



Evaluation in the Netherlands

Recent changes and experiences

SBO network on performance & results

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Overview

- Introduction
- The role of the ministry of Finance
- The role of the spending departments
- Issues for discussion



The role of the ministry of Finance and the use of evaluations

- **Keep the budget within approved limits**
 - Finding money and ways to control the budget
- **Efficiency and quality of public expenditure**
 - Internal research (by the MoF)
 - Policy Review (together with spending departments)
 - The design of the evaluation system



Policy Review by the MoF

- **Started in 1981 as ‘reconsideration of policy’**
- **Committee of civil servants and external experts**
- **Assignment by the government to develop policy options**
 - **Budget cuts and ways to control the budget**
 - **Efficiency and Improvement of the quality of public services**
- **no veto**
 - **Ideas may not be blocked (regardless of current policy, legislation, interests of spending departments)**
- **the choice of policy options is left to the government**

Policy Review by the MoF

- **Has been a very powerful engine for change**
- **But is a threat to the spending departments**
- **So they have find ways to avoid policy review**
- **And we have to come up with new ideas**



The role of spending departments

- Spending departments are responsible for the efficiency
- They need to evaluate their policies periodically
- In 1999 introduction *Policy Budgets and Policy Accountability*
 - The new style budget, performance based budgeting
 - Evaluation became a part of the new style budget
- In 2004 evaluation of the new style budget
 - Less emphasis on indicators, more on evaluation

Performance indicators: mixed blessing

- Performance indicators can be attractive
 - e.g. more employment, less traffic incidents, reduction of crime
 - easy to determine whether targets are reached
- Loads of indicators which don't say much
 - Government production is often hard to measure
- But even sensible indicators can be superficial
 - hitting targets does not say much about effectiveness or efficiency of policies
- Conclusion: we desperately need sound evaluations



But the 'state of evaluation' is unsatisfactory

- Loads of evaluations: nearly 250 per year
- quality of evaluation is poor
 - Very little impact evaluations
 - lots of soft work: interviews, perceptions, opinions, customer satisfaction, etc
- no attention paid to the independence of the evaluators
- On top: evaluations play minor role in policy formulation
 - vicious circle
- Conclusion: we have to change our evaluation system



Redesigning the evaluations system

- **Policy should be evaluated periodically**
 - Can lead to evaluations that are prescribed, but useless
- **Policymakers are responsible**
 - Can hamper impartiality and thus quality
- **Important issues should be addressed**
 - No further formal obligations



Departemental policy analysis

- **Evaluate policy areas, instead of instruments**
 - focus on policy objectives, which are formulated in the budgets
 - provide a synthesis of available evidence (including impact analyses)
- **Every policy area should be evaluated periodically**
 - But look for the right time within the policy cycle
- **Involve independent experts to safeguard quality**
- **Answer some simple, but fundamental questions**



The simple, but fundamental questions

- **What is the problem? What are the supposed causes of the problem?**
- **What is the role of the government?**
- **What objective has the government formulated?**
- **What instruments are used? What is the relationship between the instruments? Is there overlap?**
- **What is the effect of the instruments on the formulated objective. Are there any positive and negative side effects?**
- **What contribution do the proposed instruments make to the objectives?**
- **What are the costs? What is the underpinning of the costs?**



Issues for discussion

- **Have spending departments sufficient capacities in terms of staff and expertise?**
- **How are evaluations integrated in the internal management and budgetary process?**
- **Do spending departments use evaluations results of evaluation to reallocate among units or agencies.**
- **What incentives exist for ministries and agencies to stimulate better performance.**



Summing up: Will the changes in the evaluation system work?

- Right direction, but some doubts remain
- Evaluations are sticky business
 - Political compromises result in unclear policy objectives
 - Few incentives for critical evaluations
 - focus on winning support for new and big plans
 - you don't win elections with small-scale experiments and pleas for evidence based policies
- At the same time: TINA
- Therefore: look forward to learn from your experiences