

# The European Commission's **Competence Centre on Composite Indicators and Scoreboards**

The Competence centre on composite indicators and scoreboards (COIN) brings together scientific and analytical expertise that can be applied across policy areas. By doing so, it will help to ensure that all composite indicators are developed sensibly and used responsibly. 'Sensible development' of a composite indicator implies a quality control process based on both conceptual and statistical considerations. 'Responsible use' calls for care in drawing conclusions and recommendations without taking into account the conceptual context in which composite indicators were developed.

The Competence centre examines available methodology within its remit, and provides Commission services with quality-controlled tools that support the conception, implementation and evaluation of EU policy. COIN includes the provision of support and assistance to policy DGs, as well as technical training. Best practices are to be shared across services via communities of practice. Furthermore, COIN will strengthen and extend its strong networks with academia, external research organisations, and practitioners in other policy-making institutions to remain mainstream in its expertise and to provide the Commission with state-of-the-art scientific methodology.

The European Commission is committed to policy-making based on sound and reliable evidence.

#### **Composite indicators**

Composite indicators are aggregations of observable variables, which aim to quantify concepts that are not directly observable, such as competitiveness, freedom of press or climate hazards. The resulting figures facilitate country, region, or city comparisons and benchmarking. They help monitoring progress over time and evaluate ex-ante policy options based on multi-criteria analysis.

Scoreboards of indicators have, to some extent, similar objectives to composite indicators, yet they do not consist of a mathematical aggregation of data.

Composite indicators are powerful practical tools that can help policy makers summarise complex and interdependent

They provide the big picture, are easy to interpret, easy to communicate, and attractive for the public. They are also drivers of behaviour and of change by forcing institutions and governments to question their standards. On the other hand, caution is needed to avoid situations where composite indicators may send misleading or partial policy messages because they are poorly constructed or misinterpreted.

The use of composite indicators and scoreboards for designing and monitoring policies has gained much interest in recent

The first composite indicator from the Commission dates back to 1987, while today the Commission services have developed more than 100 composite indicators and even more scoreboards, including the Europe 2020 Index, the Regional Human Development Index and the Regional Poverty Index of the Directorate-General for Regional and Urban Policy, and the European Innovation Union Scoreboard and the Small Business Act Principles of the Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs among many others.

If you would like to learn more about the activities of the European Commission's Competence centre on composite indicators and scoreboards (COIN), please contact:

**European Commission** Joint Research Centre Email: *Jrc-coin@ec.europa.eu* Website: https://ec.europa.eu/jrc/en/coin

The European Commission's science and knowledge service

Joint Research Centre

#### **JRC Mission**

As the science and knowledge service of the European Commission, the Joint Research Centre's mission is to support EU policies with independent evidence throughout the whole policy cycle.



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### Towards a centre of reference

The JRC has worked on composite indicators since 2002. It now has international recognition as a centre of methodological expertise.

# First Commission requests First JRC state-of-the-art report on composite indicators First Commission request to develop the Internal Market Index 1992-2001 Collaboration with the OECD Second JRC Annual Seminar on composite indicators jointly organised with the OECD 2003 2005

#### JRC-OECD Handbook

 JRC-OECD Handbook on constructing composite indicators is endorsed by the OECD high level statistical committee

2008



#### Competence centre launch

- 100 requests for JRC audits received
- 50 trainings to Commission staff and partners
- Half of the 130 composite indicators developed or used by the Commission received JRC quidance
- Launch of the European Commission's Competence centre on composite Indicators and Scoreboards (COIN)

2016

#### First training and dissemination

- First JRC Annual Seminar on Composite Indicators
- Launch of composite indicators server – a Google top-hit for over 10 years

#### First request for JRC audit

- Environmental Sustainability Index by Yale University and Columbia University
- First academic paper on uncertainty and sensitivity analysis for composite indicators
   Journal of the Royal Statistical Society

# Quality assurance framework

The Joint Research Centre proposes a quality assurance framework for composite indicators with the goal of discovering useful information, suggesting conclusions, and supporting decision-making.

How to develop a conceptual framework that is easy to remember and apply

How to select suitable indicators that meet key criteria

How to conduct analysis to inspect, clean, transform and model data

How to map data on a common scale

How to weigh data to make more balanced decisions

How to aggregate data to reliably synthesise the maximum amount of information

How to use quality control tests to ensure that information is not lost in aggregation

How to assess the impact of the assumptions

How to make the most of an index by looking back at the data

How to visualise, interpret and communicate composite indicators

#### **Examples of JRC support to EU institutions**

Innovation Output Indicator - DG RTD

Research Excellence in Science & Technology - DG RTD

**Consumer Conditions Scoreboard** – DG JUST

Consumer Markets Scoreboard - DG JUST

Europe 2020 Index - DG REGIO

Regional Human Development Index - DG REGIO

**EU Multidimensional Poverty Index** – DG REGIO

Index for Risk Management – DG ECHO

Banks' contributions to EU Single Resolution Fund – DG FISMA

Systemic Risk Country Heat Maps – European Central Bank

Small Business Act Principles - DG GROW

Youth Civic Competence – DG EAC

#### **Examples of JRC audits to partners**

Global Innovation Index – Cornell University, INSEAD Business School, World Intellectual Property Organization (WIPO)

**Human Development Index** – UN Development Programme

Child Poverty Indices - UNICEF

Global Talent Competitiveness Index - INSEAD Business School

ICT Development Index – International Telecommunication Union

Corruption Perceptions Index – Transparency International

Rule of Law Index – World Justice Project

**Multidimensional Poverty Assessment Tool** – UN International Fund for Agricultural Development (IFAD)

Alcohol Control Policies Index – New York Medical School

European Lifelong Learning Index – Bertelsmann Foundation

**Environmental Performance Index** – Yale University, Columbia University

Index of African Governance - Harvard School of Economics

## New tools and manuals

#### **ASEM Sustainable Connectivity Portal**

An access point to a wealth of connectivity and sustainability-related data covering 51 countries members of the ASEM framework https://composite-indicators.jrc.ec.europa.eu/asem-sustainable-connectivity/

#### Cultural and Creative Cities Monitor

A tool to promote mutual exchange and learning between cities to boost culture-led development

https://composite-indicators.jrc.ec.europa.eu/cultural-creative-cities-monitor/

#### Cultural gems

A free, open-source web app for mapping cultural and creative places in European cities

https://culturalgems.jrc.ec.europa.eu/

#### Social Scoreboard

A Social Scoreboard for the European Pillar of Social Rights to assess progress towards a social 'triple A' for the EU  $\,$ 

https://composite-indicators.jrc.ec.europa.eu/social-scoreboard/

#### JRC Week on Composite Indicators and Scoreboards

On new methods for constructing, visualising and interpreting indices and scoreboards  $% \left( 1\right) =\left( 1\right) \left( 1\right) \left($ 

(4-8 November 2019, Ispra, Italy)

#### COIN tool

Excel-based tool to assess some of the statistical and robustness properties of composite indicators 2019

(beta version: https://europa.eu/!up44wu)

#### **COIN Explorer**

platform to visualise and combine dimensions from over 100 indices and scoreboards with Commission relevance (2020)

#### JRC-OECD guidelines

On constructing and interpreting composite indicators and scoreboards

(follow up to the 2008 JRC-OECD Handbook, forthcoming 2020)