

Markten

AEX 237,71 -1,0%

Dow Jones 8.228,10 +3,5%

Aandelen

AEX-index
Dow Jones
Nasdaq
FTSE 100
DAX-index

Euro

Frankfurt
New York

Rente


14/01

Reforming the Reform: Lessons from 15 years of PB in the Netherlands

Maarten de Jong

OECD CESEE SBO, Warsaw May 22nd 2015

1







Ambitions and results of PB

Intended results of reforms

- Increased transparency of government spending and results
- Allocative efficiency gains
- Operational efficiency gains
- Increased result orientation

More effective allocation and management of resources



2



Phases of Result Oriented Reforms

Early
1970s-
2001

- Early flirtations with performance elements
- *line-tem budgets with scarce performance info., development of spending reviews*

2001-
2007

- **Ambitious budget reform (VBTB)**
- *program budget aimed at improving transparency and efficiency, emphasis on availability of performance indicators*

2007-
2011

- **Experiments to increase informational value**
- *Partially omitting performance information , focus on government priorities, attempt at delivery approach (inspired by UK)*

2011 -
present

- **Accountable budgeting reform (VB)**
- *program budget with more detailed financial information, selective presentation of performance information, increased emphasis on policy evaluation*

3



Criticism and problems of early performance budgets

- ▶ Strong emphasis line ministries on compliance and legitimization
- ▶ Lengthy and inaccessible documentation often containing irrelevant information
- ▶ Heavy administrative burden on civil service
- ▶ No political interest
- ▶ Budgets not useful for financial analysis

4



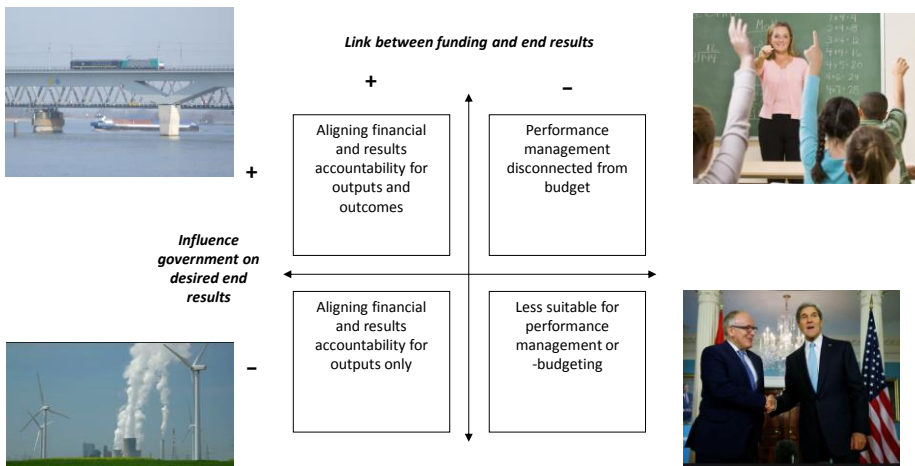
Accountable budgeting reform (2013–present)

- ▶ More detailed financial information in budgets (harmonization!)
- ▶ Selective presentation of policy information and indicators
- ▶ Introduce annual ‘policy conclusion statement’ for each program
- ▶ Renewed emphasis on policy evaluation

5



Selective approach performance indicators

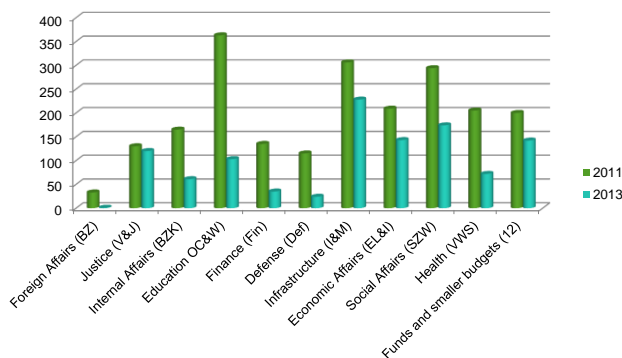


6



Selective approach performance indicators

Overall 50% decrease in number of performance indicators following Accountable Budgeting reform (2013)



7



Successes

and

Remaining challenges

- More accessible and factual budget documents
- Increased critical awareness parliament of effectiveness and efficiency
- Reduced administrative burden ministries

- Harmonization and standardization financial information
- Self critical and relevant policy conclusion statements by ministries
- Quality program evaluations

8



Conclusions from a difficult 15 year process

- Performance budgets are valuable for increasing transparency

Despite not having 'rationalized' budget allocation by politicians, our performance based program structure does contribute to fiscal stability and predictability :

- Program structure ensures managerial flexibility and internal performance based reallocation
- Program objectives and intended measures provide leverage for budgetary negotiations
- Performance information enables evaluation of effectiveness

9



PB was built upon some solid foundations

Already in place prior to 2001 reform:

- Highly decentralized financial stewardship by line ministries
- Intense budgetary dialogue and exchange of information between MinFin and line ministries

During early years of reform:

- Strong and continuous political support
- Large comprehensive 'indoctrination effort' at start of reforms

10



Some lessons

Sometimes just acknowledging complexity is more useful than trying to build it all into your system



- Allow for pragmatism in attributing organizational costs to results
- Don't let cross cutting projects and activities obscure accountability
- Allow for flexibility in methods to assess performance
- Do not be afraid to experiment instead of sticking to a uniform approach

11



Short and medium term ambitions

When data become weapons, a budget should provide an equal opportunity for everyone when compile one's own arsenal.

In the digital era this has become a realistic ambition.



12



Short and medium term ambitions

The performance
budget as a digital
data portal

**Policy plans and
government
priorities**

**Evidence base
from policy
evaluation**



**Statistical information
and quantitative policy
data sets**

**Open budget and
open spending**