

---

# The Principles of Good European Governance

Methodological suggestions

---

Alessandra Caldarozzi

---

## Paper

---

novembre.2009



# Index

Introduction.....	3
PRINCIPLE 1: Regular elections, fair and just representation and participation .....	5
PRINCIPLE 2: Responsiveness .....	8
PRINCIPLE 3: Effectiveness and efficiency.....	9
PRINCIPLE 4: Openness and Transparency .....	11
PRINCIPLE 5: State of Right .....	14
PRINCIPLE 6: Ethical behaviour .....	15
PRINCIPLE 7: Ability and Capacity .....	17
PRINCIPLE 8: Innovation and (attitude towards) openness to change .....	18
PRINCIPLE 9: Long term sustainability and planning.....	19
PRINCIPLE 10: Healthy financial management .....	20
PRINCIPLE 11: Human rights, cultural diversity and social cohesion.....	22
PRINCIPLE 12: Responsibility .....	23

## Introduction

***The present document aims to outline a methodical approach to be used by local administrative authorities to introduce, through a process of trial and error, the twelve principles of good governance by first applying them to operational tools and subsequently identifying indicators with which to measure their effect.***

***The document therefore highlights for each of the twelve principles the operational instruments which best illustrate them. The subsequent operation, not considered in depth but simply indicated in the experiment herein proposed, involves associating each of the identified tools with an indicator intended to measure the efficiency and effectiveness of the results they achieve. This will then make it possible, once general standards of quality have been established, to present a quality award to the administrative authorities taking part in the project.***

***The objective of the analysis set out in this paper is to propose a method that can also be used by other national administrative authorities and which can be evaluated, at a European level, for the true effectiveness and transferability of the method used.***

The concept of governance is founded on the need bring conformity to the activities of individual administrative bodies. The aim is to improve the decision making process at different institutional levels, and to meet the common interest by producing policies, programmes and projects with greater efficiency and effectiveness. To achieve good governance therefore means guaranteeing a wider and more politically relevant participation to those who the policies are intended for, regarding the identification and presentation of basic choices, and of creating greater openness and responsibility for all the parties involved. The overall objective of the strategy document is to seek a commitment from the member states, and particularly from local authorities through their representative associations, to draw up an Action Plan in each state containing measures to consolidate and encourage the use of good local governance, and in order to begin applying the twelve principles set out in the Strategy document to all administrative activity. The principles identified are as follows:

1. Regular elections, fair and just representation and participation
2. Responsiveness.
3. Efficiency and effectiveness.
4. Openness and transparency.
5. a State of Rights.
6. Ethical behaviour.

7. Competence and ability.
8. Innovation and an open attitude to change.
9. Sustainability and long term planning.
10. Correct financial management.
11. Human Rights, cultural diversity and social cohesion.
12. Responsibility.

The Strategy document seeks to create a European seal of approval for Innovation and Good Governance, with an European excellence award aimed at choosing and spreading best practice.

In the implementation of the Policy, the role of local authorities acquires great importance since they are the level of government closest to the people and are able to identify their requirements and needs, but also because this is where the first important test of the application of the principles of good governance will take place.

## PRINCIPLE 1: Regular elections, fair and just representation and participation

### **Local authority elections**

Local administrative elections shall be called every five years. In the case of the resignation, impediment, removal, withdrawal, suspension or death of the mayor, they shall be subject to Article 53 of the Law covering Local Authority Bodies. (TUEL. Testo Unico delle leggi sull'Ordinamento degli Ente Locali)

### **Fair and just representation**

The principle of equal opportunity for men and women to have access to high office and to elected posts is referred to in Article 6, paragraph 3 of the Law covering Local Authorities, in which it is stated that “ Local and Provincial byelaws shall establish norms to ensure conditions of equal opportunity between men and women as established by Law no. 125 of 10th April 1991 and to promote the presence of members of both sexes in the management boards and in the collegial bodies of Local and Provincial Authorities, as well as of those organisations, businesses and institutions for which they bear responsibility”.

Incentives are given for activities aimed at improving the quality of life in the workplace and at the adoption of suitable measures that permit effective equality between the genders. (Equal Opportunity Board Regulation)

### **Public participation**

The law covering local authority bodies dedicates a specific Article to Public Participation (Article 8). Paragraph 1 says that “Local Authority areas, and also subdivisions of them, shall give importance to forms of free association and encourage organisations able to represent a public point of view to the local administration. Relationships with such forms of association shall be governed by the Authority’s statute”. Meanwhile, Paragraph 2 provides that “In proceedings concerning the adoption of orders that affect subjective legal situations, forms of participation by interested parties is allowed in conformance with those ways and means set out in the Authority’s statute and in full observation of the principles established by Law no. 241 of 7 August 1990”.

## **Tools**

### **1. Consultation**

Consultations are an expression of the requirements and interests of organisations and of a wide range of interest groups. These must be consulted prior to the adoption of important social, economic and environmental provisions.

#### **1.1. Indicators**

- How many of them have been created?
- When did they begin?
- How many times a year have they been called (is there a rule)?
- Who takes part in them?

### **2. General communication plan**

Providing for participative processes aimed at Stakeholders

#### **2.1. Indicators**

- How many of the activities carried out allowed for the participation of the interested parties it affected? (local Agenda 21 etc.)
- What and how many (different types) of instruments were used?

The existence of rules or decisions that allow for the organisation of participative processes (Decision of the Management Board on the “Reorganisation of participative processes” (15.10.2008), Regulations regarding Public participation, Regulations governing a public referendum.

### **3. Public involvement in Urban planning**

Public involvement in Urban planning implies that the local institutions are turning towards a new concept of local government which aims to involve all actors (governance) under a model that is open, adaptive and reversible. Traditionally elected organisations such as Local Councils can form partnerships with formal and informal advisory organisations such as Round Tables on social issues, Workshops dealing with local matters, and other such organisations, all of whom have the purpose of directly examining and considering local questions, and who subsequently pass on their recommendations to the democratically elected representative body

to accept or reject as it sees fit.

#### **4. Strategy plans**

The strategy plan has as its the objective the production of a document which will identify the problems, opportunities, objectives and scenarios for local development. The strategy plan functions to encourage integration of city policy, to provide the local administration with a frame of reference for itself, and to stimulate a process of self reflection on the policies it has already introduced and on those it plans to undertake.

We are talking about a deliberate decision to build and share a vision of the future of an area, of its position, of an explanation of objectives and strategies to be achieved through policies and through public and private action.

##### 4.1. Indicators

- a. How long has it been in existence?
- b. How many of them are there?

## PRINCIPLE 2: Responsiveness

The principle of autonomy for local authority bodies is set out in the relevant law referring to them (Art. 3, para. 4). In particular, this legislation states that: “Local Authorities and Provinces have statutory, legal, organisational and administrative autonomy, as well as autonomous powers of imposition and financial autonomy regarding their own statutes and byelaws and regarding the laws coordinating the public finances”.

In virtue of this recognition of autonomy and in the light of predefined objectives, each local authority body structures its own organisation (power of self organisation) and its own activities in such a way as to satisfy the legitimate expectations and needs of the inhabitants living within its area.

As regards guaranteeing local public services, Article 112 of the law covering local authority bodies sets out that: “Local Authority bodies, within the ambit of their respective responsibilities, shall provide for the management of those public services that serve the purpose of producing benefits and activities intended to achieve social objectives and to promote the economic and civic development of the local community”.

Article 11 of the law covering local authority bodies makes it possible for Local and Provincial Authorities to provide, in their own statutes, for the institution of a local ombudsman to guarantee the impartiality and good functioning of those same Local and Provincial public administrations. The ombudsman must, either in response to a request by a person involved or on his/her own initiative, highlight abuses, dysfunctions, insufficiencies and delays by the administration in respect of the people living within the area under its control.

### **Tools**

#### **1. Managements centres**

The local authority is organised around a number of management centres that are responsible either for authorising expenditure or for planning activities aimed at producing plans and achieving the authority’s objectives. (Regulations regarding the general organisation of departments and services based on principles of quality, efficiency and effectiveness).

##### **1.1. Indicators**

###### **a. Introduction of regulations**

## PRINCIPLE 3: Effectiveness and efficiency

The law covering local authority bodies provides for different operational instruments (also of an economic-financial nature) to guarantee, on the one hand, a clear definition of the objectives that the local authority body intends to pursue (planning) and, on the other, an adequate system of checking, monitoring and evaluating the activities and the results achieved (internal operational checks plus strategic evaluation and checks) with a view to guaranteeing increasingly efficient and effective local administrative action.

### **Tools**

*Remove those tools which it is certain will be approved but which do not indicate any added benefit to the efficiency of the administration.*

#### **1. The Programme for period of the Mandate**

A programme covering the entire period of the mandate, drawn up and presented to the Council by the mayor, contains the policy lines for the activities and projects to be carried out in the course of the mayor's period of office.

#### **2. The General Development Plan**

The general development plan, (PGS), approved by the Council members, is a general planning document that covers strategy for a two year period. It indicates, in line with the mayor's Mandate programme, the strategic lines on which planning of the Authority's budget is to be based.

#### **3. The Report on planned and anticipated goals**

The Report on planned and anticipated goals (attached to the annual forecast budget) put forward by the Authority's management board and approved by the Council contains, apart from matters of a financial nature, a general picture of the main features of the Authority (population, area covered, nature of the local economy, and the Authority's services together with information on the human, technological and financial resources for their provision) and of the basic priorities and policies, indicating "the objectives that it is intended to achieve both in terms of the budget and in terms of the efficiency, effectiveness and economy of the service".

#### **4. The Executive Operational plan**

The executive operational plan (Peg) drawn up by the management board, on the basis of the annual forecast budget considered by the Council and on the proposal of the Director General (if appointed), sets out “the operational goals, entrusting them, together with the necessary means to achieve them, to those responsible for the services”.

#### **5. The Detailed Objectives plan**

The detailed objectives plan (POD), drawn up by the Director General, identifies in detail the different types of objectives to be pursued (service department or common to more than one service department, maintenance objectives, development and improvement), as well as the total distribution of resources entrusted to those responsible for the services.

#### **6. Internal inspection of activities**

The Internal Inspectorate operates autonomously from the organisation and answers directly to the Mayor. It supports the Director General’s actions in carrying out his responsibilities in the following way: planning and checking by using the detailed objectives plan, carrying out an assessment of those with a managerial role, and through an evaluation and checking strategy (Regulations for the Internal Inspection, Evaluation and Strategy-checking Service).

##### 6.1. Indicators

a. Introduction of regulations

#### **7. Introduction of tools to simplify administration**

It has been decided: what phases are necessary to take the project forward, who will be responsible for this, and notification of reasons that impede introduction of the project etc...

##### 7.1. Indicators

- Adoption of regulations (*Regulation for carrying out administrative procedure*).
- Adoption of tools to measure time taken (*Local Action Plan for administrative simplification to assist businesses*).
- Development of on- line services for members of the public and businesses.

## PRINCIPLE 4: Openness and Transparency

The law concerning Local Authorities authorises the general principle of publication, as well as a right of access (to administrative documents) and of information (freedom of information).

### a) the Publication principle

- of all Local and Provincial Authority administrative documents except those expressly excluded by the law or for which release is prohibited in accordance with the regulations by a temporary order containing justifications issued by the Mayor or President of the Province on the basis that their release might prejudice the right to confidentiality of individuals or of groups or of businesses (Article 10, para. 1).
- of Local and Provincial Authority council meetings and of associated committees, apart from those situations covered by the regulations (Article 38, para. 1).

article 124 of the same law provides for an obligation for all Local and Provincial Authority to publish their meetings (content and timetables) by attaching them to their official- notice boards in their main offices, as well as requiring all other Local Authority controlled bodies to display similar information on the official notice-boards of their organisations.

### b) Right of access to administrative documents and information.

Article 10, para. 2, of the same law obliges the said Local and Provincial Authorities to issue a suitable regulation aimed at:

- Guaranteeing the public, as private individuals or otherwise, a right of access to administrative documents, and sets out the methods and restrictions to be applied.
- Identifying (by name of the organisation, office and service department) those persons responsible for the procedure.
- Setting out norms to ensure the public have information on the status of documents and procedures and on the order in which requests, projects and provisions concerning them are to be dealt with.
- Ensuring a public right of access, in general, to information held by the administrative authority.

In order to guarantee effective public participation in the activities of Local Authority

organisations, Article 10, para.3 of the law establishes that these bodies must ensure that Associations, Voluntary organisations and other bodies have access to their organisations and to their service departments.

## **Tools**

### **1. Public involvement in producing the balance sheet**

#### **1.1 Indicators**

- a. Is it governed by a regulation ?
- b. When was the regulation introduced?
- c. How many public meetings have been organised?
- d. How much money has been set aside in the accounts for it?

### **2. Social balance sheet**

Every institution is responsible for the effects its actions have on those with whom it deals and on the community. Such responsibility requires it to account for its actions to the various parties involved, building a relationship of trust and permanent dialogue with them.

There are very many tools available to public administrations for the presentation of a social balance sheet, depending on the situation and the objectives to be achieved. Of these, the Social Balance Sheet can be considered the main tool, in so far as it aims to give a view that covers the entire activity of the administration and aims to represent the relationship between political vision, objectives, resources and results in a unitary framework.

### **3. Tools that guarantee a right of access to administrative documents**

#### **3.1 Indicators**

- a. Internet site
- b. Orders and documents available on-line

### **4. Service Charter**

The Charter of Services is a document that every Office within the Public Administration is required to provide to those who use its services. It contains a description of the aims, criteria and organisation used in the provision of its services, its rights and duties, the methods and

times of participation, and the procedures on how to perform those checks that are available to people using the services. The Charter is the basic instrument used to give effect to the transparency principle and explicitly sets out the rights and duties of both administrative personnel and those using the services provided.

#### 4.1 Indicators

- a. How many are there?
- b. For which services?
- c. How often are they renewed?
- d. If quality standards have improved

## PRINCIPLE 5: State of Right

At a local level, and from the point of view of participation and of protecting the public interest, Article 9 of Law no.267 of 2000 grants every elector the possibility of having the activities and resources of their Local and Provincial Authorities judicially reviewed.

Alongside protection of a legal nature, the legislator has introduced a further form of protection of an administrative nature (Administrative appeals) that can be activated by the interested parties and which is aimed at causing the administrative authority responsible for the allegedly incorrect provision to re-examine it from the point of view of its legitimacy and, in some cases, of its merits (Presidential Decree Law no.1199 of 24th November 1971). It distinguishes between three types of administrative appeal: hierarchical appeal, appeal in opposition and extraordinary appeal to the President of the Republic.

In order to assure further tools for providing guarantees to the public in respect of their dealings with the public administration, Article 11 of Law no. 267 of 2000 provides for the possibility that local administrations may appoint ombudsmen as guarantors of correct behaviour by local authorities.

### **Tools**

#### **1. Ombudsman**

Ombudsmen carry out a role as guarantors of the impartiality of Local Authorities and of good practice followed by them in protecting the rights and legitimate interests of members of the public.

##### **1.1. Indicators**

- a. How long have they been in existence
- b. How many complaints have been received from members of the public in the course of a year?
- c. How many replies have been issued in the course of a year?

## PRINCIPLE 6: Ethical behaviour

As regards Local Authorities and in the spirit of the above-mentioned norm, apart from rules set out in specific codes of conduct for their employees, Article 78 of Law 267 of 2000 lays down specific responsibilities regarding the conduct for local administrators (elected members or those appointed to political office) so as to prevent forms of corruption in the performance of the office to which they were appointed.. In particular it is set out that "the behaviour of administrators in the exercise of their function must be noted for its impartiality and for the principle of good administration, fully respecting a distinction between the functions, competences and responsibilities of the administrators (...) and those of the management of the respective administrations".

Alongside the above-mentioned principle, Article 78 of the same law identifies further duties for Local Authority staff:

- duty to abstain: local administrators must abstain from taking part in discussions and voting on matters in which they have a personal interest or in which members of their family or in-laws up to the fourth degree have any interest, providing likewise for any members of the Management Committees responsible for urban planning, building and public works. There is a further ban them on exercising any professional activity concerning public or private building activities in the area they administer.
- A ban on the Mayor or President of a Province, as well as on those political appointees charged with responsibility for an Authority's policies, holding office in, or acting as a consultant to, any bodies or institutions that answer to or are subject to control or inspection by their own Local or Provincial Authority.
- an obligation to confidentiality: when exercising their right of access to administrative documents. Provincial and local councillors must respect confidentiality in certain specific cases set out in the law (Article 43, para. 2).

Local administrators do not enjoy any immunity and are, therefore, responsible for the actions they take in the exercise of their responsibilities.

The law on local government sets out particular norms governing the specific monitoring role the State exercises over local authority bodies (monitoring of authorities) aimed at checking that such authorities observe the public interest as regards the principles and general standards

established. In particular it stipulates that:

Local administrators can be removed by means of a decree issued by the Interior Minister when they act in violation of the Constitution, or for serious and repeated breaches of the law, or for serious reasons concerning public order. Furthermore, whenever a serious and urgent need arises the Prefect may suspend such administrators pending issue of the Ministerial decree (Article 142).

- Local and Provincial authority councils may be dismissed by means of a decree issued by the President of the Republic at the behest of the Interior Minister, a) when they perform acts contrary to the Constitution, or for serious and persistent violations of the law, or for serious reasons regarding public order; b) when the normal functioning of such bodies and service departments cannot be guaranteed; c) when evidence of direct, or indirect, involvement with criminal organisations emerges that may prejudice unconstrained deliberation by an elected body and good management by a local or provincial administration. This includes the correct functioning of those service departments for which such councils are responsible or which might cause serious and lasting damage to public safety. The Prefect may, in situations of serious and urgent need, order the suspension of the council from its responsibilities pending a Presidential decree (Articles 141 and 143).

Article 52 of Law no. 267 of 2000 establishes the political responsibility of Mayors and Provincial Presidents, as well as that of their relative Management Boards, towards of their Local and Provincial councils. Such responsibility can be affirmed by approval of a vote of confidence.

## **Tools**

### **1. Code of Ethics**

- Ban on holding more than one post
- Inelegibility of those on trial
- Ban on accepting an appointment that might cause a conflict of interest

## PRINCIPLE 7: Ability and Capacity

In order to guarantee an effective evaluation of personal performance, Art. 147 of the law on the Organisation of Local Authority Bodies distinguishes between the various methods of internal monitoring of personal managerial performance: "local bodies must, within the ambit of their own normative and organisational autonomy, identify adequate ways and means to (...) evaluate the performance of their own managerial personnel".

### **Tools**

#### **1. Solutions for organisational improvement**

- i. Staff specialised in producing complex solutions
- ii. Analysis of bonuses and incentives in recognition of the quality of the contribution made by those who commit themselves to achieving the more important policy goals.
- iii. Questionnaire and investigation into the organisational state of health of the Authority, aimed at highlighting logistical and organisational problems.
- iv. Support for horizontal and vertical communications.
- v. Commonly agreed Work programmes.
- vi. Internal communication plan.

#### **1.1. Indicators**

- Are training or refresher courses provided for staff/ management? How often are they held?
- Are staff evaluation tools provided that are based on the results achieved?
- Is the evaluation of results linked to benefits (Awards, bonuses, career advancement etc.)?

## PRINCIPLE 8: Innovation and (attitude towards) openness to change

### **Innovative tools to resolve complex problems**

#### **Problems of environmental/atmospheric pollution**

##### A. Renewable energy systems

- ✓ The presence of solar energy installations
- ✓ Pool of environmentally friendly cars

Local Authority objective: more rational use of energy

#### **Tools**

- i. Improvement in the efficiency of installations
- ii. Information campaign on energy saving
- iii. Opening of an Energy Information desk at the Local Authority

#### **The Problem: Refuse**

- a. Incinerators (*what action?*)
- b. Refuse recycling schemes (*what action?*)
  - What actions or programmes have been taken or introduced in response to proposals (European level): Agenda 21?
  - In what way has an exchange of information/innovation with other local authorities/villages been encouraged?

## PRINCIPLE 9: Long term sustainability and planning

At a local level, Article 13 of law no. 267 of 2000 gives the local authority general administrative functions in respect of their area and its population. In particular it sets out that "All administrative functions concerning the Authority's area and population are the responsibility of that Authority, principally in the organisational sector providing services to individuals and to the community, concerning the arrangement and use of the area and of its economic development, except when that responsibility is specifically given to other bodies by national or regional law, according to their respective competences".

In light of this attribution of responsibility, the law on the Organisation of Local Authorities gives them important planning functions of a general nature besides those of planning for specific sectors (urban, transport and traffic flows, commerce etc.).

### **Tools**

- Are there plans to sustain the environment?
  - o Are there plans to reduce harmful atmospheric emissions?
  - o Urban mobility plan
- Does the planning of activities include the avoidance of creating debts for future generations?
- Do the decisions approved by the Authority foresee long term development plans for the community?

## PRINCIPLE 10: Healthy financial management

The law on the Organisation of Local Authorities sets out general financial and accounting principles for these bodies, among which are those of publishing and balancing their finances (Articles 150 and 151), adopting a programmed as well as an economic approach (auditors reports, long term balance sheets, explanatory notes on programme accounts, services and activities) with a view to likewise guaranteeing an evaluation of the efficiency of action carried out by each Authority.

Law no. 267 of 2000 set out particular rules governing Local Authorities entering into mortgage commitments and for them applying for other forms of finance available in the marketplace. In particular, they may apply for new mortgages only if the burden of annual interest on liabilities, plus that of existing mortgages together with that of any possible debenture loans issued, as well as that established when opening credit facilities and that due on loans guaranteed by third parties, considered nett of interest on State and Regional contributions, does not exceed 15% of their income as indicated in the first three sections of the cash flow statement for the penultimate year before that in which the application for the mortgage was discussed (Article 204).

In order to guarantee healthy financial management, the law on the Organisation of Local Authorities spells out the need for specific checks. In particular, it requires (Article 147) a check on administrative and accounting correctness as part of a system of internal monitoring. This is to be suitably governed by regulations in each Local Authority's own accountancy regulations (Article 152) and is intended as confirmation of adequate financial coverage of the expenditure undertaken as well as for purposes of coordinating the public finances, an external check on the Authority's financial management carried out by the Audit Authority (Corte di Conti) (Article 148 of the Local Authority law and Article 7 para. 7 of law no. 131 of 2003) intended to ascertain respect for equilibrium in balance sheets on the part of Local Authorities, Provinces, large cities and Regions in respect of the internal stability pact and the obligations deriving from Italy's membership of the European Union.

### **Tools**

1. Improve and maximise income deriving from the management of liquidity.
2. Guarantee the financial management of the Authority and respect for the Stability pact.
3. Respect time scales for drawing up programme documents and financial accounts with

a monitoring of outstanding balances.

4. Containing the cost of debt.

## PRINCIPLE 11: Human rights, cultural diversity and social cohesion

In order to ensure respect for the principle of equality and to guarantee full and just participation by all members of the public in the life of their Local Authority, the law on the organisation of Local Authorities sets out that Local and Provincial Authorities' statutes contain forms of guarantee and of minority participation (Article 6), norms intended to ensure conditions of equal opportunity for both men and women (see Principle 1), as well as promoting forms of participation in local public life for citizens of the European Union and for foreigners legally present in the country (Article 8, para. 5).

### **Tools**

1. Immigrants' council/ supplementary councillor
2. Young people's council
3. Plan to tackle any inability of individuals to support themselves
4. Zoned programme for the rights of infants and adolescents

## PRINCIPLE 12: Responsibility

A specific responsibility is foreseen for those who occupy managerial positions (management responsibility) who fail to achieve pre-established objectives (Article 107 of the Law on Local Authorities, Article 21 of Legislative decree no. 165 of 2001) as well as for those who act as accounting agents (accounting responsibility) and who handle public monies or are charged with the management of Local Authority money (Article 93 of the Local Authority law, and Article 55 of Legislative Decree no. 165 of 2001). Employees within the public administration are subject to disciplinary action for infractions committed in the course of their duties (stipulated in their collective national employment contracts).

Article 52 of law no 267 of 2000 sets out the political responsibility of a Mayor and of the President of a Province as well as that of their relative Management Boards towards their Local and Provincial Councils. Such responsibility can be confirmed by approval of a vote of confidence.

### **Tools**

#### **1. Evaluation of the management on the basis of results achieved**

The remuneration planned for management is linked to two factors: the extent to which those objectives/results that the position should produce have been achieved, and the competence effectively shown by the office holder.