

Congruity indexes for construction works

Italy

GENERAL INFORMATION	
Name of the organisation	Joint National Committee for Building Workers' Welfare Funds (<i>Commissione Nazionale Paritetica per le Casse Edili</i> - CNCE)
Type of organisation	Other
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Member State	Italy
GOOD PRACTICE - GENERAL INFORMATION	
Title of the good practice	Congruity indexes for construction works
Topic of the good practice	Construction
Geographical focus	Nation-wide
Duration	11/2021-ongoing
Summary of the good practice	The congruity indexes are a tool meant to tackle undeclared work in construction, and to fight contractual dumping in construction sites, by assessing if the declared labour costs are congruous when compared with the type and size of works. The congruity indexes complement the Single Document of Contribution Regularity, also called 'DURC online' (<i>Documento Unico di Regolarità Contributiva</i>), a document that certifies the regularity in payment of social security contributions for the declared workforce towards the social security institutions the National Social Security Institute (Istituto Nazionale Previdenza Sociale – INPS) and the National Institute for Insurance against Accidents at Work (<i>Istituto Nazionale</i>

	<p><i>per l'Assicurazione contro gli Infortuni sul Lavoro</i>) and, for construction companies, towards the sectoral paritarian Construction Funds (Casse Edili/Edilcasse), which provide holiday pay and other benefits to construction workers.</p>
OBJECTIVES AND ACTIVITIES	
Background/context	<p>The congruity indexes tool were first introduced in Central Italy following the 1997 earthquake. Following other earthquakes in the same area in 2016, in 2018 the Commissioner for reconstruction adopted a system attaching a minimum share of labour costs to each type of construction works to take place in construction sites, managed by the local Casse Edili/Edilcasse (so called Congruità Sisma). Starting from November 2021, following legislative developments at national level, the Ministry of Labour and Social Policies introduced the so-called congruity indexes at national level, the 'Congruità Nazionale', by means of the Ministerial Decree 143 of 25 June 2021. The decree recognised criteria set forth by social partners of the construction sector by means of the agreement of 20 September 2020, and mandated the organisation coordinating Casse Edili/Edilcasse, CNCE, the roll-out and governance of the tool.</p> <p>The following description refers to this tool, albeit general considerations are valid for the Congruità Sisma as well.</p> <p>The congruity indexes tool applies for all public works, and, as to private works, only for construction sites having a value of at least EUR 70 000.</p> <p>The verification of congruity is implemented on the basis of a list of macro-categories of works, each assigned a minimum percentage of labour costs on the total value of construction works.</p> <p>Verification of congruity at national level takes place before the final payment of works. If the construction site fails to meet the minimum share of labour cost on the total value of construction works, the lead contractor is not granted the release of DURC online.</p>

Objectives	<p>General Objective:</p> <ul style="list-style-type: none"> ▶ Prevent contractual dumping and guarantee the regularity of construction works. <p>Specific Objectives:</p> <ul style="list-style-type: none"> ▶ Enable the monitoring of construction works conducted in Italy, comparing and filtering irregularities. ▶ Guarantee that workers are properly declared. ▶ Enable the lead contractor and Casse Edili/Edilcasse to access information on applied collective agreements, and easily follow-up use of declared workforce on the construction site by subcontractors. ▶ Improve the functioning of the labour market, promoting companies in line with due payments and employing a congruous number of workers.
Main activities	<ul style="list-style-type: none"> ▶ The DURC Online is released online after the verification of compliance with payments of social security contributions and of contributions for holiday pay and other benefits for construction workers due to the paritarian funds Casse Edili/Edilcasse (coordinated at national level by CNCE). As DURC online does not guarantee all workers are properly declared, the congruity indexes seek to fill this gap, by estimating a minimum amount of workforce necessary to perform works. ▶ The construction companies need to declare the costs and details regarding the construction works, and to do so, the lead contractor shall register the construction site on a dedicated platform (CNCE_Edilconnect). The platform assigns a code (CUC) to the construction site which is used to automatically retrieve information from other declaration duties on companies involved in the same site and on their staff such as declarations of new construction sites and monthly declarations of implemented works, both submitted to Casse Edili/Edilcasse. If necessary, companies can declare other labour costs, for instance submitting invoices by

	<p>self-employed or subcontractors involved in construction works.</p> <ul style="list-style-type: none"> ► If at the end of the works, the overall labour cost does not reach the requested minimum amount, the company is notified about the irregularity and shall submit additional evidence by the following 15 days. At the end of this period, if the requisite remains unmet, the company shall pay a sanction equivalent to the gap between the declared amount of staff costs and the expected minimum one. In case of failure to do so, the company is considered not congruent, and will be flagged in the database for the release of the DURC online, preventing the release after its expiration. ► The cost of posted workers registered at Cassa Edile is also automatically computed for the purposes of the congruity indexes. Furthermore, information on their involvement is known via the platform to the lead contractor, liable for any missing payments pursuant to Italian legislation. Should these costs fail to be declared, as for other undeclared costs, the possibility that the construction site is eventually judged as non-congruous would increase.
<p>Did you previously provide information about this particular good practice under the European Platform tackling undeclared work?</p> <p>(if yes, is it possible to provide the year and the title of good practice or a link of the good practice in ELA Virtual library)</p>	No
<p>Funding/organisational resources</p>	Costs are borne by the paritarian funds of the construction sector, both in terms of setup and setting of the platform, and of human resources necessary to verify congruity of works.
PARTICIPATION	
<p>Stakeholders involved</p>	<ul style="list-style-type: none"> ► Ministry of Labour and Social Policies

	<ul style="list-style-type: none"> ▶ CNCE (Commissione Nazionale Paritetica per le Casse Edili) ▶ Casse Edili/Edilcasse ▶ Sectoral social partners ▶ Public institutions
Target groups	<ul style="list-style-type: none"> ▶ Companies and workers working on construction sites
Final beneficiaries	<ul style="list-style-type: none"> ▶ Workers and companies involved in construction sector ▶ Social security institutions and institutions with a stake in regularity of employment ▶ Clients and lead contractors of construction works, bound by liability clauses for outstanding remuneration and social security contributions
GOOD PRACTICE CRITERIA	
Achievements/ Results and outcomes (Alignment of good practice with the priorities of the Call (if not applicable, alignment with the field of EU labour mobility))	<ul style="list-style-type: none"> ▶ A more efficient and automatic system to monitor, and thus prevent irregularities in the construction sector in Italy. ▶ A promising practice in terms of potential data sharing between CNCE and public institutions for inspection and enforcement purposes. ▶ A connection created with the DURC online through clearly identifying risks of contractual dumping and undeclared work.
Recognition (has this good practice been recognised on regional, national or EU level)	As of now the practice has not received explicit recognition at national, regional and EU level.
Cost effectiveness (the degree to which the practice was successful in reaching objectives and producing clear and measurable outcomes at the lowest possible cost)	<p>The indexes promote regularity and fair competition in the sector, incentivising declared work, including the payment of due contributions and taxes, and tackling tax and social security contribution evasion.</p> <p>By tackling undeclared work, they also contribute to promoting compliance with compulsory health and safety training and health surveillance of construction workers</p>

	entailed by legislation and by collective agreements, enhancing safety at work.
Transferability (how the experience from this practice could be transferred to other contexts i.e. what would another Member State/group/sector need to have or put in place for this measure to be successful in their country/group/sector)	The tool can be transferred to other countries in the construction sector, adapting all features to the actual context. It can be also adapted to other sectors and productive processes through local experimentation and a careful process of adaption that can help to fine-tune features and functioning of the tool to other settings.
Sustainability (how the practice is sustainable from a social, financial or environmental perspective)	The initiative did not have a particular focus on sustainability.
Innovativeness (innovative features of the good practice)	The initiative has undergone developments that include a more-step alert system, that notifies lead contractors and public clients in several stages of the procedure about the necessity of the congruity indexes. The system provides also detailed guidance on how to obtain congruity and to use the CNCE_Edilconnect platform in the correct way.
Digitalisation (Design, development and/or utilisation of digital tools, policies or plans for digitalisation, business processes and data digitalisation, data sharing digital initiatives, the use of digitalisation to facilitate the access to data in real time and detection of fraud and error, etc.)	The tool runs via a digital platform (CNCE_Edilconnect) that makes monitoring processes and sharing data easier and more efficient.