficient administration for businesses, and improving the quality of the judiciary were identified as key requirements for the success of the Europe 2020 Agenda and have thus become one of the five priorities of the European Semester and the EU’s Cohesion Policy. In addition, European Commission services (DG REGIO, [DG GROW](#), [ECFIN](#), and [DG EMPL](#), among others) agree that for institutions governing economic and social interactions within a country to be successful they need to fulfil several key criteria: (i) absence of corruption; (ii) a workable approach to competition and procurement policy; and (iii) an effective legal environment and an independent and efficient judicial system. In reviewing these criteria, the Bank team also considered the range of assessments and “scorecards” developed by the various European Commission services to tie this analysis of drivers of economic development to public sector management systems and institutions (for example, DG GROW’s [Indicators of Public Administration Efficiency](#) and [European Public Sector Innovation Scoreboard](#) and the Directorate-General for Justice and Consumers’ (DG JUST) annual [Justice Scoreboard](#)). As a result of this broadening of its review of public sector indicators and datasets, the Bank team identified the additional public sector areas of justice/the rule of law, anti-corruption, innovation, and competitiveness as possible additions to ISPMS’s five original public administration functions.

Following a series of exchanges between the Bank team and DG REGIO, it was agreed that the justice sector and corruption would be added to public financial management, procurement, tax administration, human resource management, and public accountability mechanisms to comprise the seven public sector governance areas where performance was to be measured. In each of these seven public sector governance areas, the Bank team—working with additional World Bank subject-matter experts—applied a standard methodology to identify, assess, and curate indicator sets that could measure the performance of each area.

That methodology was as follows:

- 1) The Bank team reached consensus on a set of governance variables that would be measured by specific indicators for each performance area ([Annex 1](#)).
- 2) The Bank team identified, reviewed and created a longlist of indicators covering the performance area working with World Bank subject-matter experts and practitioners in the area.
- 3) DG REGIO (and, in some cases, other European Commission services) reviewed and provided comments on the longlist and held follow up discussions with the Bank team. During this review process DG REGIO often requested that the Bank team include additional information on the characteristics of potential indicator datasets (for example, subnational coverage, cost to collect data, frequency of data collection, etc.) or examples of the data from member states for specific indicators, where this was available.
- 4) The Bank team revised the governance variables and further filtered the longlist indicators based on DG REGIO input and further review by World Bank subject-matter experts to produce a final draft shortlist for DG REGIO's review and approval. The final, approved shortlists also include detailed information on the coverage, methodology, cost, and frequency of data collection for many of the datasets included in each shortlist ([Annex 2](#)).

The application of this methodology to each of the seven public sector governance areas is summarized in the following sub-sections.

Public Financial Management (PFM) Indicators

To identify indicators of public financial management performance, the Bank team worked with World Bank PFM and public investment management experts to identify a longlist of indicators from internationally-accepted indicator sets developed by the IMF and the World Bank—the [Public Expenditure and Financial Accountability \(PEFA\) indicators](#) and [Public Investment Management Assessment \(PIMA\) indicators](#). Indicators on debt management performance and open budget practices were also reviewed and included. The PFM indicators were selected to measure the efficiency, effectiveness, reliability, transparency, and accountability of the PFM system ([table 1A.1](#)). Indicators included in the final shortlist of PFM indicators are those that measure budget performance and public investment management quantitatively as well as process indicators that cover the basic PFM cycle and subnational government PFM systems.

The PEFA, the PIMA, Open Budget Survey and the Debt Management Performance Assessment indicators are third-party expert assessments that have been used primarily in developing economies (except the Open Budget Survey, which covers 102 economies including some EU Member States at the national level). PEFA, Open Budget Survey and Debt Management Performance Assessment have developed subnational methodologies. The cost of expert assessments—which can be high—can be reduced if countries conduct self-assessments accompanied by third-party verification of data and scores.

Procurement Indicators

Before identifying indicators of procurement performance, the Bank team worked with World Bank procurement experts and identified the principles that are important to a well-functioning procurement system—efficiency, effectiveness, integrity, and transparency ([table 1A.2](#)). A review was then conducted of World Bank procurement documents and the World Bank/OECD-DAC Methodology for Assessment of Procurement Systems (MAPS) and the ISPMS list of procurement indicators. The Bank team also reviewed reports produced by DG GROW (for example, the EU's Public Procurement Strategy and annual public procurement indicators), DG REGIO (a study on administrative capacity on public procurement in the European Union and guidance for practitioners on avoidance of the most common errors in public procurement of projects funded by ESIF), the European Court of Auditors, the European Anti-Fraud Office (OLAF) as well as the European Commission's Action Plan on Public Procurement. The final shortlist of

procurement indicators ([table 2A.7.](#)) identifies those specific indicators that World Bank procurement experts consider the most important in identifying problematic procurement systems.

Most of the procurement indicators can be collected as administrative data through the normal operation of national or subnational procurement systems. Many of the indicators on the shortlist are available through the EU's [Tender Electronic Daily \(TED\) database](#). If collected through existing administrative systems—particularly through e-procurement systems—the marginal cost for adding the shortlist indicators would be minimal. However, the cost would be significantly higher if the indicators are collected separately (and manually).

Tax Administration Indicators

The tax administration indicator set focuses on process. These indicators evaluate the performance of tax administrations around the core governance variables of effectiveness, integrity, efficiency, accountability, and transparency ([table 1A.3.](#)).

The tax administration indicators build on the indicators in the Tax Administration Diagnostic Assessment Tool (TADAT), developed by the World Bank, International Monetary Fund (IMF), and other partners to assess central government tax administration systems. The Bank's tax experts identified the TADAT indicators that could be applied at the subnational level; these are included in the final tax administration indicator set. The World Bank's tax experts also incorporated key indicators from other sources in the final list including Doing Business 2017, the World Economic Forum's Global Competitiveness Report 2016–2017, and the Business Environment and Enterprise Performance Survey (BEEPs). These additional indicators measure tax compliance from the perspective of firms and assess central government tax administration systems; they were not adapted for subnational application by the Bank team.

TADAT and most of the other indicators (except for BEEPs) are collected through third-party assessments. These indicators focus on measuring the performance of national tax administrations—only the Doing Business paying taxes indicator set has been applied at the subnational level—and would need to be adjusted to apply to subnational tax administrations. Subnational Doing Business indicators have been completed for some EU Member States, with assessments underway in some others. TADAT assessments can be expensive, but self-assessments with outside verification can reduce costs.

Human Resource Management (HRM) Indicators

A government's ability to implement policies effectively is, in large part, a function of the incentives and skills of the personnel employed in government bureaucracies. The HRM indicator set aims to capture the skills, motivation and working arrangements of government employees to gain a better understanding of the personnel dimension of the public sector and its impact on public sector performance.

There are multiple definitions of public sector employment summarized by the organizational classification of the public sector in the IMF's [Government Finance Statistics](#). The variables in the HRM indicators cover either the public sector, general government, or central government. Within each of these categories, a key distinction is between organizations and individuals whose primary employment is focused on the administration of the functions of government. The variables used in the HRM indicators are intended to focus on public administration within central government, which is defined as those organizations and individuals whose primary employment is focused on the administration of institutional unit(s) of the central government plus those non-market, non-profit institutions that are controlled by the central government (IMF 2014).

The Bank team used the World Bank's ongoing work to develop a dataset of public employment and wages—called the Worldwide Bureaucracy Indicators (WWBI)—as a basis for the HRM indicators. The

WWBI, which provides comparative, country-level, descriptive statistics, covers some EU Member States. Given the inadequacy of existing data sources, most of the HRM indicators are based on primary data collection using surveys of public employees to develop perception-based measures of organizational and human resource practices in a bureaucracy. The World Bank's Governance Global Practice, which has carried out such surveys in a number of countries, plans to make these a core analytical tool in its public administration work. The potential survey-based indicators are large, and all of the indicators can be disaggregated by gender, age, and other demographic characteristics. Surveys tend to take a government organization as the unit of observation, though some surveys have been conducted in subnational jurisdictions.

The HRM indicators (table 1A.4.) incorporate the following set of governance variables:

- Descriptive statistics on the number and demographic characteristics of public sector employees;
- The merit orientation and attractiveness of the public administration for recruitment and career advancement;
- The extent of public service motivation and the mission orientation of public employees;
- The quality of management along the dimensions of organizational goal setting, monitoring achievement of those goals and performance management of staff;
- The competitiveness and transparency of wages and benefits; and
- Capacity development of staff.

Together, these indicators provide an overall measure of the quality of organizational and human resource management, which in turn is a key determinant of state capacity and public sector performance.

Justice System Indicators

The use of indicators to measure justice system performance is well established globally. The list of justice sector indicators curates and builds upon this extensive body of work and contains indicators that can reliably measure system performance. The justice system indicators are actionable in that they can inform policy and reforms to improve performance. The list includes indicators that the World Bank has identified or developed through its justice reform work as well as indicators identified in the EU's Justice Scoreboard or collected by other organizations. The final shortlist includes indicators that court systems should collect as part of their management systems.

Justice system performance is defined as the ability to deliver justice services to people and businesses to the standards expected within the European Union. By taking a service delivery perspective to this aspect of governance, the indicators seek to understand the experiences that people and businesses have when they navigate the justice system. The final list of justice system indicators focuses on the actual implementation and day-to-day functioning of justice institutions and justice outcomes, rather than the form of the institutions or the law on the books. The indicator list focuses on court performance because courts are the main institution for providing justice and the primary public sector justice institutions in EU Member States and their subnational governments. The final shortlist focuses primarily on civil and administrative justice. Litigious and non-litigious aspects of civil, commercial, administrative, and criminal justice were reviewed in developing the initial indicator longlist. Aspects of these case types are included among the final indicators to the extent that either indicators disaggregate by case type or where the Bank team felt that performance in these areas contributes directly to economic development.

The justice system indicators were developed through a consultative process with both DG REGIO and DG JUST. The Bank team adjusted and filtered the original longlist of indicators based on inputs received through video conferences and written comments. As a result, the final indicators are organized into three

dimensions of justice performance that correspond to the structure of the EU Justice Scoreboard: efficiency, quality, and independence (table 1A.5.). The World Bank recognizes that there is no universally-agreed upon or authoritative model for understanding justice system performance. Different countries, donors, and researchers may group justice dimensions somewhat differently. The following filters were applied to pare down the original longlist of justice system indicators (in order of importance and weight assigned during the curating process):

- Meaningfulness of the indicator in assessing justice system performance, especially at the subnational level (some national-level indicators would not be meaningful at the subnational level);
- Actionability of the indicator in driving justice system performance;
- Feasibility of data collection; and
- Availability of data.

None of the final justice system indicators are currently compiled systematically at a subnational level across the European Union or compared across subnational levels to drive improvements in justice system performance. Nonetheless, much of the data needed to measure the indicators should be collected by courts in their information and administrative systems (such as court registers, case management systems, or case tracking systems). However, the Bank team found that this data often is not tracked systematically. Other sources of justice indicators include perception-based surveys, expert assessments or a combination of both. As a result, there is no existing comparable dataset that can be analyzed or compared in a way that can drive performance enhancement. Annex 2 contains a summary of the available datasets and methodologies used to compile the justice system indicators.

Indicators of Public Accountability Mechanisms (PAM)

The World Bank's PAM Initiative served as the starting point for identifying a longlist of indicators measuring public accountability mechanisms. The PAM Initiative focused on the presence and implementation of the following public accountability mechanisms that should be incorporated into well-functioning governance systems for civil servants: (i) financial disclosure systems; (ii) conflict of interest restrictions; (iii) freedom of information/access to information; and (iv) immunity provisions. These mechanisms focus on two aspects of public sector performance—transparency and accountability—rather than on a specific public sector function (table 1A.6.). The European Research Centre for Anti-Corruption and State-Building (ERCAS) at the Hertie School of Governance in Berlin used the PAM Initiative indicators to develop a set of EuroPAM indicators under an EU-funded project. The EuroPAM indicators add procurement and political financing indicators to the PAM Initiative's indicators on financial disclosure, conflict of interest, and freedom of information. The EuroPAM indicators cover all EU Member States, the European Commission, and the European Parliament.

Transparency and accountability—new areas of assessment and analysis in the governance sphere—are significantly less established than other areas of measurement of public sector performance. The PAM Initiative focused mostly on developing indicators that measure the de jure dimension of transparency and accountability as a necessary condition for a well-functioning governance system. The de facto implementation of such mechanisms, while recognized as critical by the PAM team and practitioners in general, has received less coverage. Although the PAM Initiative developed tools to measure de facto implementation of these mechanisms, those for freedom of information were the only ones piloted. The PAM indicator set in Annex 2 includes some of these newer de facto indicators (namely the PAM implementation indicators and Right to Information Drivers of Effectiveness (RIDE) indicators).

The selected indicators focus on transparency and accountability mechanisms for civil servants and elected officials only and are applied at the national level. Applying them at the subnational level may require some

adaptation and additional resources. Indicators measuring transparency and accountability associated with procurement and PFM functions are not included in the PAM shortlist; they are covered in the procurement and PFM indicator lists. The selected indicators should be viewed as a starting point since several areas of accountability and transparency are not currently covered. Transparency and accountability in campaign financing, for example, is included using only the currently available indicators whose coverage is limited. Media ownership indicators are not included but could be evaluated to capture a full assessment of public sector performance.

The indicators in the PAM shortlist are collected through third-party expert assessments. As such, it can be expensive to gather data. While these indicators provide coverage of most EU Member States, they do so at the national level only (for example the Open Data Barometer and the Open Data Index).

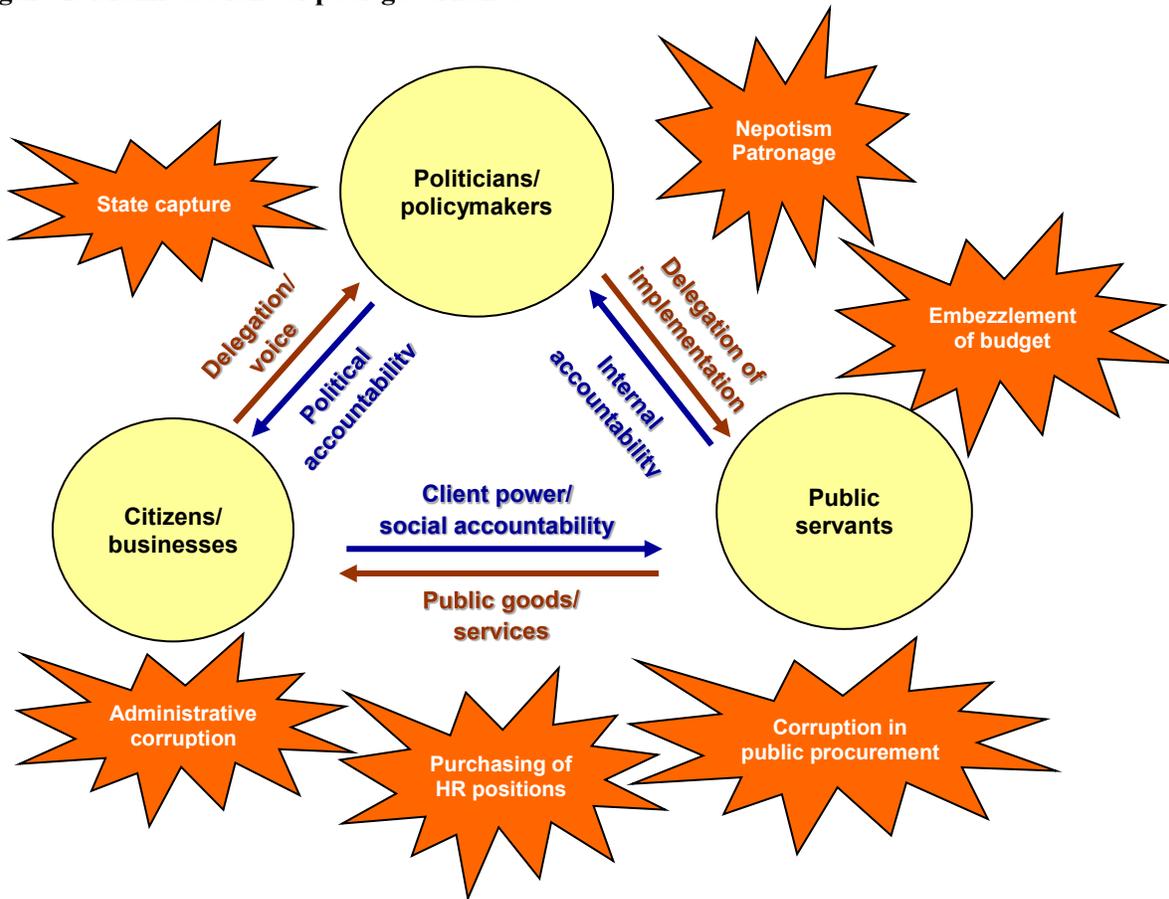
Anti-Corruption Indicators

Unlike the previous indicator sets, which measure the performance of a public administration function (procurement or tax administration) or a sector (justice), the anti-corruption indicators measure the outcome of poor public sector governance. As a result, the list of anti-corruption indicators is organized around specific types of corruption rather than governance principles. For the purpose of these indicators, “corruption” is defined as the abuse of public power (by elected politicians or appointed civil servants) for private/personal gain. This definition expands on the original one by Susan Rose-Ackerman (Rose-Ackerman 1999) and captures a wider set of manifestations of corruption, from petty corruption to corruption in procurement processes and state capture. Corruption tends to be found where governance is weak, and there is limited implementation of principles like transparency, accountability, and participation, rather than as a specific public sector function.

[Figure 2](#) illustrates the manifestations of poor governance and their associated forms of corruption. The Bank team identified the following types of corrupt transactions to include in the indicator set: (i) state capture; (ii) nepotism and patronage; (iii) embezzlement of budget; (iv) administrative/petty corruption; (v) corruption in public procurement; and (vi) purchase of positions/jobs within the public administration. While there is a well-established body of knowledge on measuring petty corruption and corruption in public procurement, this is less so for other manifestations of corruption like state capture. Phenomena like nepotism have been studied, but few indicators with cross-country coverage exist. Such indicators have been included in the indicator set provided their approach and methodology are robust (even if they may have limited coverage). The indicators included in the final list focus on corruption that occurs between civil servants or elected officials and private citizens. It does not include any misconduct that may occur between private actors (businesspeople, citizens) such as collusion or tax evasion.

There are a wealth of approaches and indicators to measure corruption. The Bank team focused on indicators that capture actual experiences—as opposed to generic perceptions—as much as possible. Thus, the indicators within each corruption category are organized by a hierarchy based on the strength of methodology. Data based on experiences is listed first, followed by evidence-based expert assessments, expert assessments and, finally, broader survey data. The team also tried to focus on methodologies and approaches that could be employed at the subnational level and did not include indicators that only capture corruption at the national level (the Worldwide Governance Indicators or the Bertelsmann Transformation Indicators, for example). Several indicators are not currently applied at the subnational level (for example, the World Justice Project, Global Competitiveness Index, and regional barometers). Adaptation of existing methodologies and additional resources might be required to apply those indicators at the subnational level. The shortlist of anti-corruption indicators does not include indicators of corruption associated with procurement and PFM functions; those are included in the respective indicator lists.

Figure 2. Manifestations of poor governance



[Annex 2](#) includes information on the data sources, methodologies, frequency of measurement, and coverage for each of the datasets used. The shortlist of anti-corruption indicators uses datasets from different stakeholders and actors to triangulate the information available and reduce imprecision and margin of errors in the measures for the different types of corruption.

III. Next Steps—Possible Uses and Extension of the PSG Indicators

The actionable PSG indicators included in [Annex 2](#) provide DG REGIO and EU Member States with the tools to measure the capacity and performance of key public administration functions (PFM, procurement, tax administration, justice systems, and human resource management) and public sector characteristics (public accountability mechanisms and anti-corruption) at the national and subnational levels. These indicators can be used to identify public administration capacity and performance constraints that hinder the ability of EU Member States and their regions to use European Structural and Investment Funds to promote investment and economic growth. In this section, the Bank team identifies some specific ways that the PSG indicators can be used by DG REGIO, other Directorates-General, and EU Member States, and provides suggestions for possible extensions of some of the indicators.

Monitoring Reforms under the EU Budget. The actionable PSG indicators could be used by the European Commission to identify public administration functions and areas that EU Member States may commit to reforming under the EU's next budget cycle. The indicators also could be used to monitor the implementation of any public administration reform commitments. The actionable nature of the PSG indicators can help EU Member States measure results of their reform programs. If a Member State is planning to improve the efficiency of its judiciary or the accountability of its tax administration for example, the Member State could be encouraged to use the indicators for this area to monitor performance as reforms are implemented. Alternatively, civil society organizations could use the PSG indicators to provide third-party monitoring of a Member State's public administration reforms.

More broadly, the PSG indicators could be used to identify specific national or subnational reforms under the Cohesion Policy's [thematic objective](#) of improving the efficiency of public administration. Assuming that a portion of the next cycle of Structural and Investment Funds will continue to target institutional capacity building and improving the efficiency of public administrations through country-specific recommendations, the PSG indicators could help to measure the outputs and impact of this capacity building assistance.

Eurostat and National Statistical Agencies. Using the leverage or financing of the European Commission, data for the construction of some PSG indicators could be collected directly through Eurostat's community-wide statistics. Alternatively, Eurostat could require the national statistical agencies of EU Member States to collect data for specific PSG indicators. Doing so would allow Member States to have more evidenced-based policy debates. Survey-based indicators from the anti-corruption PSG indicator set, for example, were included in a crime victimization survey conducted by Italy's national statistical agency (ISTAT). Similar questions could be included in surveys carried out by other national statistical agencies or in Eurostat's Eurobarometer Flash or special surveys focused on corruption or other public administration functions such as procurement or justice services. Questions from the HRM indicators could also be used individually or as a set to collect information on the civil service practices through national surveys of civil servants or in broader EU-wide efforts.

Data Collection by EU Member States. Several individual PSG indicators are based on administrative data that national or subnational institutions may already collect through existing monitoring and evaluation systems. Indicators on the efficiency of procurement procedures and outcomes from public procurement activities, for example, should be generated by existing public procurement systems at the national and subnational levels. The same applies for indicators on the timeliness of hearings or appeal ratios, which should be captured by justice sector administrative or case management systems. The absence of the collection of this administrative data could be taken as a signal of the weakness in a country's justice or procurement systems. Member States may need to be incentivized to collect data for these administratively-based PSG indicators—possibly through the EU budget process (as noted above), the European Semester

monitoring process, or through requirements set by national statistical agencies—if they are not already collected under their standard monitoring processes. Also, civil society organizations could collect data based on the PSG indicators to hold governments accountable for their performance.

For justice system indicators to be meaningfully developed and monitored at a subnational/NUTS 2 level across the European Union and within EU Member States, it will be crucial for all participating EU Member States and subnational units to take measures to enable them to report reliably on indicators. For some countries, doing so will require adding new categories to their information systems; for others, it will be considerably less onerous. Ultimately, such improvements in statistics should be encouraged, as they generate diagnostics that can be used to drive performance improvements by participating countries, NUTS 2 statistical regions, policymakers, and even court presidents, judges, and court administrators.

Data Collection by the World Bank Team. Several PSG indicator sets include indicators that have not typically been applied to EU Member States or collected at the subnational level; this is the case for the PEFA and PIMA-based PFM indicators and many of the anti-corruption and HRM survey-based indicators. For some of these PSG indicator sets, the World Bank could collect data at the national level or could pilot data collection at the subnational level to test the feasibility of the indicator sets. The Bank team could conduct surveys of public employees (at the national and subnational levels) to develop perception-based measures of organizational and human resource practices in a bureaucracy using the full set of HRM indicators. Similarly, the Bank team could conduct a PFM assessment—of EU Member States or various subnational/NUTS 2 regions within a Member State—using the PEFA and PIMA indicators in the PFM indicator set to test the applicability of these indicators for subnational financial systems. Also, the Bank team could use the anti-corruption indicators to conduct a targeted assessment of a sector, ministry or subnational government to identify specific transparency and accountability weaknesses that could be vulnerable to exploitation and corruption.

Expansion of PSG Indicators. Some of the PSG indicator sets include relatively new indicators that have only been piloted or applied in non-EU countries (and often not at the subnational level); this is particularly true for the public accountability, HRM, and anti-corruption indicator sets. The Bank team could expand these indicators by applying them to EU Member States and their subnational administrations. For example, the team could expand the PAM indicators by piloting the newer, de facto indicators developed under the World Bank’s work on the PAM implementation and RIDE indicator sets. The Bank team could also expand the PAM indicator set by developing new indicators focused on public sector ethics systems and media ownership—two areas where additional research and consensus building would be needed to develop actionable indicators that can measure the implementation of these accountability and transparency tools.

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Annex 1: Definitions of Governance Variables

Table 1A.1. Governance Principles in Public Financial Management (PFM) Systems

Governance variable	Governance sub-category	Definition/scope of coverage
Efficiency	Efficiency of budget system	The budget process including formulation, approval, execution, internal control, monitoring, and audit is carried out in an efficient way
	Efficiency of public investment management system	Public investment projects are managed, planned, appraised, executed, monitored, and reviewed in an efficient way
Effectiveness	Effectiveness of budget system	Effective management of fiscal strategy, budget process (formulation, approval, execution, internal control, monitoring, and audit), assets and liabilities
	Effectiveness of public investment management	Effective management of public investment strategy, appraisal process, independent review, budget, implementation, assets and liabilities
Reliability	Reliability and predictability of budget	The government budget is realistic and is implemented as intended
Transparency	Budget transparency	Information on PFM (budget classification, published information on budget documents) is comprehensive, consistent, and accessible to users
	Accessibility to budget documents	Budget documents are publicly made available and citizens access to these documents
	Comprehensiveness in budget document	Information provided in the budget documents is comprehensive
Accountability	Effectiveness of external scrutiny and audit	Review of public finances and the follow-up on the implementation of recommendations made by audit
	Effectiveness of accounting and reporting system	Maintenance of accurate and reliable records, production and dissemination of information for decision-making, management, and reporting needs
	Public engagement in the budget process	Engagement of citizen in the budget process including the access to information, and the institutions' provision of opportunities for the citizens to engage

Table 1A.2. Governance Principles in Procurement Systems

Governance variable	Definition/scope of coverage
Efficiency	Procurement process uses the minimum resources (time and money) necessary to complete the contracting process successfully
Effectiveness	Procurement process results in the specific need being met or satisfied through the procurement contract and at the best available price; procurement contract meets expectations of usefulness and cost; includes cost benefit analysis
Integrity	Well-functioning procurement system requires that all participants observe and adhere to the highest standards of ethics during the procurement and implementation of contracts; participants should refrain from fraudulent or corrupt practices; systems should be in place to limit, detect and deter such practices; procurement system should provide fair and equal treatment to all participants in the procurement and complaints process
Transparency	All relevant aspects of the procurement process are available for public scrutiny; documentation is disclosed and sufficient information is made publicly available to all interested parties in a consistent and timely manner

Table 1A.3. Governance Principles in Tax Administration Systems

Governance variable	Governance sub-category	Definition/scope of coverage
Effectiveness	Effective revenue management	The ability of the tax administration to forecast revenue and to adequately account tax revenue
	Effective risk management	The ability of the tax administration to manage taxpayer compliance risks
	Effective tax dispute resolution	The existence, relevance and the ability of tax dispute resolution mechanism
	Effective internal audit/internal control	The existence, relevance and the ability of a sound internal control and audit mechanism
	Ensuring accurate reporting in declarations	The existence, relevance and the ability of verification system in tax declarations and monitoring of inaccurate reporting
Integrity	Integrity of the registered taxpayer base	The extent to which tax administration holds adequate and reliable taxpayers' information
	Corruption	The numbers of firms expected to give gifts in meetings with tax officials
Efficiency	Supporting voluntary compliance	The extent of tax administrations' initiatives to reduce taxpayer compliance costs and using taxpayer feedback at the lowest possible costs and in a timely manner
	Timely filing of tax declarations	The extent of taxpayers' timely filing of tax declarations and the use of electronic filing at the lowest possible costs and in a timely manner
	Timely payment of taxes	Efficient tax collection systems, actual payments, and the use of electronic payments at the lowest possible costs and in a timely manner
	Efficient tax arrears management	Collection and management of stock and flow of tax arrears information at the lowest possible costs and in a timely manner
	Timely tax refund	Time to comply with and to obtain tax refund, and time to comply with and complete tax audit
	Effect of taxation on investment	The extent fiscal measures (subsidies, tax breaks, etc.) distort market competition
	Labor market efficiency	The effect of taxation on incentives to work
	Regulation and taxes	The frequency of visits or required meetings with tax officials
Accountability, Transparency	Accountability and Transparency on tax administration	The extent of internal and external oversight of tax administration, public perception of integrity, and publication of plans and results
	Making information on tax expenditures public	The degree of the public to have the access to information related to tax administration

Table 1A.4. Governance Principles in Human Resource Management (HRM) Systems

Governance variable	Definition/scope of coverage
Characteristics of public employment	Basic characteristics of public employment, including total employment, share of public sector employment in the labor market, and gender, age, and educational profiles of public employees. These indicators are meant to provide some broad brush descriptive statistics of the public sector that are useful for comparative purposes.

Governance variable	Definition/scope of coverage
Merit-based recruitment and career advancement	The underlying assumption is that access to public sector employment and advancement on merit and competition, rather than on status or political connections, is necessary both to ensure equal access to public employment as a fundamental citizenship right and to ensure that those who are the best qualified get the job.
Public service motivation	These indicators try to capture the levels of intrinsic motivation of public employees, their levels of satisfaction in their jobs, and their perceptions of advancement along markers of career value.
Quality of management	These indicators draw on the methodology used in the World Management Survey to measure management practices in organizations and modify it for the public sector. The indicators capture a number of management practices, such as goal setting and communication of targets to staff, performance monitoring and people management.
Competitiveness, fairness, and incentives of wages and benefits	The assumption is that wages should be attractive enough to ensure that qualified candidates seek employment to begin with, remain in the public sector and are adequately motivated. Wages therefore, need to be sufficiently competitive with the broader labor market; wages also need to progress sufficiently over an employee's career to motivate effort and public service.
Capacity development	Learning and development, including both formal and on-the-job training, is necessary to ensure that staff remain qualified to perform their jobs. It can also serve to motivate and engage employees.

Table 1A.5. Dimensions of Justice System Performance

Performance dimension	Definition/scope of coverage
Efficiency	Timeliness of dispute resolution, including various steps in case flow, reduction/prevention of delay and backlog
	Ability of the justice system to produce a type/standard of service for the least amount of resources
	Timeliness of enforcement
	Use and effectiveness of Alternative Dispute Resolution (ADR) mechanisms
Quality	Ability of potential court users to access information about the law, courts and procedure
	Affordability of justice services
	Provision of legal aid to the poor/vulnerable especially in civil/administrative justice
	Availability of ICT tools for court users (e-justice)
	Perceived fairness in decision making
	Professionalism and competency of personnel (judges, associates, and bailiffs)
	Quality of decision making (analysis of appeal and overturn rates)
Independence	Predictability of processes and outcomes across the jurisdiction (for example, presence of excessive variation at subnational level between the same type of courts in different regions of a country undermines principle of equality and predictability of decisions)
	Corruption in the judiciary, especially reported corruption
	Integrity of judiciary and the extent of undue influence over the judiciary

Table 1A.6. Governance Principles in Public Accountability Mechanisms (PAM)

Governance variable	Definition/scope of coverage
Transparency	Access to information (rights; rules and regulations; monitoring)
	Transparency in managing of public resources by elected officials and civil servants (financial disclosure)
	Transparency in policy and decision making
	Open government
Accountability	Accountability in managing public resources by elected officials and civil servants (conflict of interest)
	Accountability in decision making
	Accountability in allocation of public resources

Annex 2: Public Sector Governance Indicators List

Table 2A.1. Public Expenditure and Financial Accountability (PEFA)

Governance variable	Governance sub-variable	Indicator	What it measures	Source
Reliability	Reliability of budget	PI-1. Aggregate expenditure outturn <ul style="list-style-type: none"> • PI-1.1. Aggregate expenditure outturn 	This indicator measures the extent to which aggregate budget expenditure outturn reflects the amount originally approved, as defined in government budget documentation and fiscal reports.	PEFA is a third-party expert assessment, and each dimension is scored A, B, C, or D
		PI-2. Expenditure composition outturn <ul style="list-style-type: none"> • PI-2.1. Expenditure composition outturn by function • PI-2.2. Expenditure composition outturn by economic type • PI-2.3. Expenditure from contingency reserves 	This indicator measures the extent to which reallocations between the main budget categories during execution have contributed to variance in expenditure composition.	PEFA
		PI-3. Revenue outturn <ul style="list-style-type: none"> • PI-3.1. Revenue aggregate outturn • PI-3.2. Revenue composition outturn 	This indicator measures the change in revenue between the original approved budget and end-of-year outturn.	PEFA
Transparency	Transparency of public finances	PI-6. Subnational operations outside financial reports² <ul style="list-style-type: none"> • PI-6.1. Expenditure outside financial reports • PI-6.2. Revenue outside financial reports • PI-6.3. Financial reports of extra budgetary units 	This indicator measures the extent to which subnational government revenue and expenditure are reported outside subnational government. financial reports and/or consolidated general government financial report.	PEFA

² Indicators highlighted in bold apply specifically to subnational government and their budgets and finances.

Governance variable	Governance sub-variable	Indicator	What it measures	Source
		PI-7. Transfers to subnational governments <ul style="list-style-type: none"> PI-7.1. System for allocating transfers PI-7.2. Timelines of information on transfers 	This indicator assesses the transparency and timeliness of transfers from central government to subnational governments with direct financial relationships to it. It considers the basis for transfers from central government and whether subnational governments receive information on their allocations in time to facilitate budget planning.	PEFA
Efficiency, Effectiveness, Transparency	Management of assets and liabilities	PI-10. Fiscal risk reporting <ul style="list-style-type: none"> PI-10.1. Monitoring of public corporations PI-10.2. Monitoring of subnational governments PI-10.3. Contingent liabilities and other fiscal risks 	This indicator measures the extent to which fiscal risks to central government are reported. Fiscal risks can arise from adverse macroeconomic situations, financial positions of subnational governments or public corporations, and contingent liabilities from the central government's own programs and activities, including extra budgetary units. PI-10.2 can apply to subnational government level below the subnational governments monitored.	PEFA
		PI-12. Public asset management <ul style="list-style-type: none"> PI-12.1. Financial asset monitoring PI-12.2. Nonfinancial asset monitoring PI-12.3. Transparency of asset disposal 	This indicator assesses the management and monitoring of government assets and the transparency of asset disposal.	PEFA
		PI-13. Debt management <ul style="list-style-type: none"> PI-13.1. Recording and reporting of debt and guarantees PI-13.2. Approval of debt and guarantees PI-13.3. Debt management strategy 	This indicator assesses the management of domestic and foreign debt and guarantees. It seeks to identify whether satisfactory management practices, records, and controls are in place to ensure efficient and effective arrangements.	PEFA
		PI-18. Legislative scrutiny of budgets <ul style="list-style-type: none"> PI-18.1. Scope of budget scrutiny 	This indicator assesses the nature and extent of legislative scrutiny of the annual budget. It considers the extent	PEFA

Governance variable	Governance sub-variable	Indicator	What it measures	Source
		<ul style="list-style-type: none"> PI-18.2. Legislative procedures for budget scrutiny PI-18.3. Timing of budget approval PI-18.4. Rules for budget adjustments by the executive 	to which the legislature scrutinizes, debates, and approves the annual budget, including the extent to which the legislature's procedures for scrutiny are well established and adhered to. The indicator also assesses the existence of rules for in-year amendments to the budget without ex-ante approval by the legislature.	
Reliability	Predictability and control in budget execution	PI-21. Predictability of in-year resource allocation <ul style="list-style-type: none"> PI-21.1. Consolidation of cash balances PI-21.2. Cash forecasting and monitoring PI-21.3. Information on commitment ceilings PI-21.4. Significance of in-year budget adjustments 	This indicator assesses the extent to which the central Ministry of Finance or local government department of finance (depending on the PFM model used) is able to forecast cash commitments and requirements and to provide reliable information on the availability of funds to budgetary units for service delivery.	PEFA
		PI-22. Expenditure arrears <ul style="list-style-type: none"> PI-22.1. Stock of expenditure arrears PI-22.2. Expenditure arrears monitoring 	This indicator measures the extent to which there is a stock of arrears, and the extent to which a systemic arrears problem in this regard is being addressed and brought under control.	PEFA
		PI-26. Internal audit <ul style="list-style-type: none"> PI-26.1. Coverage of internal audit PI-26.2. Nature of audits and standards applied PI-26.3. Implementation of internal audits and reporting PI-26.4. Response to internal audits 	This indicator assesses the standards and procedures applied in internal audits.	PEFA
Accountability	Accounting and reporting	PI-27. Financial data integrity <ul style="list-style-type: none"> PI-27.1. Bank account reconciliation PI-27.2. Suspense accounts PI-27.3. Advance accounts PI-27.4. Financial data integrity processes 	This indicator assesses the extent to which treasury bank accounts, suspense accounts, and advance accounts are regularly reconciled and how the processes in place support the integrity of financial data.	PEFA

Governance variable	Governance sub-variable	Indicator	What it measures	Source
Accountability	External scrutiny and audit	PI-30. External audit <ul style="list-style-type: none"> • PI-30.1. Audit coverage and standards • PI-30.2. Submission of audit reports to the legislature • PI-30.3. External audit follow-up • PI-30.4. Supreme audit institution independence 	This indicator examines the characteristics of external audit.	PEFA

Table 2A.2. Public Investment Management Assessment (PIMA)

Short-listed indicators are those that can measure PIM performance quantitatively.

Governance variable	Governance sub-variable	Indicator	What it measures	Source
Efficiency	Planning sustainable levels of public investment	<p>Fiscal principles or rules</p> <ul style="list-style-type: none"> 1.a. Is fiscal policy guided by one or more permanent fiscal principles, or rules? 1.b. Do fiscal principles or rules protect capital spending over the short term or medium term? 1.c. Is there a target or limit for government liabilities, debt, or net worth? 	Measures existence of permanent fiscal principles or rules that support sustainable levels of capital spending.	PIMA is a third-party expert assessment. <i>(Details of the methodology are being finalized through discussions between IMF and the World Bank)</i>
Efficiency	Ensuring public investment is allocated to the right sectors and projects	<p>Budget comprehensiveness and unity</p> <ul style="list-style-type: none"> 7.a. Is capital spending mostly undertaken through the budget? 7.b. Are externally funded (including donor funded projects and PPPs) capital projects shown in the budget documentation? 7.c. Are capital and recurrent budgets prepared and presented together? 	Measures the extent to which capital spending is undertaken through the budget.	PIMA
Efficiency	Delivering productive and durable public assets	<p>Availability of funding</p> <ul style="list-style-type: none"> 12.a. Are ministries/agencies able to plan and commit expenditure on capital projects in advance on the basis of reliable cash flow forecasts? 12.b. Is cash for project outlays released in a timely manner? 12.c. Is external (donor) financing of capital projects integrated into cash 	Measures whether capital projects are well managed and controlled during the execution stage.	PIMA

Governance variable	Governance sub-variable	Indicator	What it measures	Source
		management and the Treasury Single Account (TSA)?		

Table 2A.3. PEFA-Style Public Investment Management Indicators (PEFA-PIMI)

Short-listed indicators are those that can measure PIM performance quantitatively.

Governance variable	Governance sub-variable	Indicator	What it Measures	Source
Efficiency, Effectiveness	Budget outturn performance	PIM-11 Development and capital budget execution rates: Aggregate expenditure outturn compared to original budget on a commitment basis <ul style="list-style-type: none"> Budget execution rate Donor budget execution rate 	The ability to implement the development or investment budget including donor funds.	PEFA-PIMI is a third-party expert assessment, which follows PEFA methodology. It assesses each dimension and assign a score of A, B, C, or D.
		PIM-12 Composition of development and capital expenditure outturn compared to adjusted original budget on a commitment basis <ul style="list-style-type: none"> Composite variance of capital expenditures across ministries, departments and agencies (MDAs) 	The degree of variance in the composition of capital spending across ministries/agencies.	PEFA-PIMI
		PIM-13 Project completion time and cost variances of completed projects <ul style="list-style-type: none"> Project completion time and cost variances of completed projects 	Cost and time overruns of projects.	PEFA-PIMI

Governance variable	Governance sub-variable	Indicator	What it Measures	Source
		PIM-14 Stock and monitoring of capital expenditure arrears <ul style="list-style-type: none"> Relative size and growth in arrears Availability of data 	The existence of overdue obligations to pay suppliers or contractors for capital expenditures.	PEFA-PIMI

Table 2A.4. Debt Management Performance Assessment (DeMPA)

Short-listed indicators are those that cover the debt management cycle.

Governance variable	Governance sub-variable	Indicator	What it measures	Source
Effectiveness	Governance and strategy development	DPI-1 Legal framework <ul style="list-style-type: none"> The existence, coverage, and content of the legal framework on authorization to borrow and undertake other debt management activities and to issue loan guarantees 	Ensures that the legal framework clearly sets out the authority to borrow (in both domestic and foreign markets), undertake debt-related transactions (such as debt exchanges and currency and interest rate swaps, where applicable), and issue loan guarantees.	DeMPA is a third-party expert assessment, which follows PEFA methodology. It assesses each dimension and assign a score of A, B, C, or D.
		DPI-4 Debt reporting and evaluation <ul style="list-style-type: none"> Publication of a statistical bulletin on debt, loan guarantees and debt-related operations Reporting to parliament or legislature 	Ensures that (i) the central government periodically prepares and publishes a debt statistical bulletin (or its equivalent); (ii) the government is accountable for its debt management operations to the parliament or legislature; and (iii) accountable to the country's citizens by providing frequent reports on debt management and debt-related operations and making these reports publicly available.	DeMPA

Governance variable	Governance sub-variable	Indicator	What it measures	Source
		<p>DPI-5 Audit</p> <ul style="list-style-type: none"> Frequency and comprehensiveness of financial audits, compliance audits, and performance audits (of the effectiveness and efficiency of government debt management operations, including the internal control system and its effectiveness) as well as publication of the external audit reports Degree of commitment to address the outcomes from the audits 	Ensures that (i) the debt management activities, policies, and operations are subject to scrutiny by the national audit bodies; and (ii) the relevant government decision makers are committed to address the outcomes from the audits.	DeMPA
Efficiency, Transparency	Borrowing and related financing activities	<p>DPI-8 Domestic borrowing</p> <ul style="list-style-type: none"> The extent to which market-based mechanisms are used to issue debt; the preparation of an annual plan for the aggregate amount of borrowing in the domestic market, divided between the wholesale and retail markets; and the publication of a borrowing calendar for wholesale securities The availability and quality of documented procedures for borrowing in the domestic market and interactions with market participants 	Ensures that (i) domestic borrowing activities of the central government are conducted through market-based instruments and that the borrowing is undertaken in a transparent and predictable manner; and (ii) written procedures are prepared for all domestic borrowing operations, that the terms and conditions of the instruments issued are made public, and that regular interaction with the market participants takes place.	DeMPA
Effectiveness	Cash flow forecasting and cash balance management	<p>DPI-11 Cash flow forecasting and cash balance management</p> <ul style="list-style-type: none"> Effectiveness of forecasting the aggregate level of cash balances in government bank accounts Decision of a proper cash balance (liquidity buffer) and effectiveness of managing this cash balance in government bank accounts (including the integration with any domestic debt borrowing program, if required) 	Ensures that (i) reasonably reliable forecasts of the central government cash balance are produced and available to the principal debt management entity (or entities); and (ii) the cash balance is actively managed and short-term issuances are planned according to the cash balance forecast.	DeMPA

Governance variable	Governance sub-variable	Indicator	What it measures	Source
Accountability	Debt recording and operational risk management	DPI-12 Debt administration and data security <ul style="list-style-type: none"> • Availability and quality of documented procedures for the processing of debt-related payments • Availability and quality of documented procedures for debt and transaction data recording and validation, as well as storage of agreements and debt administration records • Availability and quality of documented procedures for controlling access to the central government's debt data recording and management system and audit trail • Frequency and off-site, secure storage of debt recording and management system backups 	Ensures that (i) there are documented procedures for the processing of debt-related payments; (ii) there are documented procedures for the debt data recording (new debt, disbursements, and repayments) and validation as well as for storage of agreements and debt administration records; (iii) there are documented procedures for controlling access to the debt recording and management system; and (iv) debt recording and management system backups are made frequently and that the backups are stored in a separate and secure location.	DeMPA

Table 2A.5. Open Budget Survey

Short-listed indicators are those that focuses on accessibility, transparency, and citizen engagement.

Governance variable	Governance sub-variable	Indicator ³	What it measures	Source
Transparency	Accessibility of key budget documents	<p>Public availability of key budget documents</p> <ul style="list-style-type: none"> • Pre-Budget Statement must be released at least one month before the Executive’s Budget Proposal is submitted to the legislature for consideration. • Executive’s Budget Proposal must be released while the legislature is still considering it and before it is approved. In no case would a proposal released after the legislature has approved it be considered “publicly available.” • Enacted Budget must be released no later than three months after the budget is approved by the legislature. • Citizens Budget must be published within the same timeframe as the underlying document. For example, a Citizens Budget for the Executive’s Budget Proposal must be released while the legislature is still considering the Executive’s Budget Proposal and before it is approved. • In-Year Reports must be released no later than three months after the reporting period ends. • Mid-Year Review must be released no later than three months after the reporting period ends. • Year-End Report must be released no later than 12 months after the end of the fiscal year (the reporting period). 	<p>Survey asks a series of questions to determine whether the key budget documents are made publicly available according to international practices.</p> <p>Indicators highlight the key transparency issues and accepted timelines for accessibility of budget information.</p>	<p>Open Budget Survey is a third-party assessment conducted by researchers in the civil society in each country.</p>

³ The following questions apply to Pre-Budget Statement (PBS), Executive’s Budget Proposal and its supporting Documents (EBP), Enacted Budget (EB), Citizens Budget (CB), In-Year Reports (IYR), Mid-Year Review (MYR), Year-End Report (YER), and Audit Report (AR).

Governance variable	Governance sub-variable	Indicator ³	What it measures	Source
		<ul style="list-style-type: none"> <li data-bbox="779 266 1287 350">• Audit Report must be released no later than 18 months after the end of the fiscal year (the reporting period). 		
Transparency	Comprehensive-ness in budget documents	<p data-bbox="730 358 1234 415">Comprehensiveness of the Executive’s Budget Proposal (EBP) and supporting documents</p> <ul style="list-style-type: none"> <li data-bbox="779 451 1287 724">• EBP must present expenditures for the budget year by administrative, economic, functional and program classification and for at least two years after the budget year by one of the classifications. EBP must present revenue estimates by source as well as provide an estimate for additional two years by at least category (tax/non-tax). <li data-bbox="779 732 1287 842">• EBP must present amount and composition of debt structure at the end of budget year; new borrowing and interest. <li data-bbox="779 850 1287 1032">• EBP must provide assumptions and policies on which estimates are based including macroeconomic forecast, new policy proposals, and explain how the proposed budget is linked to policy objectives of the government. <li data-bbox="779 1040 1287 1097">• EBP must provide non-financial targets (outputs and outcomes) to be achieved. <li data-bbox="779 1105 1287 1308">• In addition, EBP must provide information on extra-budgetary funds; intergovernmental transfers, transfer to public corporations; tax expenditures; earmarked revenues; quasi-fiscal activities; financial and non-financial assets, and contingent liabilities <li data-bbox="779 1317 1287 1370">• EBP should provide a consolidated view on government finances (both budgetary 	This assesses comprehensiveness of the Executive’s Budget Proposal and supporting documents, whether the information is provided in the EBP upon its submission to the legislature for consideration and how that information is presented.	Open Budget Survey

Governance variable	Governance sub-variable	Indicator ³	What it measures	Source
		and extra-budgetary) for at least the budget year.		
Accountability	Public engagement in the budget process	<p>Public engagement in the budget process</p> <ul style="list-style-type: none"> The budget process must provide mechanisms for the public to engage with executive, legislature and SAI in budget formulation, monitoring implementation of the budget and external audit program planning. Information on such mechanisms should be clearly communicated to the public in a timely manner. Relevant institutions should provide feedback on how citizens' inputs were used throughout budget process. 	It assesses whether there are opportunities for the public to engage during each of the four phases of the budget process with all the relevant institutions (the executive, the legislature, and the Supreme Audit Institution).	Open Budget Survey

Table 2A.6. Description of PFM Indicator Sets

Indicator	Background	Methodology	Coverage and subnational application	Current status and cost
Public Expenditure and Financial Accountability (PEFA) Framework 2016 Indicators	Public Expenditure and Financial Accountability (PEFA) is a framework for assessing the strengths and weaknesses of public financial management (PFM) using 31 quantitative indicators to measure performance. PEFA is designed to provide a snapshot of PFM performance at specific points in time using a methodology that can be replicated in successive assessments, allowing the comparison of changes over time. PEFA assessments provide a foundation for reform planning, dialogue on strategy and priorities, and progress monitoring.	PEFA is a third-party expert assessment. The 31 indicators are grouped into seven pillars and each indicator includes one or more performance dimensions. Each dimension is scored separately on a four-point ordinal scale: A, B, C, or D, according to precise criteria. The highest score is warranted for an individual dimension if the core PFM element meets an internationally recognized standard of good performance. In order to justify a particular score for a dimension, every aspect specified in the scoring requirements must be fulfilled. If the requirements are only partly met, the	PEFA assessments have focused on developing countries and have included very few OECD and developed countries. A PEFA assessment has been completed in one Member State (Croatia). Assessments have also been done in Norway, and Turkey at the national level and Switzerland at the subnational level. The 2016 update of the PEFA framework remains applicable to subnational governments. PEFA Secretariat has	PEFA is widely used in both developed and developing countries. Assessments have been done periodically and at non-standard intervals. An expert assessment costs for a full PEFA assessment average \$130,000. Costs can be reduced if countries conduct a self-assessment with more limited third-party verification of data and scores.

Indicator	Background	Methodology	Coverage and subnational application	Current status and cost
	<p>Governments can use PEFA as a tool to achieve sustainable improvements in PFM practices by measuring and monitoring performance against a set of indicators across a range of important PFM institutions, systems, and processes.</p>	<p>criteria are not satisfied and a lower score reflecting lower performance is given. Dimension-specific scores are aggregated to reach an overall score for each indicator using an appropriate method based on the degree of linkage between the individual dimensions. A score of C reflects the basic level of performance for each indicator and dimension, consistent with good international practices. There may be two situations in which no score can be allocated to an indicator or a dimension: when it is ‘not applicable’ to the government system assessed or the indicators are ‘not used’. The PEFA Secretariat has issued detailed guidelines on conducting PEFA assessments.</p>	<p>published Supplementary guidance for subnational PEFA assessments, which provides additional guidance for applying the PEFA methodology at the subnational level. Countries which have conducted subnational PEFA using the 2011 framework in Eastern Europe and Central Asia include Albania, Armenia, Croatia, Georgia, Kosovo, Serbia, and Switzerland.</p>	
<p>Public Investment Management Assessment (PIMA) Indicators</p>	<p>The Public Investment Management Assessment (PIMA) is a diagnostic tool for evaluating the quality of a country’s public investment management practices. Drawing on cross-country datasets covering advanced, emerging, and low-income economies, the PIMA evaluates:</p> <ul style="list-style-type: none"> trends in public investment and the value of the public capital stock; the efficiency of public investment in improving infrastructure coverage and quality; and the quality of public investment management at 	<p>PIMA is a third-party expert assessment. Details of the methodology are still being discussed and agreed between the IMF and the World Bank. As proposed, PIMA includes 23 indicators divided grouped into 8 core PIM functions. It is likely that each dimension will be scored based on the performance of the system.</p>	<p>PIMA indicators are targeted to assess central government PIM functions. The IMF intends on piloting the PIMA indicators in 2017. Slovakia is the only EC Member State listed for as a possible candidate for a pilot. No guidelines have been developed yet for subnational assessments.</p>	<p>PIMA is a new set of indicators developed by the IMF in 2016. The IMF and the World Bank established a joint working group to harmonize the PIM indicators. A tentative agreement on the indicator set was reached in November 2016.</p> <p>Costs for expert assessments can be high depending on data availability. Costs can be reduced if countries conduct a self-assessment with more limited third-</p>

Indicator	Background	Methodology	Coverage and subnational application	Current status and cost
	<p>each stage of the public investment cycle.</p> <p>Based on this evaluation, PIMA indicators identify a country's relative strengths and weaknesses in public investment management and make a series of recommendations for improving the efficiency and impact of their investments.</p>			party verification of data and scores.
<p>PEFA-style Public Investment Management Indicators (PEFA-PIMI)</p>	<p>With the growing recognition that the quality of public investment management (PIM) determines the performance of the public sector, the World Bank developed a set of PEFA-PIM Indicators (PIMI). In 2008 PIMI identified eight "must have" or core functions of the PIM subsystem of a PFM system measured by 17 indicators. A diagnostic set of PIMI was developed and tested on governments' PIM systems by 2011. The PIMI had no indicators covering the core functions of project adjustment and service delivery. In 2011, a preliminary revised draft of a new indicator framework for the PIM systems of government was devised that essentially applied a PEFA style framework to the PIMI.</p>	<p>This is a third-party expert assessment. Under the 2011 revision, PIMI includes 30 indicators broken into the same categories as the PEFA assessments. These PEFA-style PIMI follow the PEFA methodology and assigns scores A, B, C, and D to each indicator.</p>	<p>PEFA-PIMI are targeted to assess central government PIM functions. There is no guideline developed for subnational government.</p>	<p>The PEFA-PIMI are still in draft and have not been officially launched. As noted above, a joint World Bank-IMF working group is currently discussing the consolidation of PEFA-PIMI with IMF-led PIMA indicators.</p>
<p><u>Debt Management Performance</u></p>	<p>DeMPA is a tool for assessing performance through a comprehensive set of performance indicators spanning the full range of government debt management</p>	<p>This is a third-party expert assessment, which follows PEFA methodology.</p>	<p>A Subnational DeMPA methodology has been developed and updated in 2016. The SBN DeMPA assesses subnational debt</p>	<p>DeMPA was applied in 22 countries, including Albania, Armenia, Kazakhstan and Moldova.</p>

Indicator	Background	Methodology	Coverage and subnational application	Current status and cost
<p>Assessment (DeMPA)</p>	<p>(DeM) functions such as issuance of loan guarantees, on-lending, cash flow forecasting and cash balance management. However, the DeMPA does not assess the ability to manage the wider public debt, including debts of state-owned enterprises that are not guaranteed by the central government.</p> <p>DeMPA is modeled after the PEFA indicators. It can be considered a more detailed and comprehensive assessment of government debt management than is currently reflected in the PEFA indicators. The two frameworks are complimentary: the DeMPA can be used to undertake a detailed assessment of the underlying factors leading to poor PEFA ratings in the DeM area. Alternatively, if the DeMPA exercise precedes a PEFA assessment, the latter can use the DeMPA results to inform its assessment of the relevant indicators.</p>	<p>A set of 14 Debt Management Performance Indicators (DPIs) aim to measure government debt management performance and capture the elements that are critical to achieving sound DeM practices. Each indicator in turn comprises dimensions for assessment that reflect established sound practice. A score of A, B, or C is assigned to each dimension depending on the criteria listed. If the minimum requirements set out in C are not met, then a score of D should be assigned.</p>	<p>management performance at the level of local government through a comprehensive set of indicators spanning the full range of subnational debt management functions. The revised SBN DeMPA tool comprises five core areas, 13 DPIs and 31 dimensions, which are applied to evaluate the capacity of the subnational borrower to manage the debt portfolio. This methodology is applied starting September 2016.</p>	<p>Costs for expert assessments can be high depending on data availability. Costs can be reduced if countries conduct a self-assessment with more limited third-party verification of data and scores.</p>
<p>Open Budget Survey</p>	<p>The Open Budget Survey is led by the International Budget Partnership (IBP). The Open Budget Questionnaire is designed to assist independent civil society researchers in understanding select international good practice benchmarks for budget transparency and accountability</p>	<p>The Open Budget Survey is a third-party expert assessment that assesses the three components of a budget accountability system: public availability of budget information; opportunities for the public to participate in the budget process; and the strength of formal oversight institutions, including the legislature</p>	<p>The focus of the Open Budget Survey is central government budget processes in countries of every level of income. The IBP Open Budget Initiative implemented two rounds of subnational budget transparency studies that were completed in 2011 and 2013.</p>	<p>Open Budget Questionnaire is applied in 102 economies including Albania, Bulgaria, Croatia, the Czech Republic, France, Georgia, Germany, Italy, Norway, Portugal, Romania, Serbia, Slovakia, Slovenia, Spain,</p>

Indicator	Background	Methodology	Coverage and subnational application	Current status and cost
	<p>and applying these standards to the practices the researchers observe in their countries. In addition, the questionnaire is intended to link civil society research efforts on these issues across countries by providing a common methodology for investigating budget transparency and accountability. The Open Budget Questionnaire forms the basis of the Open Budget Index and Open Budget Survey results.</p>	<p>and the national audit office or supreme audit institution. The majority of the Survey questions assess what occurs in practice, rather than what is required by law. The data is collected through the Open Budget Questionnaire which comprises of 140 questions completed by researchers typically based in the country surveyed and from academic institutions or civil society organizations. Each questionnaire is reviewed by an anonymous peer reviewer who has substantial working knowledge of the budget systems in the relevant country. Most of the Survey questions require researchers to choose from five responses. Responses “a” or “b” describe best or good practice, with “a” indicating that the full standard is met or exceeded, and “b” indicating the basic elements of the standard have been met. Response “c” corresponds to minimal efforts to attain the relevant standard, while “d” indicates that the standard is not met at all.</p>	<p>(Croatia was included in the 2011 round of subnational assessments.) Each round of the subnational studies used a different approach to develop the transparency assessment methodologies and instruments. IBP used these experiences to publish a questionnaire and a methodology in 2013 to aid civil society organizations in conducting budget transparency studies at the subnational level.</p>	<p>Sweden, Turkey, and the United Kingdom. IBP published country reports in 2010, 2012, 2015 and 2017.</p> <p>Costs for expert assessments can be high depending on data availability. Costs can be reduced if countries conduct a self-assessment with more limited third-party verification of data and scores.</p>

Table 2A.7. Shortlist of Procurement Indicators

Governance variable	Indicator	What it measures	Reason for including	Data Sources/Methodology	Availability/coverage	Recommended frequency of collection	Cost of collection	National or subnational application
Efficiency	Average duration between the deadline for submission of offers and the announcement of the award decision	Timeliness of process	Excessively long procedures are often a signal for inefficiency and high administrative burden. Very short procedures may indicate inaccuracy in execution, as proper implementation of procurement procedures can be time-consuming	Study on administrative capacity in the EU Administrative data from procurement system TED database for contracts above EU procurement directives thresholds ⁴	All MS	Annual	High (unless using e-procurement system then low)	Both (TED data at national level only)
	Percentage of failed procurements	Procurements that are cancelled before the final award is made	Reveals how well system plans and implements procurement process. Larger the % failed more questions raised about the procurement process.	Core sector indicator ⁵ Administrative data from procurement system	Used on project-by-project basis. Could be applied to any procurement system.	Annual	Low	Both (TED data at national level only)
	E-procurement uptake: ⁶ • Uptake of e-Notification (online publication of tender notices)	The degree of adoption of e-procurement systems for different procurement processes	Extent of adoption and use of e-procurement system can be indicator of more sophisticated procurement system.	E-procurement uptake report Administrative data from procurement system	All MS	Annual	Low	Both (Uptake report data only at national level)

⁴ Data from TED can be broken down by NUTS region (NUTS 1-3) of the buyer.

⁵ Core sector indicators are those indicators identified by the World Bank to help measure the performance of Bank-funded activities across all Bank operations. These indicators were identified through a rigorous peer review process within the Bank.

⁶ When referring to the uptake percentages for e-Notification, e-Access, e-Submission and e-Invoicing in the e-Procurement Uptake Report, the report considers data measured in value of the procedures for 24 EU Member States while for three EU Member States (Belgium, Bulgaria, and Spain) data refers to the uptake measured in volume; in one EU Member State (Sweden) data refers to the estimation of the usage of specific functions.

Governance variable	Indicator	What it measures	Reason for including	Data Sources/Methodology	Availability/coverage	Recommended frequency of collection	Cost of collection	National or subnational application
	<ul style="list-style-type: none"> Uptake of e-Access (online access to tender documents 24/7 in an automatic manner) Uptake of e-Submission Uptake of e-invoicing 							
	Number and value (in \$ and %) of procurement activities conducted through e-procurement systems relative to the total number of procurement activities conducted	The extent to which a contracting authority is able to use an e-procurement system.	The greater the use of an e-procurement system—measured in number of procurement activities or volume of activities (in \$)—the greater the efficiency (and transparency) of the procurement system.	E-procurement system administrative data TED database for contracts above the EU procurement directive thresholds	All MS using e-procurement	Annual	Low	Both (TED data at national level only)
Effectiveness	Share of contracts with amendments exceeding 15% in value	Amount of variance between contracting price and implementation price.	Contracts with high price amendments reveals weaker contract management and possible loss of value	Administrative data from procurement system	Unknown ⁷ Could be applied to any	Annual	High if done manually, low with e-procurement	Both

⁷ Indicators identified by World Bank procurement experts can be applied to any procurement system. We do not have information on their application to specific EU Member States.

Governance variable	Indicator	What it measures	Reason for including	Data Sources/Methodology	Availability/coverage	Recommended frequency of collection	Cost of collection	National or subnational application
			for money in procurement process.		procurement system			
	Percentage or number of contracts awarded through open competitive bidding	Competitiveness of procurement process.	Higher levels of competition are associated with better/lower prices for goods and services.	Administrative data from procurement system; TED database for contracts above EU procurement directives thresholds.	Unknown Could be applied to any procurement system	Annual	High if done manually, low with e-procurement	Both (TED data only at national level)
	Percentage or number of contracts awarded through other (non-competitive) procedures (such as restricted, negotiated, competitive dialogue and electronic auction)	Competitiveness of procurement process.	Allows for better understanding of frequency of use of different procurement procedures.	Procurement system data; TED database for contracts above EU procurement directives thresholds	All MS	Annual	Low	Both (TED data only at national level)
	Average number of bidders	Level of competitiveness.		Administrative data from procurement system; TED database for contracts above EU procurement directives thresholds	Unknown Could be applied to any procurement system	Annual	High if done manually, low with e-procurement system	Both (TED data only at national level)
	Retention rate of trained procurement staff	Procurement staff turnover	Higher turnover could be signal problems with procurement agency or process; higher turnover associated with greater weakness in procurement process	Data from procurement agencies or civil service data.	Unknown	Annual	Low	Both

Governance variable	Indicator	What it measures	Reason for including	Data Sources/Methodology	Availability/coverage	Recommended frequency of collection	Cost of collection	National or subnational application
	Percentage of procurement specialists with defined competences	Professionalism of procurement staff	Defining a curriculum of competencies is a good instrument to foster the professionalization of procurement staff.	Study on administrative capacity in the EU. Procurement system data.	All MS (study on administrative capacity did not collect data for MS)	Annual	Medium	Both
Integrity	Existence of independent administrative complaints system			PEFA Expert assessment	Limited application to MS – only Croatia. Could get data from procurement system	Annual	Low (with self-assessment and verification)	Both
	Percentage of contracts that include provisions for dispute resolution mechanisms		Informs bidders that there are tools available to review and challenge the procurement process	Guidance for practitioners on the avoidance of the most common errors in public procurement of projects funded by the ESIF Procurement system data	All MS (guidance suggested indicator but data was not collected)	Annual	Low	Both
	Existence of risk management system to help identify “red flags” in the procurement process	Reveals procurement system’s readiness for self-monitoring and existence of processes for managing risky activities.	First step in auditing the procurement process. Automated risk identification systems can improve efficiency and effectiveness as well as ensuring integrity.	Public procurement – Study on administrative capacity in the EU Procurement system data.	All MS (guidance suggested indicator but data was not collected)	Annual	Low	Both

Governance variable	Indicator	What it measures	Reason for including	Data Sources/Methodology	Availability/ coverage	Recommended frequency of collection	Cost of collection	National or subnational application
	Existence of anti-corruption policy for procurement		Anti-corruption policy reveals that contracting authority has thought through corruption prevention measures.	Public procurement – Study on administrative capacity in the EU Procurement system data.	All MS (guidance suggested indicator but data was not collected)	Annual	Low	Both
	Percentage of firms saying that giving gifts are needed to secure public contracts	Bribe-taking in public procurement.	Measures level of integrity in the procurement process	BEEPs/Enterprise Surveys	New MS (covered in 2013)	Annual	High (part of periodic regional survey of firms)	Both
	Percentage of contract value that would be required to be paid in informal payments in order to secure the contract	Bribe-offering	Measures level of integrity in the procurement process	BEEPs/Enterprise Surveys	New MS (covered in 2013)	Annual	High (part of periodic regional survey of businesses)	Both
	Percentage of contracts awarded without following any procurement procedure		Commonly found error by auditors indicating possible corrupt/fraudulent practices	European Court of Auditors Special Report on procurement in cohesion expenditure Procurement system data	All MS (indicator based on Court of Auditors Report but no data collected)	Annual	Low	Both
	Number of complaints filed as a share of contracts awarded	Fairness of process as perceived by competing bidders	Higher figure implies lack of fairness in the procurement process	Data from complaint system	Unknown	Annual	Medium	Both
	Conflict of interest rules or regulations are	Level of fairness in the selection process	Conflicts of interest could lead to less effective and efficient	Global Integrity Indicators (and part of ISPMS)	Selected MS	Annual	Medium	Both

Governance variable	Indicator	What it measures	Reason for including	Data Sources/Methodology	Availability/ coverage	Recommended frequency of collection	Cost of collection	National or subnational application
	enforced in the procurement process.		procurement. Perception of lack of fairness where conflicts are found.	Expert assessment			(can be done as self-assessment with verification to lower cost)	
	Percentage of tenderers that have declared any conflict of interest (also any conflict of interest with tenderers' relatives) when submitting their tenders	Same as above	Same as above	Guidance for practitioners on the avoidance of the most common errors in public procurement of projects funded by the ESIF Procurement system data	All MS (Indicator based on Guidance but no data has been collected)	Annual	Low	Both
	Number of complaints/protests filed as a share of contracts awarded	Relative level of complaints with the procurement process (measure by number or value)	Number of protests helps to identify fairness of procurement process. Larger the number more issues raised with process.	ISPMS Data from complaints and procurement systems	Unknown	Annual	Medium	Both
	Percentage of procurements with complete documentation of entire procurement process		Documentation of complete process allows for better monitoring and auditing and allows agency to justify all key decisions.	Guidance for practitioners on the avoidance of the most common errors in public procurement of projects funded by the European Structural and Investment Funds (DG REGIO) Procurement system data	All MS (Indicator based on Guidance but no data has been collected)	Annual	Low	Both

Governance variable	Indicator	What it measures	Reason for including	Data Sources/Methodology	Availability/ coverage	Recommended frequency of collection	Cost of collection	National or subnational application
Transparency	Procurement system has procedures and systems for collecting and monitoring procurement statistics	Existence of statistical capacity	Collection of procurement statistics is prerequisite for many other indicators.	Methodology for Assessing Procurement Systems (MAPS) Expert assessment.	Broadly applied (revised framework for consultation in 2016)	Annual	Low (with self-assessment and verification)	Both
	Processes to submit or appeal procurement complaints are clearly defined and publicly available	Openness of complaints process	Ensures fairness of complaints system.	PEFA criteria. Information from procurement complaints system.	Limited application to MS – only Croatia.	Annual	Low (with self-assessment and verification)	Both
	Information on procurement processes easily accessible in media of wide circulation and availability	Openness of procurement process	Greater access to information facilitates competition and outside monitoring.	MAPS Expert assessment.	Broadly applied (revised framework for consultation in 2016)	Annual	Low (with self-assessment and verification)	Both
	% of contracts publicly disclosed	Number of contracts broadly publicized (usually for contracts above a threshold)	Greater publication increases outside monitoring of procurement process.	ISPMS Administrative data from procurement system. Publication of contract awards in TED is required for those contracts above the EU procurement directive thresholds. However, responsibility is not often fulfilled by	Unknown	Annual	Low	Both

Governance variable	Indicator	What it measures	Reason for including	Data Sources/Methodology	Availability/ coverage	Recommended frequency of collection	Cost of collection	National or subnational application
				national procurement authorities.				

Table 2A.8. Short List of Tax Administration Indicators

Governance variable	Governance sub-variable	Indicator	What it measures	Source
Effectiveness	Effective Revenue Management	Soundness of government tax revenue forecasting process	The extent of tax administration input to government tax revenue forecasting and estimating.	TADAT is a third-party expert assessment, and each dimension is scored A, B, C, or D
		Adequacy of the tax revenue accounting system	Adequacy of the tax administration's tax revenue accounting system.	TADAT
Effectiveness	Effective Risk Management	Identification, assessment, ranking, and quantification of compliance risks	It measures (i) the extent of intelligence gathering and research to identify compliance risks in respect of the main tax obligations; and (ii) the process used to assess, rank and quantify taxpayer compliance risks.	TADAT
Effectiveness	Effective Tax Dispute Resolution	Existence of an independent, workable, and graduated dispute resolution process	It measures (i) the extent to which an appropriately graduated mechanism of administrative and judicial review is available to and used by, taxpayers; (ii) whether the administrative review mechanism is independent of the audit process; (iii) whether information on the dispute process is published and whether taxpayers are explicitly made aware of it.	TADAT
Effectiveness	Effective Internal audit/internal control	Existence of a sound internal audit mechanism in the tax administration	It measures (i) assurance provided by internal audit; and (ii) staff integrity assurance mechanisms.	TADAT
Effectiveness	Ensuring Accurate Reporting in Declarations	Scope of verification actions taken to detect and deter inaccurate reporting	It measures (i) the nature and scope of the tax audit program in place to detect and deter inaccurate reporting; (ii) the extent of large-scale automated crosschecking to verify information reported in tax declarations.	TADAT
		Monitoring the extent of inaccurate reporting	The soundness of the method/s used by the tax administration to monitor the extent of inaccurate reporting.	TADAT
Integrity	Integrity of the Registered Taxpayer Base	Accurate and reliable taxpayer information	It measures (i) the adequacy of information held in respect of registered taxpayers and the extent to which the registration database supports effective	TADAT

Governance variable	Governance sub-variable	Indicator	What it measures	Source
			interactions with taxpayers and tax intermediaries; and (ii) the accuracy of information held in the registration database.	
Efficiency	Supporting Voluntary Compliance	Initiatives to reduce taxpayer compliance costs	The extent of initiatives to reduce taxpayer compliance costs.	TADAT
Efficiency	Timely Filing of Tax Declarations	On-time filing rate	It measures (i) the number of specific local tax ⁸ (property tax or some other taxes) declarations filed by the statutory due date as a percentage of the number of declarations expected from registered taxpayers for the specific tax; (ii) the number of pay as you earn (PAYE) withholding declarations filed by employers by the statutory due date as a percentage of the number of PAYE declarations expected from registered employers.	TADAT
		Use of electronic filing facilities	The extent to which tax declarations are filed electronically.	TADAT
Efficiency	Timely Payment of Taxes	Use of electronic payment methods	The extent to which core taxes are paid electronically.	TADAT
		Use of efficient collection systems	The extent to which withholding at source and advance payment systems are used.	TADAT
		Timeliness of payments	It measures (i) the number of specific local tax ⁹ (property tax or some other taxes) payments made by the statutory due date in percent of the total number of payments due; and (ii) the value of specific local tax payments made by the statutory due date in percent of the total value of the specific local tax payments due.	TADAT
Efficiency	Efficient Tax Arrears Management	Stock and flow of tax arrears	It measures (i) the value of total core tax arrears at fiscal year-end in percent of total core tax revenue collections for the fiscal year; (ii) the value of collectible core tax arrears at fiscal year-end in percent of total core tax revenue collections for the fiscal year; and (iii) the value of core tax arrears	TADAT

⁸ In TADAT, this indicator is measuring corporate income tax (CIT), personal income tax (PIT), and value-added tax (VAT). For the application of subnational governments, it should be modified as the local tax collected at the jurisdiction.

⁹ In TADAT, this indicator is measuring VAT. For the application of subnational governments, it should be modified as the local tax collected at the jurisdiction.

Governance variable	Governance sub-variable	Indicator	What it measures	Source
			more than 12 months' old in percent of the value of all core tax arrears.	
Accountability, Transparency	Accountability and Transparency of Tax Administration	Internal assurance mechanisms	It measures (i) assurance provided by internal audit; (ii) staff integrity assurance mechanisms.	TADAT
		External oversight of the tax administration	It measures (i) the extent of independent external oversight of the tax administration's operations and financial performance; (ii) the investigation process for suspected wrongdoing and maladministration.	TADAT
		Public perception of integrity	The mechanism for monitoring public confidence in the tax administration.	TADAT
		Obtaining taxpayer feedback on products and services	It measures (i) the use and frequency of methods to obtain feedback from taxpayers on the standard of services provided; and (ii) the extent to which taxpayer input is taken into account in the design of administrative processes and products.	TADAT
Accountability, Transparency	Making Information on Tax Expenditures Public	Publication of activities, results, and plans	It measures (i) the extent to which the financial and operational performance of the tax administration is made public, and the timeliness of publication; and (ii) the extent to which the tax administration's future directions and plans are made public, and the timeliness of publication.	TADAT
		Regular, annual public statements on the extent of tax revenues foregone (i.e., tax expenditures) as a result of tax exemptions and tax incentives	The extent to which tax revenues are foregone due to tax exemptions and tax incentives are made publicly available.	WB staff input
Efficiency	Timely Payment of Taxes (Tax Payments)	Tax payments for a manufacturing company in 2015 (number per year adjusted for electronic and joint filing and payment) <ul style="list-style-type: none"> Total number of taxes and contributions paid, including consumption taxes (VAT, sales tax or goods and service tax) Method and frequency of filing and payment 	It measures the total number of taxes and contributions paid, including consumption taxes (VAT, sales tax or goods and service tax); the method of payment, the frequency of payment, the frequency of filing and payment.	Doing Business 2017
Efficiency	Timely Payment of Taxes (Time)	Time required to comply with three major taxes (hours per year)	The time taken to prepare, file and pay three major types of taxes and contributions: CIP, VAT or sales	Doing Business 2017

Governance variable	Governance sub-variable	Indicator	What it measures	Source
		<ul style="list-style-type: none"> Collecting information and computing the tax payable Completing tax return forms, filing with proper agencies Arranging payment or withholding Preparing separate mandatory tax accounting books, if required 	tax, and labor taxes, including payroll taxes and social contributions.	
Effectiveness	Effective Revenue Management (Total Tax Rate)	<p>Total tax rate (% of profit before all taxes)</p> <ul style="list-style-type: none"> Profit or corporate income tax Social contributions and labor taxes paid by the employer Property and property transfer taxes Dividend, capital gains and financial transactions taxes Waste collection, vehicle, road and other taxes 	The amount of taxes and mandatory contributions borne by the business in the second year of operation, expressed as a share of commercial profit.	Doing Business 2017
Efficiency	Timely Tax Refund (Post-filing index)	<p>Post-filing index</p> <ul style="list-style-type: none"> Compliance time of a VAT or GST refund process Time to receive a VAT or GST refund Compliance time of correcting an error in the corporate income tax return including compliance with an audit process if applicable 	Time to comply with VAT or GST refund, time to obtain VAT or GST refund, time to comply with corporate income tax audit and time to complete a corporate income tax audit.	Doing Business 2017
Efficiency	Effect of Taxation on Investment	Effect of taxation on incentives to invest	The extent fiscal measures (subsidies, tax breaks, and so on) distort competition	World Economic Forum Global Competitiveness Report 2016-2017
Efficiency	Effective Revenue Management (Total Tax Rate)	Total tax rate	Sum of profit tax and other taxes (percent of profits) paid by businesses	World Economic Forum Global Competitiveness Report 2016-2017
Efficiency	Labor Market Efficiency	Effect of taxation on incentives to work	The amount of taxes and mandatory contributions on labor paid by the business as a percentage of commercial profits	World Economic Forum Global

Governance variable	Governance sub-variable	Indicator	What it measures	Source
				Competitiveness Report 2016-2017
Integrity	Corruption	Percent of firms expected to give gifts in meetings with tax officials	Percent of firms expected to give gifts or an informal payment in meetings with tax officials	BEEPs (Enterprise Survey)
Efficiency	Regulation and Taxes	Number of visits or required meetings with tax officials, and if there were visits, average number of visits or required meetings with tax officials	Number of visits or required meetings with tax officials and the average number of visits over period of time.	BEEPs (Enterprise Survey)

Table 2A.9. Description of Tax Indicator Sets

Indicator	Background	Methodology	Coverage and subnational application	Current status and cost
Tax Administration Diagnostic Assessment Tool (TADAT)	<p>TADAT provides a standardized means of assessing the health of key components of a country’s tax administration system and its level of maturity in the context of international good practice.</p> <p>TADAT can be used to assess the relative strengths and weaknesses of countries’ tax administration system at the central level. The focus is on the administration of the major direct and indirect taxes critical to central/federal government revenues referred to as ‘core taxes’: corporate income tax (CIT), personal income tax (PIT), value added tax (VAT) and Pay-As-You-Earn (PAYE) amounts withheld by employers (remittances of PIT). Social security contributions (SSCs) may also be included in assessments where they are a major source of</p>	<p>The assessment of indicators follows a similar approach to that followed in the Public Expenditure and Financial Accountability (PEFA) diagnostic tool.</p> <p>TADAT is a third-party expert assessment. The 28 high-level indicators are grouped into 9 pillars, with total of 47 measurement dimensions. Each indicator has one to four measurement dimensions. These dimensions are taken into account in arriving at the indicator scores. Each of TADAT’s 47 measurement dimensions is assessed separately. The overall score for an indicator is based on the assessment of the individual dimensions of the indicator. These are scored on a four-point ‘ABCD’ scale according to specific scoring criteria prescribed throughout the field guide. The interpretation of these scores is broadly as follows: ‘A’ denotes performance that meets or exceeds international good practice; ‘B’ represents sound performance; ‘C’ means weak performance relative to international good practice; ‘D’ denotes inadequate performance, and is applied when the requirements for a ‘C’ rating or higher are not met.</p>	<p>TADAT was launched in 2015 with the support from the development partners including the European Union, Germany, Japan, Netherlands, Norway, Switzerland, and the United Kingdom along with the IMF and the World Bank.</p> <p>Among EU countries, the assessment was piloted in Norway (2014) and conducted in Romania (2016).</p> <p>TADAT indicators are intended to measure central government tax administration systems and have yet to be applied at subnational level.</p>	<p>The assessment costs for a full TADAT assessment average \$100,000 to \$165,000. Costs can be reduced if economies conduct a self-assessment with more limited third party verification of data and scores.</p> <p>An assessment usually starts with a request from a country. A team of 3-5 experts will conduct the assessment over the course of a two-week visit.</p> <p>Some assessments have been funded by the assessed country</p>

Indicator	Background	Methodology	Coverage and subnational application	Current status and cost
	government revenue and are collected by the tax administration.	<p>Furthermore, a ‘D’ score is given in certain situations where there is insufficient information available to assessors to determine and score the level of performance.</p> <p>TADAT assessments are conducted by an assessment team typically comprising 3 or 4 trained assessors. The team must include at least one trained assessor(s) with at least five years of tax administration experience.</p> <p>TADAT Secretariat has issued detailed field guide on conducting TADAT assessments.</p>		(more likely for EU Member States) while donors have funded assessments for developing economies.
Doing Business 2017	<p>Doing Business measures regulations affecting 11 areas of the life of a business. Paying taxes is one of those areas included in the 2017 version. Doing Business records the taxes and mandatory contributions that a medium-size company must pay in a given year as well as the administrative burden of paying taxes and contributions and complying with post-filing procedures. Taxes and contributions measured include the profit or corporate income tax, social contributions and labor taxes paid by the employer, property taxes, property transfer taxes, dividend tax, capital gains tax, financial transactions tax, waste collection taxes, vehicle and road taxes, and any other small taxes or fees.</p>	<p>Doing Business ranks economies on the ease of paying taxes. The ranks are determined by sorting their distance to frontier scores for paying taxes. These scores are the simple average of the distance to frontier scores for each of the component indicators, with a threshold and a nonlinear transformation applied to one of the component indicators, the total tax rate.</p> <p>The project was developed and implemented by the World Bank in cooperation with PwC.</p>	<p>Doing Business project was launched in 2002, looks at domestic small and medium-size companies and measures the regulations applying to them through their life cycle.</p> <p>Tax indicators are under the pillar ‘paying taxes’. Only three indicators are related with tax administration.</p> <p>Doing Business indicators have been applied in a number of economies at the subnational level including Spain (2015), Poland (2015) and Italy (2013).</p>	Doing Business report is published annually.
World Economic Forum Global Competitiveness Report 2016–2017	The Global Competitiveness Index (GCI) was developed by Xavier Sala-i-Martin in collaboration with the World Economic Forum.	The GCI includes statistical data from international organizations, notably the International Monetary Fund (IMF); the World Bank; and various United Nations’ specialized agencies, including the International	The World Economic Forum has published the Global Competitiveness Index (GCI) since 2005.	Global Competitiveness Report is published annually.

Indicator	Background	Methodology	Coverage and subnational application	Current status and cost
	<p>The GCI combines 114 indicators that capture concepts that matter for productivity and long-term prosperity. These indicators are grouped into 12 pillars: institutions, infrastructure, macroeconomic environment, health and primary education, higher education and training, goods market efficiency, labor market efficiency, financial market development, technological readiness, market size, business sophistication, and innovation. These pillars are in turn organized into three sub-indexes: basic requirements, efficiency enhancers, and innovation and sophistication factors. The <i>Report</i> this year covers 138 economies included based on data availability.</p>	<p>Telecommunication Union, UNESCO, and the World Health Organization. The Index also includes indicators derived from the World Economic Forum's Executive Opinion Survey that reflect qualitative aspects of competitiveness, or for which comprehensive and comparable statistical data are not available for a sufficiently large number of economies.</p>	<p>Tax indicators are under pillars of 'goods market efficiency', and 'labor market efficiency'. Only three indicators are related with tax administration.</p> <p>These indicators are not intended to be applied at subnational level.</p>	
<p>Business Environment and Enterprise Performance Survey (BEEPs or Enterprise Surveys)</p>	<p>Enterprise Surveys offer an expansive array of economic data on 125,000 firms in 139 economies. An Enterprise Survey is a firm-level survey of a representative sample of an economy's private sector. The surveys cover 12 areas of business environment topics including corruption, crime, finance, firm characteristic, gender, informality, infrastructure, innovation and technology, performance, regulation and taxes, trade, and workforce measures.</p>	<p>Private contractors conduct the Enterprise Surveys on behalf of the World Bank. Due to sensitive survey questions addressing business-government relations and bribery-related topics, private contractors, rather than any government agency or an organization/institution associated with government, are hired by the World Bank to collect the data. The Enterprise Survey is answered by business owners and top managers. Sometimes the survey respondent calls company accountants and human resource managers into the interview to answer questions in the sales and labor sections of the survey. Typically, 1,200-1,800 interviews are conducted in larger economies, 360 interviews are conducted in medium-sized economies, and for smaller economies, 150 interviews take place.</p>	<p>Firm-level surveys have been conducted since the 1990's by different units within the World Bank since 2005–2006.</p> <p>Tax indicators are under the areas of 'corruption' and 'regulation and taxes'. Only two indicators are related with tax administration.</p> <p>These indicators have been not intended to be applied at subnational level.</p>	<p>For most economies, an Enterprise Survey is conducted about every 3-4 years. With the exception of Africa, survey projects are usually implemented on a regional basis (Europe and Central Asia countries' BEEPs are conducted simultaneously).</p>

Table 2A.10. Short List of Human Resource Management (HRM) Indicators

Governance variable		Indicator	What it measures	Data source
Characteristics of public employment	1.1	<i>Public sector employment as a proportion of total employment</i>	Size of the public sector (GFS definition)	ILOSTAT
	1.2	<i>Public sector employment as a proportion of paid employment</i>	The size of the public sector in relation to the formal sector labor market	World Bank WWBI
	1.3	Wage bill of public sector employment as a proportion of total government expenditures	The size of the public sector in relation to the scale of government activity	
	1.4	<i>Age profile of public and private sector workers</i>	The relative age profiles of public and private sector workers	
	1.5	<i>Gender profile of public and private employment</i>	The proportion of males and females working in the public sector as compared to the private sector	
Merit-based recruitment and career advancement	2.1	Proportion of applicants who think that recruitment is based on merit	Transparency and the use of merit in recruitment	Survey of applicants to public employment
	2.2	Applicant views on the extent to which the recruitment process was competitive (number of qualified candidates willing to accept each available position)	Attractiveness of the public sector as an employer	
	2.3	Number of promotions (point increases in grade along a standardized salary scale) that staff have received in their public sector career	Opportunities for promotion	Survey of employees

Governance variable		Indicator	What it measures	Data source
	2.4	Proportion of staff stating merit as core criteria used for promotion (point increases in grade along a standardized salary scale)	Performance, rather than seniority or political connections, as a basis for promotions	
	2.5	<i>Staff views on whether management of their department have mechanisms for attracting and retaining talented people</i>	Management of staff	
Public service motivation	3.1	<i>Proportion of staff who believe that management/their organization is contributing to a worthwhile mission</i>	Mission orientation of the ministry, department, or agency	Survey of employees
	3.2	<i>Proportion of staff who are satisfied with their experience in public service</i>	Overall levels of motivation	
	3.3	<i>Distribution of staff assessments of how their motivation levels are now compared to when they joined the public sector</i>	Trends in motivation levels	
	3.4	<i>Proportion of staff who state that they know what their individual roles and responsibilities are in achieving the organization's goals</i>	Goal orientation of the staff	
	3.5	<i>Views of staff on whether they prefer working in the public sector as compared to the private sector</i>	Preference for working in the public sector	
Quality of management	4.1	<i>Proportion of staff who believe that their department has a clear set of targets derived from the organization's goals and objectives</i>	Goal setting in the agency	Survey of employees
	4.2	Proportion of staff who state that there is sufficient co-ordination within and across the departments/units of the organization	Extent of inter-agency coordination to achieve the government's policy objectives	
	4.3	<i>Staff views on the extent to which the organization tracks the achievement of goals and targets</i>	Monitoring of organizational performance	
	4.4	<i>Assessment of whether under-performing staff are effectively handled by managers</i>	Management of staff	
	4.5	<i>Staff views on whether their department uses performance targets for tracking and rewarding (financially or non-financially) the performance of its employees</i>	Management of staff	
Competitiveness, fairness, and incentive of wages	5.1	<i>Average public and private sector wages</i>	Pay competitiveness of the public sector	World Bank WWBI
	5.2	<i>Relative wages across government occupations</i>	Relative wages within government across a standard set of occupations with the aim of understanding pay progression in the bureaucracy	

Governance variable		Indicator	What it measures	Data source
	5.3	Public-private wage differential (based on Mincer regressions controlling for worker characteristics)	Pay competitiveness of the public sector	
	5.4	Degree of staff satisfaction with their overall level of compensation (including net benefits)	Pay competitiveness of the public sector	Survey of employees
	5.5	Staff views on the fairness of the compensation system within the public service	Transparency and equity in pay	
Capacity and development	6.1	<i>Profile of highest academic qualifications amongst staff relative to private sector counterparts</i>	Skill levels in the public sector relative to the private sector	World Bank WWBI
	6.2	Staff views on whether their organization has the job-relevant knowledge and skills necessary to accomplish organizational goals	Skill levels in the public sector	Survey of employees
	6.3	<i>Staff views on the extent to which managers and supervisors try to use the right staff for the right job</i>	Skill levels in the public sector	
	6.4	Perceptions of staff on opportunities for learning relevant to their assigned tasks	Opportunities for technical and managerial training for public employees	
	6.5	Proportion of staff satisfied with the in-service training that they have received	Quality of the technical and managerial training	

Table 2A.11. Description of HRM Indicator Sets

Indicator	Background	Methodology	Coverage and subnational application	Current status and cost
Surveys of public employees	The World Bank has developed and implemented a range of surveys of public sector institutions and workers. Surveys build a more rigorous and contextually nuanced understanding of human resource and organizational management practices and their effects on the quality and motivation of public employees as well as on public sector productivity. The surveys cover a variety of public sector organizations	The surveys are done in collaboration with the government and in partnership with a university or research organization. Some of the surveys take the government organization as the unit of observation focusing on organization-level features and practices, while others focus on the public official as the unit of analysis. All the surveys except one (Pakistan) used in-person enumeration which ensured very high response rates (>95%). The sampling frame ensured representation at multiple levels (e.g. at the level of the organization and different categories of	The World Bank has conducted recent surveys in Ethiopia, Ghana, Indonesia, Liberia, Nigeria, Pakistan, and the Philippines. Subnational jurisdictions were included in the Nigeria and Ethiopia surveys.	The WB plans to do 2-3 surveys each year. The average cost of a public employee survey that the WB has administered is \$100,000 to \$150,000. Costs can be reduced if the survey is not face-to-

Indicator	Background	Methodology	Coverage and subnational application	Current status and cost
	and sectors to provide data that allows for diagnostic work in public administration reform.	employees, such as managers and staff). Survey enumeration was done through a combination of face-to-face interviews and classroom style written responses.		face (that is. sent out via email), but the tradeoff is lower percentage of respondents which can bias the results.
The World Bank's Worldwide Bureaucracy Indicators (WWBI)	The Worldwide Bureaucracy Indicators (WWBI) is a new dataset on public sector employment and wages that can help researchers and development practitioners gain a better understanding of state capacity, its impact on the quality of governance and, ultimately, on economic development. The WWBI aim to fill the gap in information on the personnel dimension of the state by providing more objective measures drawing on administrative data and household surveys, thereby complementing existing, expert perception-based approaches. The WWBI dataset encompass three categories of variables: the characteristics of public employment, average wages, and the wage bill.	The WWBI data are drawn mainly from primary sources, specifically the World Bank's International Income Distribution Database (I2D2) database, the Luxembourg Income Study (LIS) and the International Comparisons Program (ICP) wage survey. The I2D2 harmonizes nationally representative household surveys—both welfare and labor force surveys—from around the world, presenting data using the same variables and coding in each country and survey. The LIS similarly harmonizes household surveys from a number of mostly high-income economies. The ICP is a global statistical partnership that calculates Purchasing-Power-Parity (PPP) prices based on detailed comparative price data, including government wages for a standard set of occupations, and GDP expenditure values in 199 economies. The WWBI also capture some data from secondary sources, namely the International Labor Organization's (ILO) employment database (ILOSTAT), and the International Monetary Fund's (IMF) new dataset on the wage bill.	The WWBI cover about 80 countries over the time period 2009–2015. There is currently no sub-national coverage. European economies covered include: Estonia (2013), Finland (2013), France (2010), Germany (2013), Greece, (2013), Ireland (2010), Italy (2009), Luxembourg (2013), Poland (2009, 2013), Romania (2009), and the United Kingdom (2013).	The WWBI dataset is in its pilot test phase and is being validated. It will be expanded in country and time coverage over the next year.

Table 2A.12. Shortlist of Justice System Performance Indicators

Performance indicator (short title)	Description of what it measures	Data source availability and cost
Efficiency of Justice Systems		
<p>1. Clearance rate</p>	<p>Measures the number of resolved cases as a percentage of the number of incoming cases.</p> <p>Identifies whether a court is keeping up with its incoming caseload or generating backlogs. A clearance rate below 100% indicates that backlogs are being generated. For this purpose, the Bank suggests to measure the clearance rate only of civil, commercial and administrative litigious cases. This may be disaggregated by case type and court type. It is important to exclude non-litigious cases, which distort the rate.</p>	<p>Data source/coverage: CEPEJ and national statistics in many, if not all, EU MS.</p> <p>Cost: Low. Information systems that do not already collect such data should start doing so, as this is standard practice. Some adjustments may be required to information systems in some EU MS to allow data to be generated routinely electronically/automatically at the court/subnational level.</p>
<p>2. Judicial productivity</p>	<p>Measures the average number of resolved cases per judge by court type in the reporting period, usually one year. The median could also be collected.</p> <p>Gauges roughly how many cases a judge disposes in a year. This could be disaggregated by litigious and non-litigious cases. <i>(It would be important to define the number of judges consistently to ensure comparability of the dataset (i.e. approved positions or actual positions at desk), possibly by using the CEPEJ definition.)</i></p>	<p>Data source/coverage: Information systems in many, if not all, EU MS collect the data that would enable this indicator to be generated. Not all systems currently disaggregate between litigious and non-litigious cases.</p> <p>Cost: Low. Systems that do not already collect such data should start doing so, as this is good practice. Some adjustments may be required to information systems in some EU MS to allow data to be generated routinely electronically/automatically at the court/subnational level.</p> <p>Doing Business tracks the availability of judicial productivity reports in all countries and can provide links/copies of these reports for all countries that have such info.</p>
<p>3. Judge-staff ratio</p>	<p>Measures the ratio of the number of staff to the number of judges.</p> <p>Useful in identifying sub-national differences in resourcing and linking them to differences in productivity.</p>	<p>Data-source/coverage: CEPEJ and national court statistics.</p> <p>Coverage: All MS at national level. Most EU MS also collect at the court level, manually if not automatically. Thus, data exists that would enable this indicator to be generated.</p> <p>Cost: Low. Systems that do not already collect such data should start doing so, as this is standard practice. Some adjustments may be required to information systems in some</p>

Performance indicator (short title)	Description of what it measures	Data source availability and cost
		EU MS to allow data to be generated routinely electronically/automatically at the court/subnational level.
4. Congestion rate	<p>Measures the total caseload (number of incoming and pending cases) divided by the number of resolved cases in a given reporting period, usually one year.</p> <p>Reflects the time it would take a court to resolve its pending cases, given its current efficiency and clearance rates. High congestion rates signal the need to take measures to reduce backlog and delay.</p>	<p>Data source/coverage: Information systems in many, if not all, EU MS collect the data that would enable this indicator to be generated, both nationally and at the court level.</p> <p>Cost: Low. Information systems that do not already collect such data should start doing so, as this is good practice. Some adjustments may be required to systems in some EU MS to allow data to be generated routinely electronically/automatically at the court/subnational level.</p> <p>Doing Business tracks the availability of congestion rates reports in all countries and can provide links/copies of these reports for all countries that have such info.</p>
5. Cost per case	<p>Measures the total budget, divided by the number of cases resolved in a given jurisdiction in a given reporting period, usually one year.</p> <p>Gauges the average cost of resolving a case in the jurisdiction.</p> <p><i>(NB: in some EU MS, it can be difficult to disaggregate budget data at subnational level to generate a cost per case per court/statistical region.)</i></p>	<p>Data source/coverage: Computation of this indicator ideally requires data on executed budget disaggregated at the court/subnational level. It is good practice to do this, and several EU MS are able to do it. (Currently, some EU MS, e.g. Sweden, collect this data, but no comparable dataset exists.)</p> <p>Cost: Low. Information systems that do not collect such data should start doing so, as this is good practice. Some adjustments may be required to systems in EU MS to allow data to be generated routinely electronically/automatically at the court/subnational level.</p>
6. Age structure of civil, commercial and administrative cases	<p>Measures the share of first instance pending cases that are older than 1 year and older than 3 years.</p> <p>Figures are usually shown in percentages and by case type and court type. This is useful because it requires courts to create an Ageing List, which is a useful performance monitoring tool.</p>	<p>Data source/coverage: Information systems in many, if not all, EU MS collect the data that would enable this indicator to be generated, both nationally and at the court level.</p> <p>Cost: Low. Information systems that do not already collect such data should start doing so, as this is standard practice. Some adjustments may be required to systems in some EU MS to allow data to be generated routinely electronically/automatically at the court/subnational level.</p>

Performance indicator (short title)	Description of what it measures	Data source availability and cost
		Doing Business tracks the availability of age structure of cases reports in all countries and can provide links/copies of reports for all countries that have such info.
7. Time needed to resolve civil, commercial and administrative litigious cases using the SATURN method	<p>Measures a proxy for the disposition time using the SATURN method in days disaggregated by case type (civil, commercial and administrative). It would be good to also collect the median.</p> <p>According to the SATURN method, this indicator compares the total number of pending cases at the end of the observed period with the number of resolved cases during the same period and converts this ratio into a number of days using the following formula: <i>Calculated Disposition Time = (Number of pending cases at the end of a period/Number of resolved cases in a period) x 365.</i></p> <p><i>(NB: this creates a proxy for how long it takes to resolve a case, but is more an indicator of congestion than of timeliness. Note also that this measure is subject to fluctuation with backlog reduction efforts, so reliance on it can be counter-productive in environments where delay and backlog is a problem.)</i></p>	<p>Data source: EU Justice Scoreboard</p> <p>Coverage: All MS are requested to provide data at the national level. However, several MS do not currently provide such data, especially data disaggregated by case type.</p> <p>Cost: Low. Some adjustments may be required to systems in some EU MS to allow data to be generated routinely electronically/automatically at the court/subnational level.</p>
8. Disposition time of resolved civil, commercial and administrative litigious cases	<p>Measures the average and median disposition times of actual resolved cases, disaggregated by case type (civil, commercial and administrative litigious cases).</p> <p><i>(Note: If/when all justice systems are able to reliably measure this indicator, the SATURN indicator above would not be needed.)</i></p>	<p>Data source/coverage: Information systems in many, if not all, EU MS collect the data that would enable this indicator to be generated, both nationally and at the court level.</p> <p>Cost: Low. Information systems that do not already collect such data should start doing so, as this is good practice. Some adjustments may be required to systems in some EU MS to allow data to be generated routinely electronically/automatically at the court/subnational level.</p>
9. Expeditionousness of courts	Measures the percentage of firms that report that courts are 'quick'.	<p>Data source/coverage: BEEPS, covering Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovak Republic, and Slovenia at the national level.</p> <p>Cost: Moderate/High. The methodology would need to be extended to all EU MS with sample sizes that allow disaggregation at the sub-national level.</p>

Performance indicator (short title)	Description of what it measures	Data source availability and cost
10. Effectiveness of the system for service of process	<p>Measures successful service of process/summons as a share of all attempts at service/summons</p> <p>and/or</p> <p>Average length of time needed to carry out service (to be disaggregated by court region).</p>	<p>Data source/coverage: Few countries measure this, although it is a good practice. Adjustments would need to be introduced to information systems to collect such data.</p> <p>Cost: Moderate. Adjustments would need to be introduced to information systems to start collecting such data. Doing so would be good practice.</p> <p>As an alternative data source, Doing Business collects the median time from filing to service for a hypothetical case.</p>
11. Timeliness of uncontested enforcement claims	<p>Measures the average time in days needed to issue a response to a request for enforcement of uncontested claims (e.g. orders for payment, enforceable titles based on authentic documents). It would also be good to collect the median.</p> <p>Depending on the particular national system, these enforceable titles could be issued by different entities: courts, notaries, an enforcement authority.</p>	<p>Data source/coverage: Not currently available. Adjustments would need to be introduced to information systems to collect such data.</p> <p>Cost: Moderate. Adjustments would need to be introduced to information systems to collect such data.</p> <p>World Bank recently analyzed enforcement and collection of uncontested claims through expert surveys in Central and Eastern Europe. The report is available here; however the design of an indicator would require a more quantitative method that periodically collects data from national systems rather than reliance on expert assessments.</p>
12. Timeliness of first hearing (for various categories of litigious cases)	<p>For existing caseloads, this would measure the average length of time (in days) from filing to first hearing for different categories of litigious cases.</p> <p>It would also be good to collect the median.</p>	<p>Data source/coverage: Information systems in many, if not all, EU MS collect the data that would enable this indicator to be generated, both nationally and at the court level.</p> <p>Cost: Low. Information systems that do not collect such data should start doing so, as this is good practice. Some adjustments will be required to systems in several EU MS to allow data to be generated routinely electronically/automatically at the court/subnational level.</p>
13. Number of hearings needed to resolve a certain type of litigious case (civil,	<p>Using caseload data, this indicator would identify the total number of hearings in litigious cases and divide that by the total number of resolved litigious cases in a jurisdiction in a reporting period. (It would also be good to collect the median and disaggregate by case type).</p>	<p>Data source/coverage: Information systems in many, if not all, EU MS collect the data that would enable this indicator to be generated, both nationally and at the court level.</p>

Performance indicator (short title)	Description of what it measures	Data source availability and cost
commercial, administrative)	<p>Alternatively, this data can be generated from surveys that ask parties how many hearings were necessary to resolve their case.</p> <p><i>(The Bank has conducted surveys that ask court users how many hearings were necessary to resolve their case, and how many of them were useful in contributing towards the final resolution of the case. An index was then created of the share of all hearings that parties perceive as useful (a hearing efficiency index.)</i></p>	<p>Cost: Low/moderate. Information systems that do not already collect such data should start doing so, as this is good practice. Adjustments will be required to systems in several EU MS to allow data to be generated routinely electronically/automatically at the court/subnational level.</p>
14. Adjournments	<p>Measures the percentage of scheduled hearings that are adjourned or cancelled (disaggregated by type of litigious case).</p> <p>Gauges the effectiveness of calendaring and continuance practices in courts, and the culture of keeping commitments among parties and court personnel. Reasons for adjournment may be difficult to identify through statistical systems.</p>	<p>Data source/coverage: Information systems in many, if not all, EU MS collect the data that would enable this indicator to be generated, both nationally and at the court level.</p> <p>Cost: Low. Information systems that do not already collect such data should start doing so, as this is good practice. Some adjustments may be required to systems in some EU MS to allow data to be generated routinely electronically/automatically at the court/subnational level.</p>
15. Timeliness of the enforcement phase in days	<p>The timeliness of collecting on an enforceable title measured in days based on either the SATURN methodology or on actual resolved enforcement cases.</p> <p>It would also be good to collect the median.</p>	<p>Data source/coverage: Data is not currently available but can be collected from either the local Chamber of Private Enforcement Agents (or similar), the State Enforcement Authority or the courts, depending on the type of enforcement system (private, public or combined). The methodology used can either be the SATURN methodology or methodology based on actual measurement of timelines (analogous to options for measuring length of court cases).</p> <p>Cost: Moderate. Measurement would require cooperation of the enforcement authorities.</p>
16. Use of ADR mechanisms (court-annexed mediation)	<p>Number of court settlements as a percentage of resolved first instance civil/commercial litigious cases</p>	<p>Data source/coverage: Information systems in several EU MS collect the data that would enable this indicator to be</p>

Performance indicator (short title)	Description of what it measures	Data source availability and cost
		<p>generated. However, few EU MS compile and compare this data.</p> <p>Cost: Low. Information systems that do not already collect such data should start doing so, as this is good practice. Some adjustments may be required to systems in some EU MS to allow data to be generated routinely electronically/automatically at the court/subnational level.</p>
Quality of Justice Systems		
<p>17. Unmet needs for judicial/legal services</p>	<p>Measures responses to the question: In the past three years, have you or anyone in your household ever felt the need to use the court system but decided not to?</p> <p>Gauges the extent of unmet needs for judicial/legal services in the community. It may be good to also add responses to the follow up question: <i>Please indicate whether any of the following factors influenced your/their decision not to use the court system.</i></p>	<p>Data Source/coverage: GAC survey, which currently does not cover any EU MS.</p> <p>Cost: High. The GAC survey (or at least these few questions) would need to be introduced and conducted in EU MS, including on a sub-national level.</p>
<p>18. Access to justice for people with disabilities</p>	<p>Measures responses to the following questions:</p> <ul style="list-style-type: none"> • Are court buildings wheelchair accessible? • Do courts provide sign language interpretation for people with hearing loss? • Are guide dogs of people with vision loss admitted into court buildings? • Are there alternative seating arrangements and locations for people with disabilities? • Are there computer aided, real-time transcription services, text in alternative formats, such as Braille and assistive listening devices? 	<p>Data source/coverage: Not available. Could be collected as a composite indicator with answers given at the level of individual courts and then aggregated sub-nationally. One point could be assigned to each of the proposed questions.</p> <p>Cost: Moderate. Introducing such indicator does not entail a survey or in the national reporting systems, answers would be filled out administratively. Thus, costs are at the initial stage primarily.</p>
<p>19. Use of court fee waivers</p>	<p>Measures the number of cases for which court fees were waived as a share all cases.</p>	<p>Data source/coverage: National statistical system could be required to collect such data at the national, sub-national and court level.</p>

Performance indicator (short title)	Description of what it measures	Data source availability and cost
		Cost: Low. Once national statistical systems are adapted, data should be collected administratively.
20. Availability of ICT tools (service, filing, case status)	<p>Composite index comprising responses to the following:</p> <ul style="list-style-type: none"> • Are there any electronic case management tools in place within the courts for use by judges? • Are there any electronic case management tools in place within the courts for use by lawyers? • Can the initial claim be filed electronically through a dedicated platform within the courts? • Is it possible to carry out service of process electronically for claims filed before the courts? • Can court fees be paid electronically within the courts? • Is it possible to check the status of a case electronically? • Is it possible for parties and lawyers to access the casefile electronically? 	<p>Data sources/coverage: Some of these are measured by Doing Business (not all information gathered in this regard is being made public by DB but can be used). EU Justice Scoreboard shows availability of some but not all tools. The available data sources cover MS at the national level.</p> <p>Cost: Moderate. The existing data sources would need to be adapted to collect data at the sub-national level.</p> <p><i>(Note: It is expected that this indicator would have only temporary significance and only for some countries, depending on the development of e-justice and the level of fragmentation of ICT tools within each respective member state.¹⁰)</i></p>
21. Legal aid provision per capita relative to poverty	Measures legal aid allocated on a per capita basis, controlling for poverty rates.	<p>Data source/coverage: CEPEJ and national court systems collect data on legal aid provision. Eurostat collects poverty data. All MS are covered at the national level.</p> <p>Cost: Low. Adjustments would need to be made to information systems to allow EU MS to collect subnational data. From there, administrative data would be collected.</p>
22. Legal aid granted for non-criminal cases, as compared to share of total number of cases granted legal aid (percentage)	Gauges the extent to which poorer segments of the community have access to legal aid to resolve disputes and enforce rights in civil and administrative matters.	<p>Data source/coverage: National statistics. Such data should be available at the national and at the court level. If it is missing, it should not be difficult to start collecting it through small adjustment to statistics. It would also need to be disaggregated for the sub-national level.</p> <p>Cost: Low. Once the adjustments are made, data should be collected administratively.</p>
23. Courts as an impediment to the business climate	Measures the percentage of firms that report that the courts are an obstacle to business operations.	Data source/coverage: BEEPS covering Bulgaria, Croatia, the Czech Republic, Estonia, Hungary, Latvia, Lithuania,

¹⁰ In 2016 CEPEJ published a thematic report on the use of information technology in European courts (CEPEJ Study 24): <https://www.coe.int/t/dghl/cooperation/cepej/evaluation/2016/publication/CEPEJ%20Study%2024%20-%20IT%20report%20EN%20web.pdf>.

Performance indicator (short title)	Description of what it measures	Data source availability and cost
		<p>Poland, Romania, the Slovak Republic, and Slovenia at the national level.</p> <p>Cost: High. The methodology would need to be extended to all EU MS with sample sizes that allow disaggregation at the sub-national level.</p>
24. Fairness and impartiality of courts	<p>Measures the percentage of firms indicating that court system is fair, impartial and uncorrupted.</p>	<p>Data source/coverage: BEEPS covering Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovak Republic, Slovenia at the national level.</p> <p>Cost: Moderate/High. The methodology would need to be extended to all EU MS with sample sizes that allow disaggregation at the sub-national level.</p>
25. Appeal ratio	<p>Measures the percentage of resolved litigious first-instance cases that have been appealed (disaggregated by case type).</p> <p>Some caution should be exercised when using this indicator, because high appeals rates do not per se indicate poor performance. Excessive variation of rates between subnational units, however, may be of interest. This indicator should be read together with the overturn ratio below.</p> <p><i>(Note: It is proposed to track this indicator only for first-instance cases since many countries limit by law the possibility to appeal the decision of the second-instance court and these legislative limitations may skew data.)</i></p>	<p>Data source/coverage: National statistics¹¹ should collect such data at the national and at the court level. Small adjustments would be necessary to collect it at the sub-national level.</p> <p>Cost: Low. Once the adjustments are made, data should be collected administratively.</p>
26. Overturn ratio	<p>Measures the percentage of appealed first-instance court decisions that have been overturned by the second-instance court (disaggregated by case type).</p> <p>Some caution should be exercised when using this indicator, because high appeals rates do not per se indicate poor performance. Excessive variation of rates between subnational units, however, may be of interest.</p>	<p>Data source/coverage: National statistics should collect such data at the national and at the court level. Small adjustments would be necessary to collect it at the sub-national level.</p> <p>Cost: Low. Once the adjustments are made, data should be collected administratively.</p>

¹¹ CEPEJ reports such data only for some categories of cases (litigious divorce case, employment dismissal case and insolvency case).

Performance indicator (short title)	Description of what it measures	Data source availability and cost
Independence of Justice Systems		
27. Reports of paying a bribe to the judiciary in the last 12 months	Measures response to survey question: Have you paid a bribe to the judiciary in the last 12 months? (Alternative formulation: Do you know of anyone who has paid a bribe to the judiciary in the last 12 months?)	Data source/coverage: TI Global Corruption Barometer (2013) covers MS at the national level. Not clear whether the question is still being asked or whether it could be repeated in the future. Cost: Moderate. The methodology would need to be extended to the sub-national level.
28. No corruption in the judiciary	A value on a 0.0 to 1.0 scale (comprising 100 units) derived from surveys of households and expert surveys. This measurement is part of the Absence of Corruption factor measured by the Rule of Law Index, which comprises the following sub-factors: <ul style="list-style-type: none"> • Government officials in the Executive Branch do not use public office for private gain • Government officials in the judicial branch do not use public office for private gain • Government officials in the police and the military do not use public office for private gain • Government officials in the legislative branch do not use public office for private gain 	Data source/coverage: Rule of Law Index of the World Justice Project covers MS at the national level except for Ireland, Cyprus, Latvia, Lithuania, Luxemburg, Malta, Slovakia. Cost: Moderate. The methodology would need to be extended to the sub-national level and to the MS that are currently not covered.
29. Judicial corruption	Measures the percentage of firms reporting that bribery is frequent in dealings with courts.	Data source/coverage: BEEPS covering Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovak Republic, and Slovenia at the national level. Cost: Moderate/high. The methodology would need to be extended to all EU MS with sample sizes that allow disaggregation at the sub-national level.
30. Judicial independence	A value on a 1 to 7 scale, as well as a country ranking based on expert assessment.	Data source/coverage: Global Competitiveness Index covering all EU MS at the national level.

Performance indicator (short title)	Description of what it measures	Data source availability and cost
	“Judicial independence” is measured as part of sub-factor “undue influence”, contributing to factor “public institutions”.	Cost: Moderate. The methodology would need to be extended to the sub-national level.
31. Lower court independence	Measures responses to the question: When judges not on the high court are ruling in cases that are salient to the government, how often would you say that their decisions merely reflect government wishes regardless of their sincere view of the legal record?	Data source: V-Dem Index covering all MS at the national level. Cost: Moderate. The methodology would need to be extended to the sub-national level.
32. No improper governmental influence in civil justice	A value on a 0.0 to 1.0 scale (comprising 100 units) derived from surveys of households and expert surveys. This measurement is part of the Civil Justice factor measured by the Rule of Law Index, which comprises the following sub-factors: <ul style="list-style-type: none"> • People can access and afford civil justice • Civil justice is free of discrimination • Civil justice is free of corruption • Civil justice is free of improper government influence • Civil justice is not subject to unreasonable delays • Civil justice is effectively enforced 	Data source/coverage: Rule of Law Index of the World Justice Project covers EU MS at the national level with the exception of Ireland, Cyprus, Latvia, Lithuania, Luxemburg, Malta, and Slovakia. Cost: Moderate. The methodology would need to be extended to the sub-national level and to the MS that are currently not covered.
33. Perception by firms of judicial independence	Measures the percentage of companies reporting that the justice system is very good or fairly good in terms of independence (alternatively, as very bad or fairly bad).	Data source/coverage: Flash Eurobarometer 448 covering all EU MS at the national level. Cost: Moderate. The methodology would need to be extended to the sub-national level.
34. General perception of judicial independence	Measures the percentage of general population reporting that the justice system is very good or fairly good in terms of independence (alternatively, as very bad or fairly bad).	Data source/coverage: Flash Eurobarometer 447 covering all EU MS at the national level. Cost: Moderate. The methodology would need to be extended to the sub-national level.

Table 2A.13. Justice Sector Performance Indicators - Datasets and Methodologies

Dataset	Organization	Methodology	Frequency	Country coverage
BEEPS	World Bank/EBRD	BEEPS is a firm-level survey of a representative sample of an economy's private sector.	Periodic	30 economies, including the following EU Member States: Bulgaria, Croatia, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, the Slovak Republic, and Slovenia.
Doing Business	World Bank	Expert assessments for what it takes to resolve a commercial dispute through a local first-instance court based on a hypothetical case scenario.	Annual	190 economies, plus some emerging subnational analyses
European judicial systems efficiency and quality of justice	European Commission for the Efficiency of Justice (CEPEJ)	Council of Europe members are invited to appoint national correspondents who are entrusted with the coordination of replying to the requests for information by the CEPEJ on the operation and performance of national justice systems for their respective state or entity. Often these correspondents are in Ministries of Justice. The data they submit is largely based on self-reported national statistics. Every two years, the CEPEJ circulates a detailed questionnaire to the correspondents and produces a report based on data received.	Every 2 years <i>(reporting includes a two-year lag –e.g., 2016 report reflects 2014 data)</i>	45 Council of Europe member states
EU Justice Scoreboard	The European Commission	The Scoreboard uses various sources of information. Large parts of the quantitative data are provided by the Council of Europe Commission for the Evaluation of the Efficiency of Justice (CEPEJ). The other sources of data are: the group of contact persons on national justice systems, the European Network of Councils for the Judiciary, the Network of the Presidents of the Supreme Judicial Courts of the EU, Association of the Councils of State and Supreme Administrative Jurisdictions of the EU, the European Competition Network, the Communications Committee, the European Observatory on infringements of intellectual property rights, the Consumer Protection Cooperation Network, the Expert Group on Money Laundering and Terrorist Financing, Eurostat, the European Judicial Training Network, the Council of Bars and Law Societies of Europe and the World Economic Forum.	Annual	EU MS

Dataset	Organization	Methodology	Frequency	Country coverage
Flash Eurobarometer 448: Perceived independence of the national justice systems in the EU among companies	European Commission, Directorate-General for Justice and Consumers	The survey was designed to explore companies' perceptions about the independence of the judiciary across EU MS. The results feed into the EU Justice Scoreboard. The survey explores how companies rate the independence of the courts and judges in their country, and the reasons for these ratings. For the first survey, some 6,803 interviews were conducted among enterprises employing one or more persons in manufacturing, services and industry. The sample was selected from an international database, with an additional sample from local sources where necessary. Interviews were conducted with key company decision-makers over the telephone in their mother tongue. The methodology used is that of Eurobarometer surveys as carried out by the Directorate-General for Communication.	Annual	EU MS
Flash Eurobarometer 447: Perceived independence of the national justice systems in the EU among the general public	Survey requested by the European Commission, Directorate-General for Justice and Consumers	The survey was designed to explore respondents' perceptions about the independence of the judiciary across EU MS. The results feed into the EU Justice Scoreboard. The survey explores respondents' perceptions of the independence of the courts and judges in their country and the reasons for these perceptions. Respondents from different social and demographic groups were interviewed via telephone (mobile and fixed line) in their mother tongue. The methodology used is that of Eurobarometer surveys as carried out by the Directorate-General for Communication.	Annual	EU Member States
Global Competitiveness Report (GCI)	World Economic Forum (WEF)	Expert assessment. Measures, among other things: irregular payments and bribes; Judicial Independence; and Efficiency of Legal Framework in Settling Disputes.	Annual	138 economies
Global Corruption Barometer	Transparency International	The methodology involves face-to-face and telephone interviews with of a large number of citizens examining their perceptions of corruption in the public sector; how the government is tackling corruption; actual experiences of bribery; and social acceptability of reporting corruption.	Every 2 years	95 economies
Rule of Law Index (RLI)	World Justice Project (WJP)	The Index measures constraints on government powers; absence of corruption; open government; fundamental rights; order and security; regulatory enforcement; civil justice; criminal justice; and informal justice.	Annually	113 jurisdictions worldwide (without Ireland, Cyprus, Latvia,

Dataset	Organization	Methodology	Frequency	Country coverage
		<p>Specifically, in respect of the judiciary, the Index measures, among other things, bribery, improper influence by public or private interests, and misappropriation of public funds or other resources by the judiciary. As regards civil justice the Index measures whether delivery of effective civil justice requires that the system be accessible and affordable, free of discrimination, free of corruption, and without improper influence by public officials; whether court proceedings are conducted in a timely manner, not subject to unreasonable delays, and are effectively enforced; the accessibility, impartiality, and efficiency of mediation and arbitration systems that enable parties to resolve civil disputes.</p> <p>The country scores and rankings for the WJP Rule of Law Index 2016 are derived from more than 110,000 households and 2,700 expert surveys in 113 countries and jurisdictions.</p>		Lithuania, Luxemburg, Malta, or Slovakia)
GAC	World Bank	Experience and perception data from service users & providers through multi-stakeholder surveys.	Ongoing	Select economies worldwide; no EU Member States included.
Varieties of Democracy Indices (V-Dem)	V-Dem Institute (an independent research institute based at the Department of Political Science, University of Gothenburg, Sweden)	V-Dem offers separate indices of five varieties of democracy: electoral, liberal, participatory, deliberative, and egalitarian. There are some 350 unique democracy indicators in the V-Dem dataset. The V-Dem “standard” dataset is in the country-year format, where date-specific changes have been aggregated together at the year level. The 350+ V-Dem specific indicators fall into four main types: (A) factual indicators coded by members of the V-Dem team, (B) factual indicators coded by Country Coordinators, (C) evaluative indicators based on multiple ratings provided by experts, and (D) composite indices.	Ongoing, with dataset using the country-year format.	Worldwide

Table 2A.14 Shortlist of Public Accountability Mechanism Indicators

Governance variable	Indicator	What it measures	Data source
<i>Transparency De jure</i>	Freedom of Information (FOI) country score	Aggregate measure of a country's freedom of information framework (comprehensiveness evaluation)	EuroPAM
<i>Transparency De jure</i>	FOI Scope and Coverage	Aggregate measure of the scope of disclosure, coverage of public and private sectors, and access to specific documents (e.g. laws, budgets, expenditures, annual reports) (comprehensiveness evaluation)	EuroPAM
<i>Transparency De jure</i>	FOI Information access and release	Aggregate measure of procedural access and deadlines for public release of information (comprehensiveness evaluation)	EuroPAM
<i>Transparency De jure</i>	FOI Exceptions and Overrides	Aggregate measure of exemptions to disclosure and appeals process (comprehensiveness evaluation)	EuroPAM
<i>Transparency De jure</i>	FOI Sanctions for non-compliance	Aggregate measure of existence of administrative sanctions, fines, and criminal sanctions (comprehensiveness evaluation)	EuroPAM
<i>Transparency De jure</i>	FOI Monitoring and Oversight	Aggregate measure of enforcement, promotional, and implementation monitoring bodies (comprehensiveness evaluation)	EuroPAM
<i>Transparency De jure</i>	Financial Disclosure (FD) country score	Aggregate measure of a country's financial disclosure framework (comprehensiveness evaluation, includes Head of state, Ministers, Members of Parliament, and Civil servants)	EuroPAM
<i>Transparency De jure</i>	FD Disclosure items	Aggregate measure of scope and extent of disclosure of income and assets, and incompatibilities (conflicts of interest) (comprehensiveness evaluation)	EuroPAM
<i>Transparency De jure</i>	FD Filing frequency	Aggregate measure of frequency of declaration filing (comprehensiveness evaluation)	EuroPAM
<i>Transparency De jure</i>	FD Sanctions	Aggregate measure of sanctions for failure to file, late filing, and false disclosure (comprehensiveness evaluation)	EuroPAM
<i>Transparency De jure</i>	FD Monitoring and Oversight	Aggregate measure of the institutional arrangements for receiving declarations, enforcing disclosure, and verification of declarations (comprehensiveness evaluation)	EuroPAM
<i>Transparency De jure</i>	FD Public access to declarations	Aggregate measure of availability, timing, location, and cost of access to declarations (comprehensiveness evaluation)	EuroPAM
<i>Transparency De jure</i>	To what extent is there a well-defined open data policy and/or strategy in the country?	Existence of open data policy	Open Data Barometer
<i>Transparency De jure</i>	To what extent is there a robust legal or regulatory framework for protection of personal data in this country?	Existence of data protection law	Open Data Barometer

Governance variable	Indicator	What it measures	Data source
<i>Transparency De facto</i>	Right to Information Drivers of Effectiveness (RIDE) country score	Aggregate measure of the country drivers of RTI implementation success	RIDE Indicators
<i>Transparency De facto</i>	RIDE Enabling Conditions	Aggregate measure of the quality of the RTI legal framework, role of civil society, and policy prioritization	RIDE Indicators
<i>Transparency De facto</i>	RIDE Demand for Information	Aggregate measure of the public awareness of RTI and accessibility of RTI system (requests, internet, language, assistance, etc.)	RIDE Indicators
<i>Transparency De facto</i>	RIDE Institutional Capacity	Aggregate measure of RTI formal practices, staffing levels, staff capacity, and staff incentives	RIDE Indicators
<i>Transparency De facto</i>	RIDE Oversight	Aggregate measure of RTI implementation monitoring and disclosure enforcement	RIDE Indicators
<i>Transparency De facto</i>	RIDE Transformative factors	Aggregate measure of RTI state-society collaboration, technology, and intra-governmental collaboration	RIDE Indicators
<i>Transparency De facto</i>	RTI Requests data	RTI request and responses data, including total annual requests at national level, and agencies targeted	RIDE Indicators ¹²
<i>Transparency De facto</i>	RTI Exemption data	RTI exemption data, including total refusals and exemptions most often invoked to deny disclosure of data	RIDE Indicators
<i>Transparency De facto</i>	RTI Appeals data	Data on RTI appeals, including total numbers, reasons for appeal, and responses	RIDE Indicators
<i>Transparency De facto</i>	Financial Disclosure (FD) country score	Aggregate measure of FD implementation practices	PAM implementation indicators
<i>Transparency De facto</i>	FD Management	Evaluation of FD management practices, e.g., records, budget, staff	PAM implementation indicators
<i>Transparency De facto</i>	FD Technology	Evaluation of use of technology in FD practices	PAM implementation indicators
<i>Transparency De facto</i>	FD Submission compliance	Rates and quality of compliance with FD rules	PAM implementation indicators ¹³

¹² Data on RTI requests and appeals was collected as part of a pilot study. This is data that governments produce about their own performance, often required by law to be collected and released to the public. See: Lemieux and others 2015. “[Transparency and Open Government: Reporting on the Disclosure of Information](#).” *JeDEM - eJournal of eDemocracy and Open Government* 7(2): 75-93.

¹³ Data on FD submission compliance, content audits, and sanctions was collected as part of a pilot study. This is data that governments produce about their own performance, often required by law to be collected and released to the public.

Governance variable	Indicator	What it measures	Data source
<i>Transparency De facto</i>	FD Content audits	Rates and nature of FD audits and verification	PAM implementation indicators
<i>Transparency De facto</i>	FD Sanctions and Enforcement	Rates and type of FD enforcement	PAM implementation indicators
<i>Transparency De facto</i>	FD Information dissemination	Evaluation of FD content and method of information release	PAM implementation indicators
<i>Transparency De facto</i>	National statistics – access	Aggregate measure of national statistics in three areas: methodology, source data, and periodicity (25 sub-indicators)	Statistical Capacity Indicator
<i>Transparency De facto</i>	To what extent is there a consistent (open) data management and publication approach?	Open data management approach by government	Open Data Barometer
<i>Transparency De facto</i>	To what extent is there a well-resourced open government data initiative in this country?	Country-level open data initiative	Open Data Barometer
<i>Transparency De facto</i>	To what extent are city or regional governments running their own open data initiatives?	Sub-national open data initiatives	Open Data Barometer
<i>Transparency De facto</i>	To what extent does the country have a functioning right-to-information law?	Functioning of RTI law	Open Data Barometer
<i>Transparency De facto</i>	To what extent are civil society and information technology professionals engaging with the government regarding open data?	Civil society engagement with open government data	Open Data Barometer
<i>Transparency De facto</i>	To what extent is training available for individuals or businesses wishing to increase their skills or build businesses to use open data?	Open data training availability	Open Data Barometer
<i>Transparency De facto</i>	To what extent is government directly supporting a culture of innovation with open data through competitions, grants or other support?	Government support for open data culture	Open Data Barometer

Governance variable	Indicator	What it measures	Data source
<i>Transparency De facto</i>	Public Contracts – open data	Aggregate measure of quality and availability of data sets (10 sub-indicators) ¹⁴	Open Data Barometer
<i>Transparency De facto</i>	Health sector performance – open data	Aggregate measure of quality and availability of data sets (10 sub-indicators)	Open Data Barometer
<i>Transparency De facto</i>	Primary or secondary education performance data – open data	Aggregate measure of quality and availability of data sets (10 sub-indicators)	Open Data Barometer
<i>Transparency De facto</i>	National environment statistics – open data	Aggregate measure of quality and availability of data sets (10 sub-indicators)	Open Data Barometer
<i>Transparency De facto</i>	Detailed government budget – open data	Aggregate measure of quality and availability of data sets (10 sub-indicators)	Open Data Barometer
<i>Transparency De facto</i>	Detailed data on government spending – open data	Aggregate measure of quality and availability of data sets (10 sub-indicators)	Open Data Barometer
<i>Transparency De facto</i>	Company registers – open data	Aggregate measure of quality and availability of data sets (10 sub-indicators)	Open Data Barometer
<i>Transparency De facto</i>	Legislation – open data	Aggregate measure of quality and availability of data sets (10 sub-indicators)	Open Data Barometer
<i>Transparency De facto</i>	Transport timetables – open data	Aggregate measure of quality and availability of data sets (9 sub-indicators) ¹⁵	Open Data Index
<i>Transparency De facto</i>	Government budget – open data	Aggregate measure of quality and availability of data sets (9 sub-indicators)	Open Data Index
<i>Transparency De facto</i>	Government spending – open data	Aggregate measure of quality and availability of data sets (9 sub-indicators)	Open Data Index
<i>Transparency De facto</i>	Election results – open data	Aggregate measure of quality and availability of data sets (9 sub-indicators)	Open Data Index
<i>Transparency De facto</i>	Company register – open data	Aggregate measure of quality and availability of data sets (9 sub-indicators)	Open Data Index
<i>Transparency De facto</i>	National map – open data	Aggregate measure of quality and availability of data sets (9 sub-indicators)	Open Data Index
<i>Transparency De facto</i>	National statistics – open data	Aggregate measure of quality and availability of data sets (9 sub-indicators)	Open Data Index

¹⁴ The 10 ODB sub-indicators are: Does the data exist? Is it available online from government in any form? Is the dataset provided in machine-readable formats? Is the machine-readable data available in bulk? Is the dataset available free of charge? Is the data openly licensed? Is the dataset up to date? Is the publication of the dataset sustainable? Was it easy to find information about this dataset? Are (linked) data URIs provided for key elements of the data?

¹⁵ The 9 ODI sub-indicators are: Does the data exist? Is data in digital form? Publicly available? Is the data available for free? Is the data available online? Is the data machine-readable? Available in bulk? Openly licensed? Is the data provided on a timely and up to date basis?

Governance variable	Indicator	What it measures	Data source
<i>Transparency De facto</i>	Legislation – open data	Aggregate measure of quality and availability of data sets (9 sub-indicators)	Open Data Index
<i>Transparency De facto</i>	Postcodes/zip codes – open data	Aggregate measure of quality and availability of data sets (9 sub-indicators)	Open Data Index
<i>Transparency De facto</i>	Emissions of pollutants – open data	Aggregate measure of quality and availability of data sets (9 sub-indicators)	Open Data Index
<i>Accountability De jure</i>	Conflict of Interest Restrictions (COI) country score	Aggregate measure of a country’s COI framework (comprehensiveness evaluation)	EuroPAM
<i>Accountability De jure</i>	COI Restrictions	Aggregate measure of restrictions on behavior (comprehensiveness evaluation)	EuroPAM
<i>Accountability De jure</i>	COI Sanctions	Aggregate measure of administrative sanctions, fines, and criminal penalties (comprehensiveness evaluation)	EuroPAM
<i>Accountability De jure</i>	COI Monitoring and Oversight	Aggregate measure of monitoring and enforcement arrangements (comprehensiveness evaluation)	EuroPAM
<i>Accountability De jure</i>	Political financing (PF) country score	Aggregate measure of a country’s political financing framework (comprehensiveness evaluation)	EuroPAM ¹⁶
<i>Accountability De jure</i>	PF Bans and limits on private income	Aggregate measure of bans on donations from foreign interests, corporations, trade unions, anonymous sources, and donation limits (comprehensiveness evaluation)	EuroPAM
<i>Accountability De jure</i>	PF Public funding	Aggregate measure of eligibility criteria, allocation calculations, and earmarking provisions for direct and indirect public funding (comprehensiveness evaluation)	EuroPAM
<i>Accountability De jure</i>	PF Regulations on spending	Aggregate measure of bans on vote buying, and spending (comprehensiveness evaluation)	EuroPAM
<i>Accountability De jure</i>	PF Reporting, oversight, and sanctions	Aggregate measure on reporting standards, oversight mechanisms, and sanctions (comprehensiveness evaluation)	EuroPAM
<i>Accountability De facto</i>	COI mitigation	Evaluation of COI review and remediation practices	PAM implementation indicators
<i>Accountability De facto</i>	Ethics indicators (possible)	Indicators may be developed from a World Bank study on the implementation of ethics frameworks in 8 economies (2016). Topics include advisory services/guidance materials, organizational monitoring, training, technology, interagency collaboration, and outreach.	World Bank

¹⁶ Political financing indicators were adapted from the Institute for Democracy and Electoral Assistance (IDEA).

Table 2A.15. PAM Indicators – Datasets and Methodology

Dataset	Organization	Methodology	Frequency	Country coverage
EuroPAM ¹⁷ <i>Public Accountability Mechanisms (PAM)</i>	Hertie School of Governance (Germany)	Expert assessment <i>de jure</i>	Annual, ending in 2017 2012, 2015, 2016, 2017	34 European economies plus European Commission
PAM implementation	World Bank (US)	Expert assessment & government statistics ¹⁸ <i>de facto</i>	Pilot study completed (2012) <i>5 countries</i>	Pilot study completed (2012); 5 economies
RIDE Indicators <i>Right to Information Drivers of Effectiveness (RIDE)</i>	World Bank (US)	Expert assessment & government statistics <i>de facto</i>	Pilot study completed (2014) <i>6 countries</i>	Pilot study completed (2014); 6 economies
Open Data Barometer	World Wide Web Foundation (US)	Expert assessment <i>de jure & de facto</i>	Annual, ongoing 2013, 2014, 2015	27 European economies
Open Data Index	Open Knowledge Foundation (UK)	Crowdsourcing / Expert Assessment ¹⁹ <i>de facto</i>	Annual, ongoing 2013, 2014, 2015	30-35 European economies
Statistical Capacity Indicator (SCI)	World Bank (US)	Expert assessment <i>de facto</i>	Annual, ongoing 2004-2016	19 European economies (no high- income)

¹⁷ Collected by the Hertie School of Governance and adapted from World Bank Public Accountability Mechanisms (PAM).

¹⁸ Government statistics are defined as data that governments produce about their own performance, often required by law to be collected and released to the public.

¹⁹ The assessment and review of the ODI datasets takes place in four steps. The first step is collecting the evaluation of datasets through volunteer contributors, and the second step is QA checks by the local coordinators, the third is verifying the results with paid expert reviewers. The fourth and the last step is a public review of the Index before it is published.

Shortlist of Corruption Indicators

Table 2A.16. Indicators of State Capture²⁰

Governance variable	Indicator	Data source	Respondent profile	Frequency of field applications
State Capture	<p>It is often said that firms make unofficial payments/gifts, private payments or other benefits to public officials to gain advantages in the drafting of laws, decrees, regulations, and other binding government decisions. To what extent have the following practices had a direct impact on your business (no impact... decisive impact, don't know):</p> <ul style="list-style-type: none"> • Private payments/gifts or other benefits to Parliamentarians to affect their votes • Private payments/gifts or other benefits to Government officials to affect the content of government decrees • Private payments/gifts or other benefits to local or regional government officials to affect their votes or content of government decrees 	BEEPS 2005, GAC Diagnostics (firms)	Business managers and firm owners	<p>BEEPS: 1 round; 28 economies</p> <p>GAC: ad hoc, 17 economies</p>
State Capture	<p>How often would firms like yours make unofficial payments/gifts for the following purposes: "To influence the content of new legislation, rules, decrees, etc.?"</p> <p>1 = never; 2 = seldom; 3 = sometimes; 4 = frequently; 5 = usually; 6 = always;</p>	BEEPS 2002, 2005; GAC Diagnostics (firms)	Business managers and firm owners	<p>BEEPS: 2 rounds; 28 economies</p> <p>GAC: ad hoc, 17 economies</p>
State Capture	<p>Please tell me to what extent you agree or disagree with each of the following statements. Do you (1) totally disagree, (2) partially disagree (3) are indifferent (4) partially agree <u>OR</u> (5) totally agree?</p> <ul style="list-style-type: none"> • The judicial system is <i>manipulated</i> by economic interests 	GAC Diagnostics	Households; business managers and firm owners	ad hoc, 17 economies

²⁰ Some of the indicators in this shortlist are taken from survey instruments designed for use in non-English speaking economies. In order to preserve the original structure of these survey questions, we have left them in a translated form with limited editing. These indicators would need to be adapted to fit a European context and to ensure appropriate language and phrasing is used.

Governance variable	Indicator	Data source	Respondent profile	Frequency of field applications
State Capture	<p>Can you please tell me what is the capacity or ability of the following key players to influence, through bribes, the decisions made by the top officials? Use the scale from 1 to 7, where 1 means high capacity, 4 somewhat and 7 low capacity</p> <ul style="list-style-type: none"> • Economic groups / business interests • Labor unions • Economic organizations • Local firms • Foreign firms • Drug trafficking groups • Other organized crime groups 	GAC Diagnostics	Households; business managers and firm owners; public officials	ad hoc, 17 economies
State Capture	How frequently do you think that firms make donations like contributions to a political party or support movement preparing for an election campaign?	GAC Diagnostics (firms and public officials)	Households; business managers and firm owners; public officials	ad hoc, 17 economies
State Capture	According to previous question, how important do you think it is for the private industry to make these contributions to the political system, in terms of profits and revenues generated for the private sector? Use the scale from 1 to 7, where 1 means very important and 7 means non-important.	GAC Diagnostics (firms and public officials)	Households; business managers and firm owners; public officials	ad hoc, 17 economies
State Capture	Do major economic stakeholders influence economic legislation? (score 0 to 4)	Institutional Profile Database	In-country French economic and development officials	3 rounds, 143 economies
State Capture	Do major economic stakeholders influence tax policy? (score 0 to 4)	Institutional Profile Database	In-country French economic and development officials	3 rounds, 143 economies
State Capture	Can political authorities make independent decisions vis-à-vis the various lobby and interest groups? (score 0 to 4)	Institutional Profile Database	In-country French economic and development officials	3 rounds, 143 economies
State Capture	In law, there are restrictions for state civil servants entering the private sector after leaving the government.	State Integrity Report	Journalist-researchers (evidence-based)	2 rounds, 50 US states
State Capture	In law, state civil servants must recuse themselves from actions in which they may have a conflict of interest.	State Integrity Report	Journalist-researchers (evidence-based)	2 rounds, 50 US states

Governance variable	Indicator	Data source	Respondent profile	Frequency of field applications
State Capture	In law, there are limits on individual donations to candidates and to political parties.	State Integrity Report	Journalist-researchers (evidence-based)	2 rounds, 50 US states
State Capture	In law, there are limits on corporate donations to candidates and to political parties.	State Integrity Report	Journalist-researchers (evidence-based)	2 rounds, 50 US states
State Capture	In law, there are limits on lobbyists' donations to candidates and to political parties.	State Integrity Report	Journalist-researchers (evidence-based)	2 rounds, 50 US states
State Capture	In practice, the limits on individual donations to candidates and political parties are respected	State Integrity Report	Journalist-researchers (evidence-based)	2 rounds, 50 US states
State Capture	In practice, the limits on corporate donations to candidates and political parties are respected.	State Integrity Report	Journalist-researchers (evidence-based)	2 rounds, 50 US states
State Capture	In practice, the limits on lobbyist donations to candidates and political parties are respected.	State Integrity Report	Journalist-researchers (evidence-based)	2 rounds, 50 US states
State Capture	In practice, state civil servants are protected from political interference.	State Integrity Report	Journalist-researchers (evidence-based)	2 rounds; 50 US states
State Capture	To what extent is the judiciary in your country independent from influences of members of government, citizens, or firms? [1 = heavily influenced; 7 = entirely independent]	Global Competitiveness Index	Business managers and firm owners	10 rounds, 138 economies

Table 2A.17. Indicators of Nepotism and Patronage

Governance Variable	Indicator	Data source	Respondent profile	Frequency of field applications
Nepotism/ Patronage	In the past twelve months, have elected officials, their appointees, or political party officials influenced any	GAC Diagnostics	Public officials	ad hoc, 17 economies

Governance Variable	Indicator	Data source	Respondent profile	Frequency of field applications
	hiring decisions or promotions in your organization/department? [If yes] How often did it occur? 1. Never 2. Seldom 3. Frequently 4. Mostly 5. Always			
Nepotism/ Patronage	In law, nepotism (favorable treatment of family members), cronyism (favorable treatment of friends and colleagues), and patronage (favorable treatment of those who reward their superiors) are prohibited within the state civil service.	State Integrity Report	Journalist-researchers (evidence-based)	2 rounds; 50 US states
Nepotism/ Patronage	In practice, state civil service management actions (e.g. hiring, firing, promotions) are not based on nepotism, cronyism, or patronage.	State Integrity Report	Journalist-researchers (evidence-based)	2 rounds; 50 US states
Nepotism/ Patronage	When granting licenses to start up private firms, public sector employees favor applicants with whom they have strong personal contacts	Quality of Government - Expert Survey	In-country experts	2 rounds, 159 economies
Nepotism/ Patronage	When recruiting public sector employees, the political connections of the applicants decide who gets the job. (Agree, rather agree, rather disagree, disagree)	Quality of Government - Expert Survey	In-country experts	2 rounds, 159 economies
Nepotism/ Patronage	When recruiting public sector employees, the personal connections of the applicants (for example kinship or friendship) decide who gets the job. (Agree, rather agree, rather disagree, disagree)	Quality of Government - Expert Survey	In-country experts	2 rounds, 159 economies

Table 2A.18. Indicators of Embezzlement of Budget

Governance variable	Indicator	Data source	Respondent profile	Frequency of application
Budget embezzlement	<p>During the last two years, to what extent would you agree that decisions relating to the budget administration (amounts assigned to the budget, services, programs which they were carried out, groups that received budget allocations) have been:</p> <ol style="list-style-type: none"> 1. Done transparently (we know who received what and why) 2. Announced/open to public knowledge through various legal means 3. Subjected to regular audits by the internal control unit 4. Subject to regular external audits performed by professionals qualified and experienced in conducting audits 5. Based on specific criteria defined in writing 6. Influenced by regional ties 7. Based on political pressure 8. Based on influential connections within the institutions 9. Influenced by illegal payments 10. Planned with consideration given to institutional fulfilment <p>(scale from 1 to 7 or 1 to 5 depending on the country of implementation)</p>	GAC Diagnostics	Public officials	ad hoc, 17 economies
Budget embezzlement	<p>During the last two years in the use of budget funds in your institution, how frequently were there irregularities such as misappropriation or any other type of abuse of budget resources? 1. Never 2 Seldom 3. Frequently 4. Most times 5. Always</p>	GAC Diagnostics	Public officials	ad hoc, 17 economies
Budget embezzlement	<p>Members of the executive (the head of state, the head of government and cabinet ministers), or their agents, steal, embezzle or misappropriate public funds or other state resources for personal or family use. (Agree, rather agree, rather disagree, disagree)</p>	Quality of Government - Expert Survey	In-country experts	2 rounds, 159 economies

Governance variable	Indicator	Data source	Respondent profile	Frequency of application
Budget embezzlement	Public sector employees steal, embezzle or misappropriate public funds or other state resources for personal or family use. Agree, rather agree, rather disagree, disagree	Quality of Government - Expert Survey	In-country experts	2 rounds, 159 economies

Table 2A.19. Indicators of Administrative/Petty Corruption

Governance variable	Indicator	Data source	Respondents profile	Frequency of field application
Petty Corruption	On average, what percent of total annual sales do firms like yours typically pay in unofficial payments/gifts to public officials? %	BEEPS 2002 and 2005	Business managers and firm owners	2 rounds, 28 economies
Petty Corruption	In the past fiscal year how much did all the inspections (by public officials) that took place at this establishment cost, including official fines and any unofficial payments?	BEEPS 2008	Business managers and firm owners	1 round; 28 economies
Petty Corruption	Thinking now of unofficial payments/gifts that establishments like this one would make in a given year, please tell me how often would they make payments/gifts for the following purposes: <ul style="list-style-type: none"> To deal with customs/imports To deal with courts To deal with taxes and tax collection 	BEEPS 2005, 2008	Business managers and firm owners	2 rounds, 28 economies
Petty Corruption	In reference to that application for an electrical connection , was an informal gift or payment expected or requested? In reference to that application for a water connection , was an informal gift or payment expected or requested? In reference to that application for a telephone connection , was an informal gift or payment expected or requested? In order to obtain any of the compulsory certificates was a gift or informal payment expected or requested? In reference to any of those applications for permits , was an informal gift or payment expected or requested? In reference to that application for a construction-related permit , was an informal gift or payment expected or requested?	BEEPS 2008 and 2011	Business managers and firm owners	2 rounds, 28 economies

Governance variable	Indicator	Data source	Respondents profile	Frequency of field application
	<p>Over the last year, how many times was this establishment either inspected by tax officials or required to meet with them?</p> <p>In any of these (tax) inspections or meetings, was a gift or informal payment requested?</p> <p>In reference to that application for an import license, was an informal gift or payment expected or requested?</p> <p>In reference to that application for an operating license, was an informal gift or payment expected or requested?</p>			
Petty Corruption	<p>How frequently do households / firms like yours find themselves obliged to make unofficial payments to public official associated with the following?</p> <ul style="list-style-type: none"> • Public service procedures • Request for licenses or permits • Update of fiscal situation • Obtain contracts with state institutions • Pursue legal proceedings in the judicial branch 	GAC Diagnostics	Households; Business managers and firm owners; and Public officials	ad hoc, 17 economies
Petty Corruption	<p>During the last year has anybody in your household/firm sought to obtain the following public service? If so, what was the official costs of the service received? If so, did a public official ask for an extra payment when you sought that service? How much was on average the extra payment made? (<i>question asked for a list of country-specific public services delivered to citizens and businesses, e.g. health, education, passport, permits, licenses, etc.</i>)</p>	GAC Diagnostics	Households; Business managers and firm owners	ad hoc, 17 economies
Petty Corruption	<p>If you or anybody in your household were involved in a lawsuit in the past 3 years, did you or anyone in your household receive any indication that you were expected to pay some gratification (to a judge, prosecutor, enforcement officials, or any other official involved in the case) in order to get a favorable decision in the case?</p>	GAC Diagnostics	Households; Business managers and firm owners	ad hoc, 17 economies
Petty Corruption	<p>If you or anybody in your household were involved in a lawsuit in the past 3 years, did you have to pay the following type of officials? If so, how much was the gratification on average? [List of answers included: bailiffs, court clerks, judges, magistrates, public prosecutors, legal aid, local court chairmen, messengers, law enforcement officers]</p>	GAC Diagnostics	Households; Business managers and firm owners	ad hoc, 17 economies

Governance variable	Indicator	Data source	Respondents profile	Frequency of field application
Petty Corruption	Has a police officer / soldier / military officer asked you for a bribe in the last twelve months?	LAPOP	Citizens	6+ rounds, 28 economies
Petty Corruption	In the last twelve months, to process any kind of document in your municipal government, like a permit for example, did you have to pay any money above that required by law?	LAPOP	Citizens	6+ rounds, 28 economies
Petty Corruption	Level of “petty” corruption between citizens and the administrations (score from 0 to 4)	Institutional Profile Database	In-country French economic and development officials	3 rounds, 143 economies
Petty Corruption	Level of corruption between administrations and local businesses (score from 0 to 4)	Institutional Profile Database	In-country French economic and development officials	3 rounds, 143 economies

Table 2A.20. Indicators of Corruption in Public Procurement

Governance variable	Indicator	Data source	Respondent profile	Field application
Corruption in public procurement	How often would firms like yours make unofficial payments/gifts for the following purposes?” 1 = never; 2 = seldom; 3 = sometimes; 4 = frequently; 5 = usually; 6 = always <ul style="list-style-type: none"> • “To obtain government contracts” 	BEEPS 2002 and 2005	Business managers and firm owners	2 rounds, 28 economies
Corruption in public procurement	When firms in your industry do business with the government, what percent of the contract value would be typically paid in additional or unofficial payments/gifts to secure the contract? _____%	BEEPS 2005, 2008, 2011; GAC Diagnostics	Business managers and firm owners	BEEPS: 3 rounds; 28 economies GAC: ad hoc, 17 economies
Corruption in public procurement	In many countries, it is common for enterprises to make additional payments to win a procurement contract. (i) What proportion of public procurement contracts in your organization involves any gratification? _____% of procurement contracts	GAC Diagnostics	Public officials	ad hoc, 17 economies
Corruption in public procurement	When gratification is made for a procurement contract of your organization, typically what percentage of the value of the contract has to be paid in order to win the procurement contract? _____% of the value of contract.	GAC Diagnostics	Public officials	ad hoc, 17 economies

Governance variable	Indicator	Data source	Respondent profile	Field application
Corruption in public procurement	Firms that provide the most favorable kickbacks to senior officials are awarded public procurement contracts in favor of firms making the lowest bid	Quality of Government Expert Survey	In-country experts	2 rounds, 159 economies

Table 2A.21. Indicators of Purchase of Public Positions

Governance variable	Indicator	Data source	Respondent profile	Field application
Purchase of public positions	<p>Please evaluate to what extent during the last two years personnel management decisions (hiring, assignments, changes, promotions, salary increases) in your office were:</p> <ol style="list-style-type: none"> 1. Made in a transparent manner (to know to whom were assigned, promoted, transferred, or received wage increase and why) 2. Position vacancies announced within the institution as well as announced publicly outside the institution (when appropriate) 3. Useful for the improvement of institutional efficiency 4. Subjected to regular audits by the internal unit of control 5. Subject to a formal procedure of appeal 6. Based on specific criteria defined in writing (as opposed to tacit – not written and informal rules) 7. Based on professional experience/merit/performance 8. Based on level of education 9. Based on seniority/age 10. Based on family ties or friendship 11. Influenced by business ties/associations 12. Based on political ties/political affiliation/political pressure 13. Based on influential connections within the institution 14. Influenced by illegal payments (purchase of positions or promotions) 	GAC Diagnostics	Public officials	ad hoc, 17 economies
Purchase of public positions	<p>We know that in many countries, public officials pay to “buy” positions in the public sector. Based on your direct or indirect experience, how common is the practice of “purchasing jobs” in your organization among:</p> <ol style="list-style-type: none"> 1. Your colleagues in higher positions (people at a higher level than you not including your superiors) 2. Co-workers (people at your same level not including yourself) 3. Your colleagues’ subordinates (people at a lower level than you, not including your subordinates) 	GAC Diagnostics	Public officials	ad hoc, 17 economies

Governance variable	Indicator	Data source	Respondent profile	Field application
Purchase of public positions	Frequency of bribe paid for state employment	PAPI	Citizens	6 rounds, 63 provinces in Vietnam
Purchase of public positions	When recruiting public sector employees, the skills and merits of the applicants decide who gets the job.	Quality of Government Expert Survey	In-country experts	2 Rounds, 159 economies

Table 2A.22. Additional Indicators/Control Variables about the Institutional Environment

Governance variable	Indicator	Data source	Respondent profile	Field application
Control variable	<p>What services do you receive from the association or associations to which you belong, and what is the value of these services to your firm? “Critical value to your firm” should be placed on services that significantly reduce the costs of your firm or significantly increase the sales of your firm. (no value... critical value, not provided)</p> <ul style="list-style-type: none"> • Lobbying government • Resolution of disputes (with officials, workers or other firms) • Information and/or contacts on domestic product and input markets • Information and/or contacts on international product and input markets • Accrediting standards or quality of products; reputational benefits • Information on government regulations 	BEEPS 2005	Business managers and firm owners	1 round; 28 economies
Control variable	<p>Which of the following elements of the business environment, if any, currently represents the biggest obstacle faced by this establishment.</p> <ul style="list-style-type: none"> • Corruption 	BEEPS 2008, 2011	Business managers and firm owners	2 rounds, 28 economies
Control variable	Over the last 12 months did your firm employ an outside consultant to deal with public officials about the application and	BEEPS 2005	Business managers and firm owners	1 round, 28 economies

Governance variable	Indicator	Data source	Respondent profile	Field application
	interpretation of laws and regulations and to get or to maintain access to public services? (Y/N)			
Control variable	<p>If your firm did not apply for a loan, what were the main reasons?</p> <ul style="list-style-type: none"> • Does not need a loan • Application procedures for bank loans are too burdensome • Collateral requirements for bank loans are too strict • Interest rates are too high • It is necessary to <u>make informal payments</u> to get bank loans • Did not think it would be approved • Others 	BEEPS 2005, 2008, 2011	Business managers and firm owners	3 rounds, 28 economies
Abuse of power	<p>If you considered starting or completing a procedure at any of these institutions [<i>list of local agencies offering public services to citizens and businesses</i>] and decided not to do it, why didn't you do it?</p> <ol style="list-style-type: none"> 1. You knew they would not do what you needed 2. You didn't have time 3. You couldn't pay the official cost 4. You couldn't pay <u>the unofficial costs</u> 5. You didn't know who to turn to 6. It wastes a lot of time 7. Other reasons 	GAC Diagnostics	Households; Business managers and firm owners	ad hoc, 17 economies
Mechanisms for abuse of power	<p>In those cases where you had to make unofficial additional payment to receive or expedite a service:</p> <p>----- id the Public Servant ask or suggest discretely for the additional payment? -----</p> <p>----- id you offer the additional payment or gift spontaneously? -----</p>	GAC Diagnostics	Households; Business managers and firm owners	ad hoc, 17 economies

Governance variable	Indicator	Data source	Respondent profile	Field application
 as it known in advance how the system worked and how much you were required to pay?			
Abuse of power/ Dishonesty	How would you rate the integrity/honesty of the following public institutions in your country (list of country-specific government institutions)? 1= "Extremely dishonest" 5= "Extremely honest" ... 9= "DK/NS"	BEEPS, GAC Diagnostics (Households, businesses and public officials)		BEEPS: 1 round; 28 economies GAC: ad hoc, 17 economies
Reporting corruption/ accountability	Do you know what process to follow in reporting a corrupt act by a public official?	GAC Diagnostics	Households; Business managers and firm owners; and Public officials	ad hoc, 17 economies
Reporting corruption/ accountability	During the past twelve months have you or anyone in your firm/household/office observed a corrupt act by a public official/colleague? If so, have you or anyone in your firm/household/office reported it?	GAC Diagnostics	Households; Business managers and firm owners; and Public officials	ad hoc, 17 economies
Reporting corruption/ accountability	Would you say that the process of reporting corruption is: 1. Extremely difficult; 2. Difficult; 3. Fairly simple; 4. Simple 5. Extremely simple;9.DK/NS	GAC Diagnostics	Households; Business managers and firm owners; and Public officials	ad hoc, 17 economies
Reporting corruption/ accountability	How much would you say the person reporting a potential corruption case was protected from potential harassment? 1. Extremely unprotected 2. Unprotected 3. Fairly protected 4. Protected 5. Extremely protected 9.DK/NS	GAC Diagnostics	Households; Business managers and firm owners; and Public officials	ad hoc, 17 economies
Reporting corruption/ accountability	If you or someone in your household / firm/ office decided not to report corrupt act by public officials, how important were the following reasons behind his/ her decision Didn't know where to report The case could not be proven The process is too complex and long Corruption is a common practice Corruption can be justified under the current economic situation Investigation would not be made about the report There would be no enforcement even if the decision is made I was concerned about potential harassment and reprisal	GAC Diagnostics	Households; Business managers and firm owners; and Public officials	ad hoc, 17 economies

Governance variable	Indicator	Data source	Respondent profile	Field application
Behavior of corrupted officials	In law, state civil servants convicted of corruption are prohibited from future state government employment.	State Integrity Reports	Journalist-researchers (evidence-based)	2 rounds; 50 US states
Behavior of corrupted officials	In practice, state civil servants convicted of corruption are prohibited from future state government employment.	State Integrity Reports	Journalist-researchers (evidence-based)	2 rounds; 50 US states
Budget embezzlement	In practice, significant government expenditures (projects costing more than 1% of the total state budget) require legislative approval.	State Integrity Report	Journalist-researchers (evidence-based)	2 rounds; 50 US states

Table 2A.23. Additional variables on respondent’s characteristics

Governance variable	Indicator	What it measures	Data source
Revolving doors	Have you ever been elected democratically for a political position or in the public administration?	Potential existing connections between private sector and government	GAC Diagnostics (firms)
Revolving doors	Have you ever worked for the public sector?	Potential existing connections between private sector and government	GAC Diagnostics (firms)
State Capture	From the total amount of your business, what percentage is done with the state?	Potential existing links between private sector and government	GAC Diagnostics (firms)
State Capture	What percentage of your high-level managers have been politicians?	Potential existing connections between private sector and government	GAC Diagnostics (firms)
State Capture	<p>Please evaluate the tendency of the public officials in their institution to change jobs and rotate from the private sector to the public sector, how frequent are the rotations of the following public officials? (Use the scale from 1 to 7, where 1 indicates that it never happens, 4 means that sometimes and 7 means that it always happens).</p> <ul style="list-style-type: none"> • Directors • Executives • Technical staff • Support staff 	Potential existing connections between private sector and government	GAC Diagnostics (Public Officials)

Table 2A.24 Corruption Indicators: Sources and Methodologies

Dataset	Organization	Methodology	Frequency	Country coverage
Business Environment and Enterprise Performance Surveys (BEEPS)	World Bank and European Bank for Reconstruction and Development	Face-to-face survey	Irregular implementation. Every 3-4 years	28 economies from Eastern Europe and Former Soviet Union
Quality of Government	University of Gothenburg	Face-to-face survey	2010, 2013	28 EU member states plus Serbia and Turkey at the NUTS 1 and NUTS 2 level
Institutional Profile Database	French Development Agency	Mail-in surveys to local experts working in key ministries and government agencies. The indicators can take value from 0 to 4.	2001, 2006, 2009, 2012	143 countries
TI Global Corruption Barometer	Transparency International	Face-to-face survey	Unknown (2015/16 most recent)	Global coverage but sample varies depending on the year
Governance and Anti-Corruption Diagnostics	The World Bank	Face-to-face survey of firms, public officials and private citizens	Irregular	17 economies
World Justice Project Rule of Law Index	World Justice Project	Expert assessment plus household survey	Yearly	113 countries
Public Administration Performance Index (PAPI)	UNDP	Face-to-face survey of households	Every year; representative at the provincial level	Vietnam
Latin America Public Opinion Project (LAPOP)	Vanderbilt University	Face-to-face survey of households (excluding Canada and US where they are web-based surveys)	Every two years	28 countries of the Americas
Regional Barometers	Varies	Face-to-face interviews (Afro, Euro, Arab, Latino) or phone interviews (flash Eurobarometer)	Every three years (Afro); twice a year (Euro); three rounds (Arab); irregular (Latino)	Varies by region

Global Integrity Local Integrity Initiative ²¹	Global Integrity	In-depth interviews based on standardized questionnaire	Irregular implementation, 2012; 2015	All US states
ERCAS Indicators of Trust and Integrity in Europe	European Center for Anti-corruption and State Building	Composite index consisting of six components: judicial independence, administrative burden, trade openness, budget transparency, e-citizenship and freedom of the press. Currently calculated only at the national level	First round 2016	105 economies
Global Competitiveness Index	World Economic Forum	Expert interviews	Every two years	global

²¹ Global Integrity also produces [country-level indicators on anticorruption](#). These indicators have been put on hold since 2011 and the team is revising the methodology.