

## Agencies and independent government bodies in the Netherlands

### 1. Institutional setting

- Institutional setting of the Netherlands (territorial decentralisation):
  - o The government (Cabinet and 13 ministries);
  - o Provinces (12);
  - o Local government:
    - 1990: 1120 local authorities;
    - 2005: 467 local authorities;
- Forms of functional decentralisation:
  - o Water authorities;
  - o Police regions;
- Forms of policy execution:
  - o Agencies (being an integral part of a ministry);
  - o NDPB's (under public or private law);
  - o Private organisations (companies);

### 2. A closer look at policy execution

#### I. Departmental agencies

Agencies are part of the central government and therefore are 100% subordinate to a minister.

Agencies differ from the more traditional directorates within a ministry with regard to:

- financial management (more freedom, accrual budget and accounting system);
- steering (result based);
- limited own funds.

#### II. Independent government bodies

Non-departmental public bodies (NDPB's) or quasi non-governmental organisation (quango) don't belong to a ministry and have therefore a certain amount of independence. Other characteristics are:

- responsible for the execution of task or services of public interest;
- the execution of these tasks or services requires public authority;
- legal basis (specific laws);
- specific financial regime.

#### III. Foundations

Organisations that are responsible for services of public interest that but don't require public authority. These (private) organisations (often foundations, but also other legal entities are possible) are subsidised by the government.

### 3. Facts and figures

#### I. Departmental agencies

- Characteristics:
  - o Character of task:
    - execution of policy with regard to large numbers of individual cases for which there are well-defined legislative frameworks (equal treatment);
    - individual citizens have complete statutory protection;
    - execution of policy is independent;
  - o Part of a ministry, so ministerial responsibility is complete
  - o Based on public law
- 39 agencies;
- Total budget: € 8.7 billion (budget for apparatus, not including program budget)
- Total employment: 65.000 fte (Full Time Equivalent). This is approx. 55% of the total number of public servants on national level.
- Smallest agency: Centre for the Promotion of Imports from Developing Countries
  - o 32 Ffte;
  - o budget € 14 million;
- Biggest agency: Prison Service
  - o 18.341 fte;
  - o budget € 1.865 million;

#### II. Independent government bodies

- Characteristics of their task:
  - o execution of policy with regard to large numbers of individual cases;
  - o independent judgement by experts;
  - o possible co-involvement of specific sections of society;
- No uniform set of ministerial authority;
- Based on public or private law;
- 178 clusters of organisations and in total some 430 individual organizations;
- Total budget: at least € 60 billion (not including program budget);
- Total employment: at least 85.000 fte;
- Smallest non-departmental public body: the Electoral Council
  - o 4 fte (+ 7 part time council members);
  - o budget € 350.000.
- Biggest independent government body: Organisation for the payment of unemployment and disability benefits
  - o 19.302 fte;
  - o budget € 2.3 billion.

#### III. Foundations

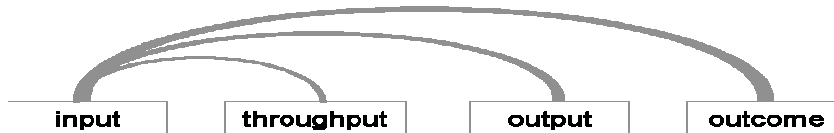
- Characteristics:
  - o No ministerial authority, unless regulated in the specific laws;
  - o Based on private law;
- Since 1991 some 200 foundations have been created in which the government is involved;
- Total employment approx. 3.000 FTE;
- Total budget approx. € 2.5 billion;

## 4. The model

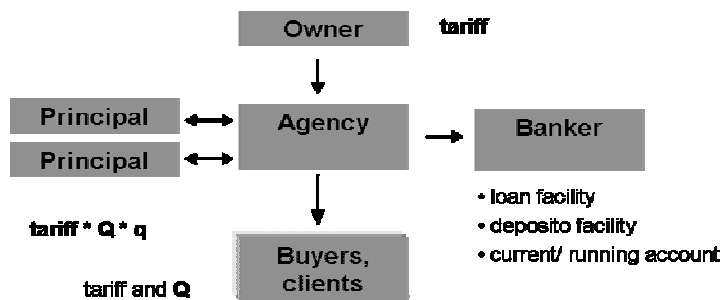
### I. Agencies

Origin of the model: New public management-theory from the early '90:

- No more input based management, but output based management instead;
- Management methods comparable to business sector (contracting, planning & control)
- More efficient and effective management;



- Agency model: the agency, owner, principal (and / or client) and the banker.
  - o The agency responsible for policy execution;
  - o The owner is responsible for the long-term existence of the organisation;
  - o The principal is responsible for giving orders (what policy has to be executed and how?);
  - o The clients purchase the products and services of the agency;
  - o The banker is always the Ministry of Finance (loans and running account).



### II. Independent government bodies

Two main models of financing:

- organisations financed by a contribution from the budget of a ministry (lump sum);
- organisations financed by tariffs and levies;

### III. Foundations

Budget-financed organizations, source of budget can be subsidy from government or donations from other (private) parties.

## 5. Contact

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