



BETTER POLICIES FOR BETTER LIVES

# Proposal for analysis of spending reviews

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# Typology of evaluations by level and primary objective

Primary objective				
<p><b>Analysis:</b> analyse management, structures and/or policy to improve efficiency and effectiveness</p>	<p><b>Reallocation:</b> reallocate and/or reduce government expenditure for programmes or organisations</p>			
<p><b>Performance reviews</b>  (programme, policy or organisational evaluation)</p>	<p style="text-align: center;"><b>Spending Reviews</b></p>			
	<table border="1" style="width: 100%;"> <thead> <tr> <th style="width: 50%; text-align: center;">Functional review</th> <th style="width: 50%; text-align: center;">Strategic review</th> </tr> </thead> <tbody> <tr> <td> <p><i>Primary criteria: efficiency -</i> Identify how the existing policies can be conducted with less resource</p> <p><i>Examples:</i></p> <ul style="list-style-type: none"> <li>•Finland “Productivity Programme”(2005-15)</li> <li>•Greece “Functional review of central ministries” (2010-11)</li> </ul> </td> <td> <p><i>Primary criteria: efficiency &amp; prioritisation -</i> Identify what the government should or should not do</p> <p><i>Examples:</i></p> <ul style="list-style-type: none"> <li>•Australia “Comprehensive expenditure reviews”; “Strategic review” (2007)</li> <li>•Canada “Programme Review”(1994); “Strategic Review” (2009)</li> <li>•Denmark “Spending review” (ongoing)</li> <li>•Netherland “Interdepartmental Policy review” (1982; 2009-present)</li> <li>•UK “Spending Review”(1998-present)</li> </ul> </td> </tr> </tbody> </table>	Functional review	Strategic review	<p><i>Primary criteria: efficiency -</i> Identify how the existing policies can be conducted with less resource</p> <p><i>Examples:</i></p> <ul style="list-style-type: none"> <li>•Finland “Productivity Programme”(2005-15)</li> <li>•Greece “Functional review of central ministries” (2010-11)</li> </ul>
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# General characteristics of spending reviews

- **Scope:** discretionary or mandatory expenditures; sectors reviewed; level of government
- **Level of review:** all of government; sector programmes; organisations; horizontal policies
- **Time frame/Periodicity:** fixed period or rolling basis
- **Resulting savings options:** in terms of staff or funding; in absolute or percentage terms

# Primary responsibility for different stages of the Spending Review process

	Prime Minister's Office/Cabinet	Ministry of Finance	Line Ministries	Commission, Committee
Methodology & steering		Australia; Canada; Denmark; Finland; Netherlands; UK		
Selection of review scope (where all programmes are not reviewed)	Denmark (Economic Committee) (following MoF nomination)	Australia		
Preparing of reports & proposals		Australia (sometimes jointly with line ministry); Denmark (sometimes jointly with line ministry, also including use of consultants); UK (also mixed working groups)	Australia (sometimes); Canada; Finland; Netherlands (working party under independent leadership)	
Supervision & review of reports		Finland; UK	UK	Australia; Canada; Denmark (sometimes); Netherlands
Final decision-making	Australia; Canada; Denmark (Economic Committee); Netherlands; UK	Finland		
Monitoring follow-up		Australia; Canada; Finland; Netherlands; UK		

# Expanding the analysis

- 2011 OECD Performance Budgeting Survey
  - Descriptive information
  - Approaches taken
  - Results
- Additional case studies
- Report before next P&R meeting
  - Comparison of country experiences
  - Recommendations?

# Additional questions

- Are reviews primarily used for fiscal consolidation? Have they also been used to make room for new spending priorities?
- What have been the outcomes of spending reviews (in terms of fiscal consolidation, but also equity and acceptability) compared to other budget reduction approaches such as haircuts or efficiency dividends?
- Under what circumstances have spending reviews encountered more or less resistance from the general public? From ministries and agencies?
- In what way is the effect of spending reviews linked to the perceived need for spending cuts by society and by politicians?
- Have some spending reviews included significant consultation and, if so, who was involved?
- What are the capacity, capability and data needs of spending reviews for ministries of finance? For line ministries and agencies?
- Have spending reviews identified structural and policy reform proposals as well as savings proposals?