



VIEŠOSIOS POLITIKOS IR VADYBOS INSTITUTAS  
PUBLIC POLICY AND MANAGEMENT INSTITUTE

# **Increasing effectiveness of government expenditure: the evaluation of the EU structural funds and national budget programmes**

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**EVALUATION OF THE EU STRUCTURAL ASSISTANCE:  
REINFORCING QUALITY AND UTILISATION**

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## Questions

- Evidence-based policy and its instruments (monitoring, evaluation, reviews);
- Evidence-based policy instruments and their application in Lithuania and abroad;
- Need for an integrated performance management system;
- Evaluation of the EU structural assistance and national budget programmes;
- Need for the reform of human resource management.

## Political challenges

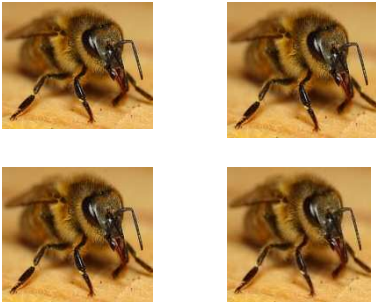


*The main political challenge* – to achieve better results of public policy with less financial resources.

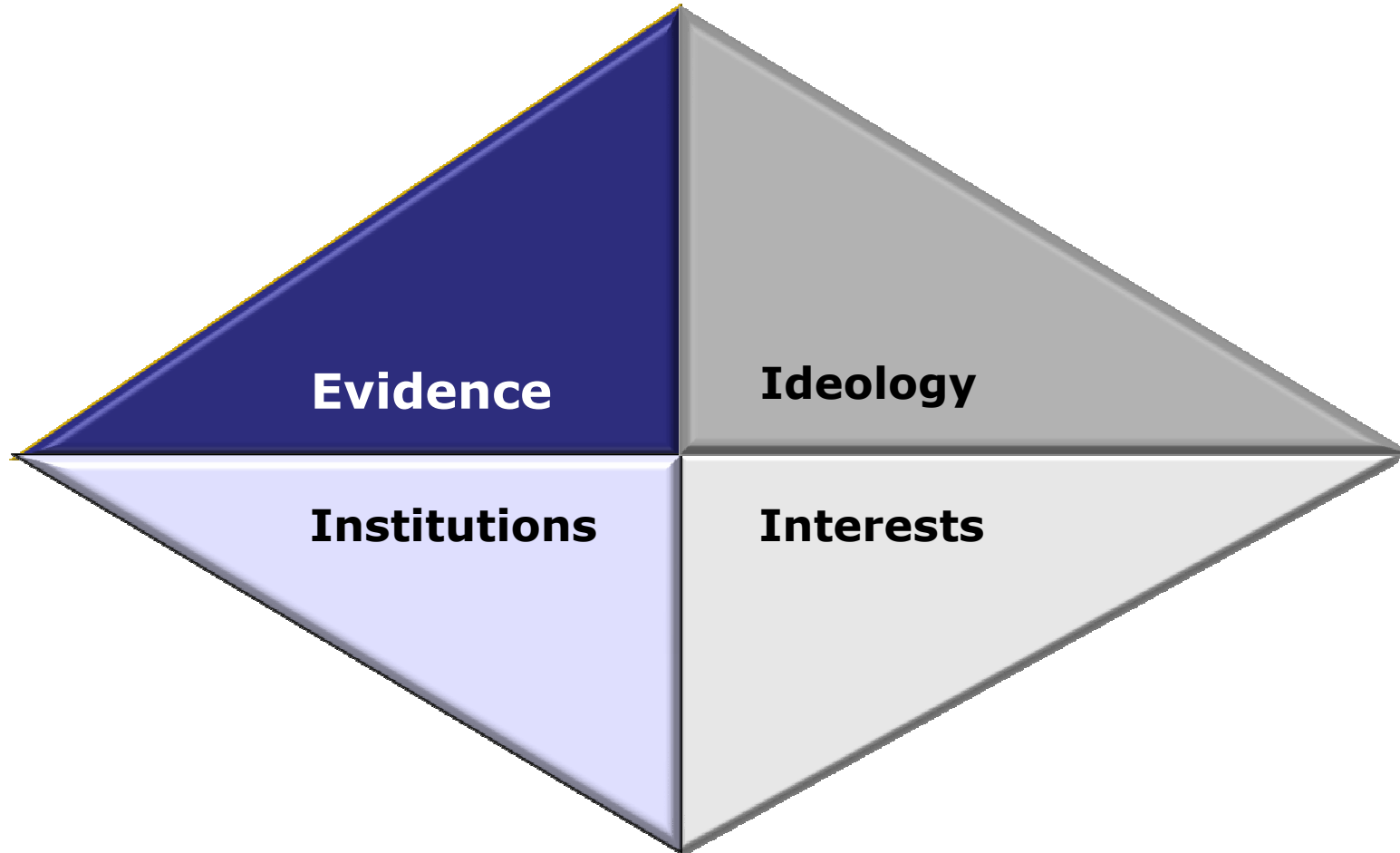


# Evidence-based decision making

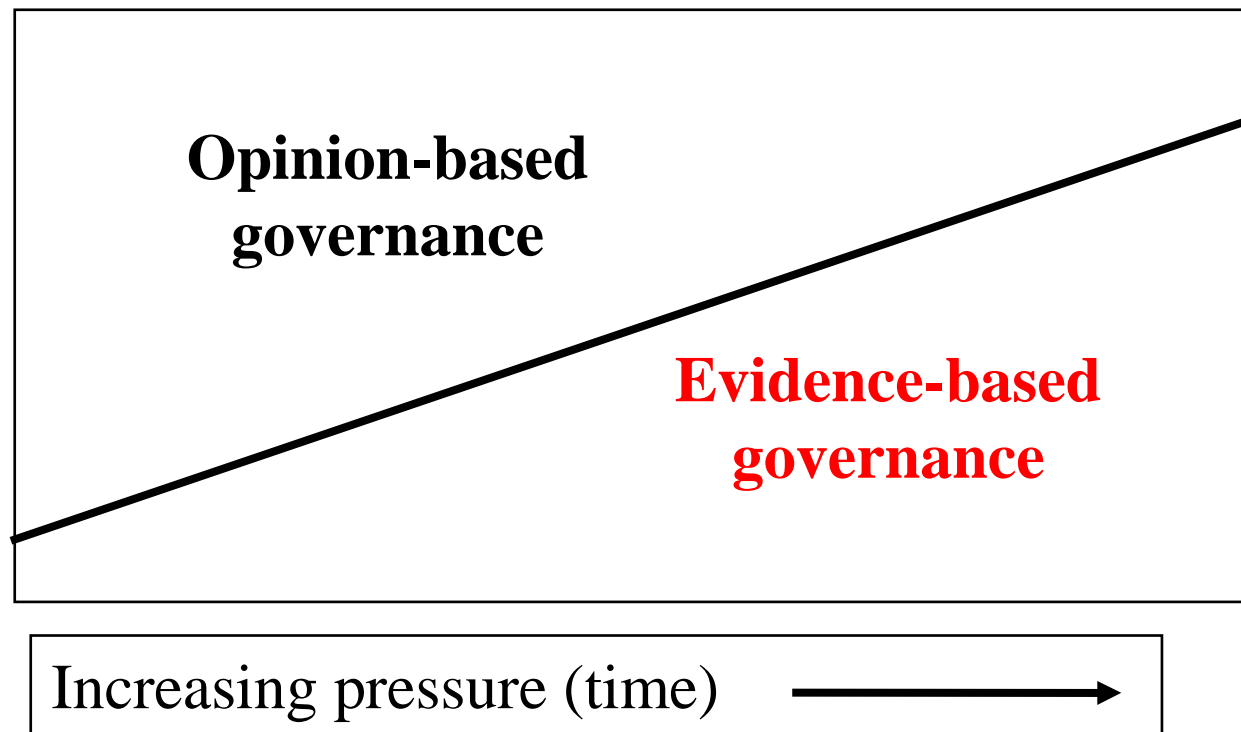
- ◀ The swarm of honey bees finds its new place based on evidence!



# Factors affecting decision-making



# Evidence-based governance



According to Philip Davies, 2004.

# Instruments of evidence-based policy



Data collection

Data analysis and interpretation

Dissemination of information and consensus building among the stakeholders



## Experience from foreign countries

- *Monitoring*: performance measures and performance measurement (the UK, Sweden, Netherlands, Lithuania);
- *Evaluation*: evaluation reports of programmes, sectors, efficiency (Sweden, Netherlands, Lithuania?);
- *Reviews*: reviews of government expenditure (especially in the UK, where regular reviews are conducted).

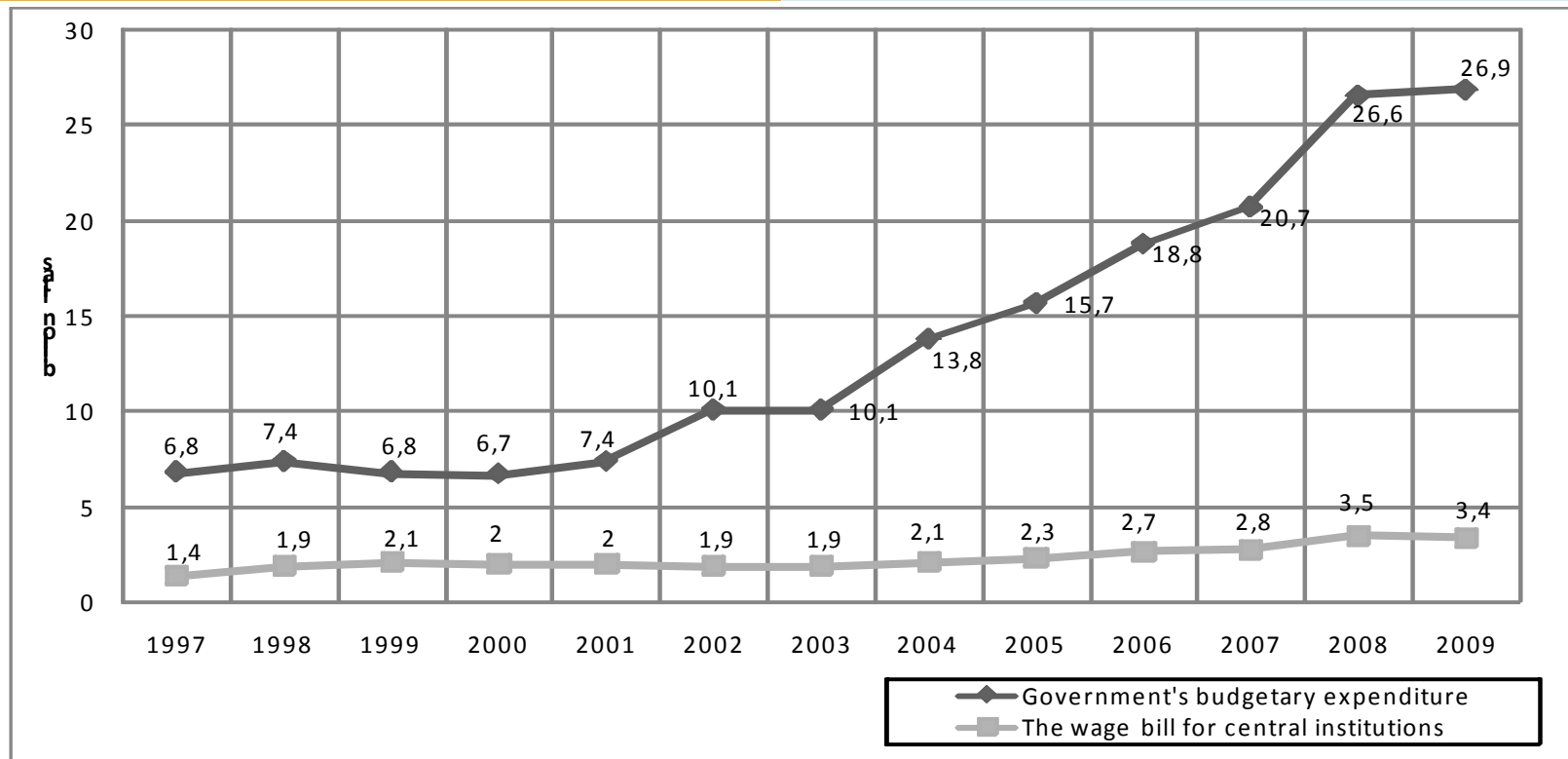
# Experience of OECD countries

- Review and more intensive monitoring of the budget programmes, whose implementation results are poor

Outcomes of poor programme implementation	Cases			
	<i>UK</i>	<i>NL</i>	<i>SI</i>	<i>LT</i>
Programme is abolished	Sometimes	Sometimes	Sometimes	<b>Almost never</b>
More intensive monitoring in the future	Often	Sometimes	Often	<b>Rarely</b>
Cutting the programme budget	Almost never	Rarely	Sometimes	<b>Almost never</b>
Cutting the salary of managers, negative influence on their career	Almost never	Almost never	Almost never	<b>Almost never</b>

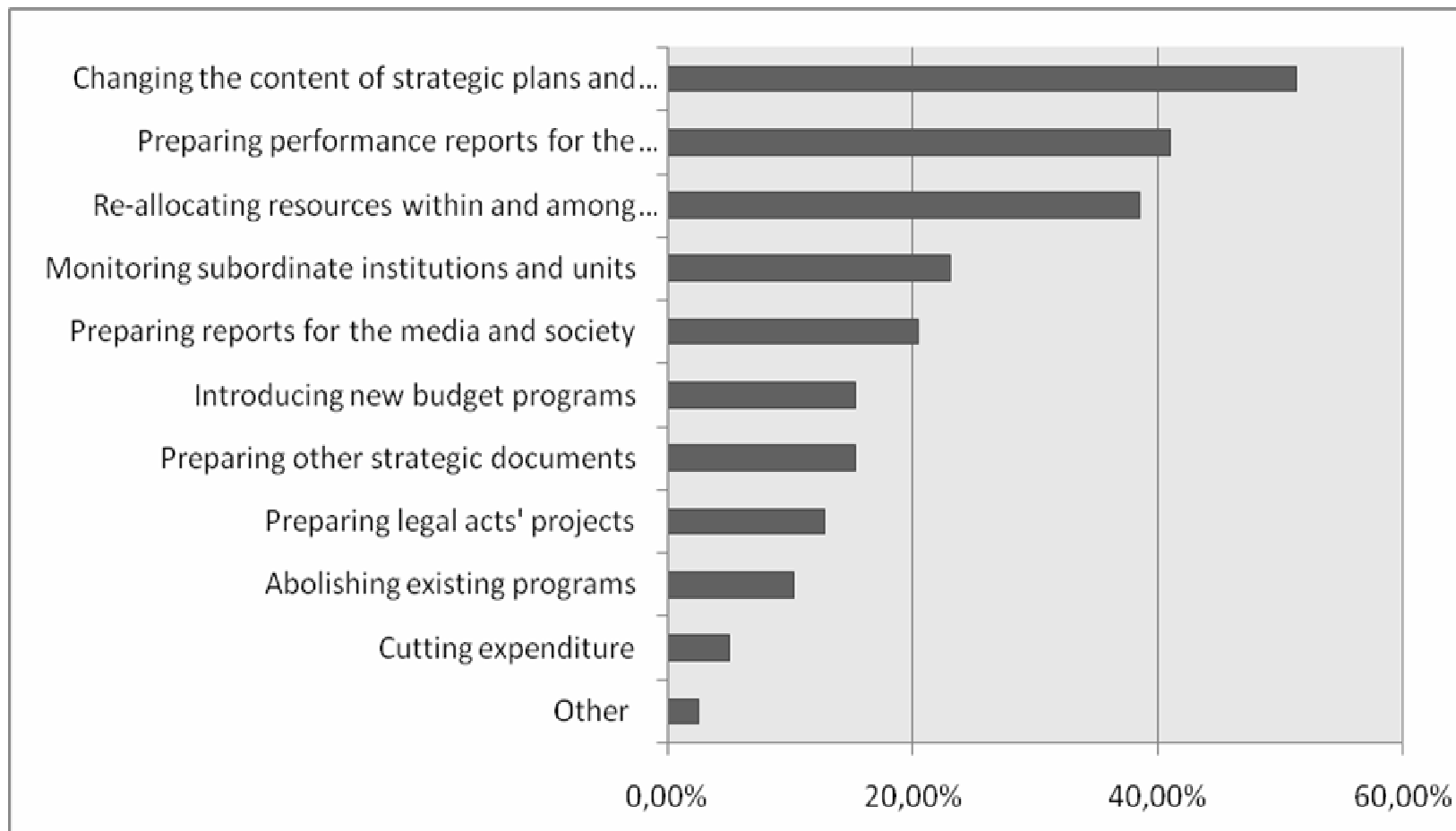
According to the OECD.

# Government expenditure and the wage bill



- Government expenditure was growing much faster than the wage bill;
- The wage bill in 2009 will be less than 13 % of government expenditure (in 1999 it was about 31 %).

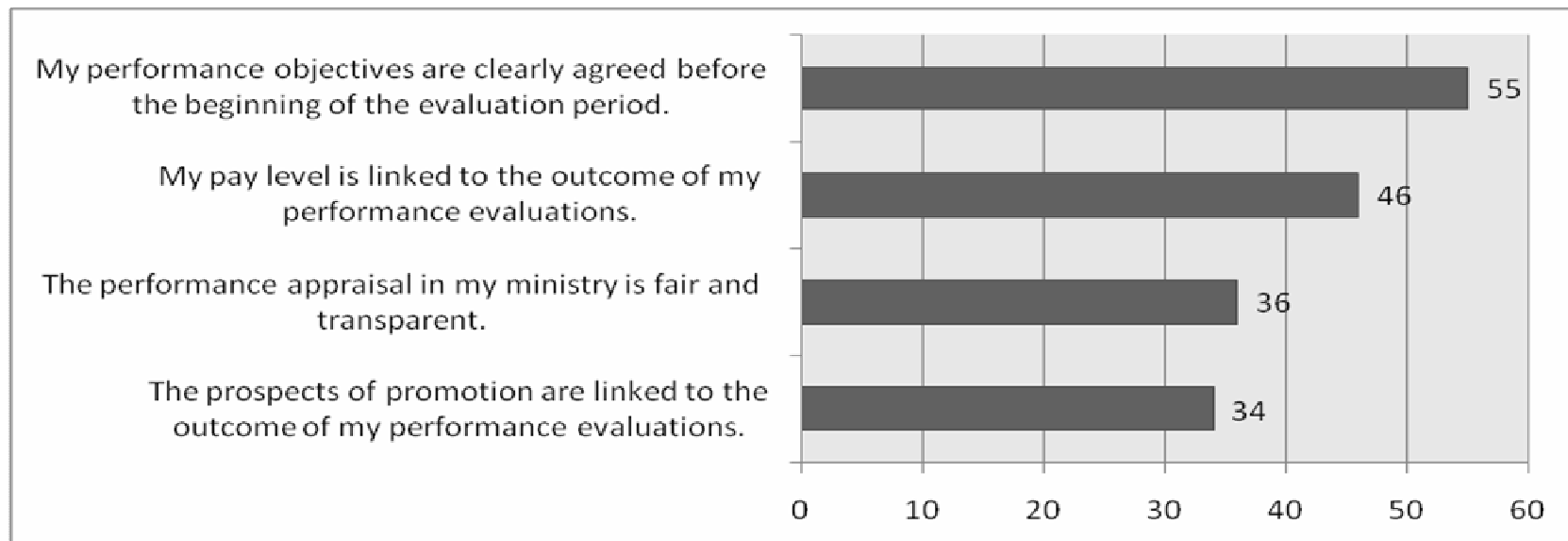
# Utilisation of performance information in Lithuania



PPMI, 2007

## Performance appraisal of the Lithuanian civil servants

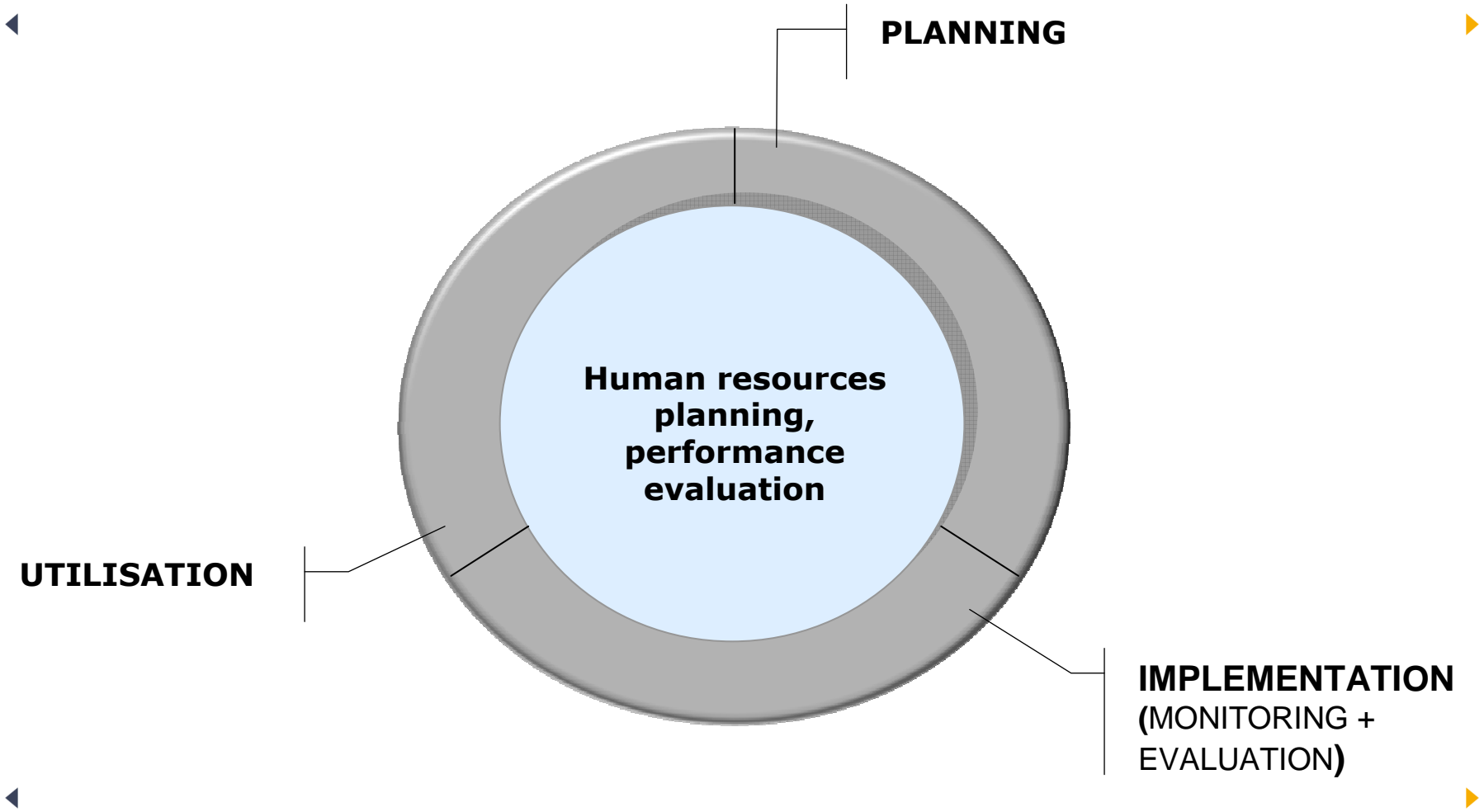
- Practice of performance appraisal in Lithuania in 2008 (per cent of civil servants who agree and strongly agree)



**Performance evaluation in Lithuania is underused a tools for communicating and aligning the organisational aims and objectives with the personal aims and efforts of individual civil servants.**

- SIGMA, 2009

# Strategic management cycle



# Integrated performance management model of the UK



# Levels of performance management in Lithuania

◀ ▶

**The Long-Term State Development Strategy, the Government's programme**

↓

**Strategic action plans, budgetary programmes (for the appropriation managers)**

↓

**Annual action plans (not for the appropriation managers)**

↓

**Actions plans of institutional units**

↓

**Performance objectives of the civil servants and other employees and their appraisal (according to the Civil Service Law)**

◀ ▶

# Evaluation system of government expenditure

<b>No.</b>	<b>Evaluation system of the EU structural assistance</b>	<b>Evaluation "system" of other government expenditure</b>
1. Evaluation object	EU financed operational programmes	State budgetary programmes
2. Evaluation organization	Centralised-decentralized	Centralised?
3. Evaluation place	External, internal in the future ...	Not only external, but also internal?

## Evaluation capacity of the EU structural assistance

### Measures for strengthening the EU structural assistance evaluation capacity:

- More thematic evaluations of the EU structural assistance, which could improve the content of policies or their parts financed from the EU funds;
- To strengthen evaluation capacity by carrying out small internal evaluations;
- To support the supply of the evaluation services and to improve its quality;
- To pay more attention to the evaluation of cost-efficiency of the EU structural assistance.

## Evaluation of budget programmes

- ◀ Needs for improvement: ▶
  - There is a need to create a coherent evaluation system of the state budget programmes;
  - To connect it with the instruments of monitoring and reviewing strategic action plans and budget programmes;
  - To connect it with the evaluation system of the EU structural funds.

# Types of performance management

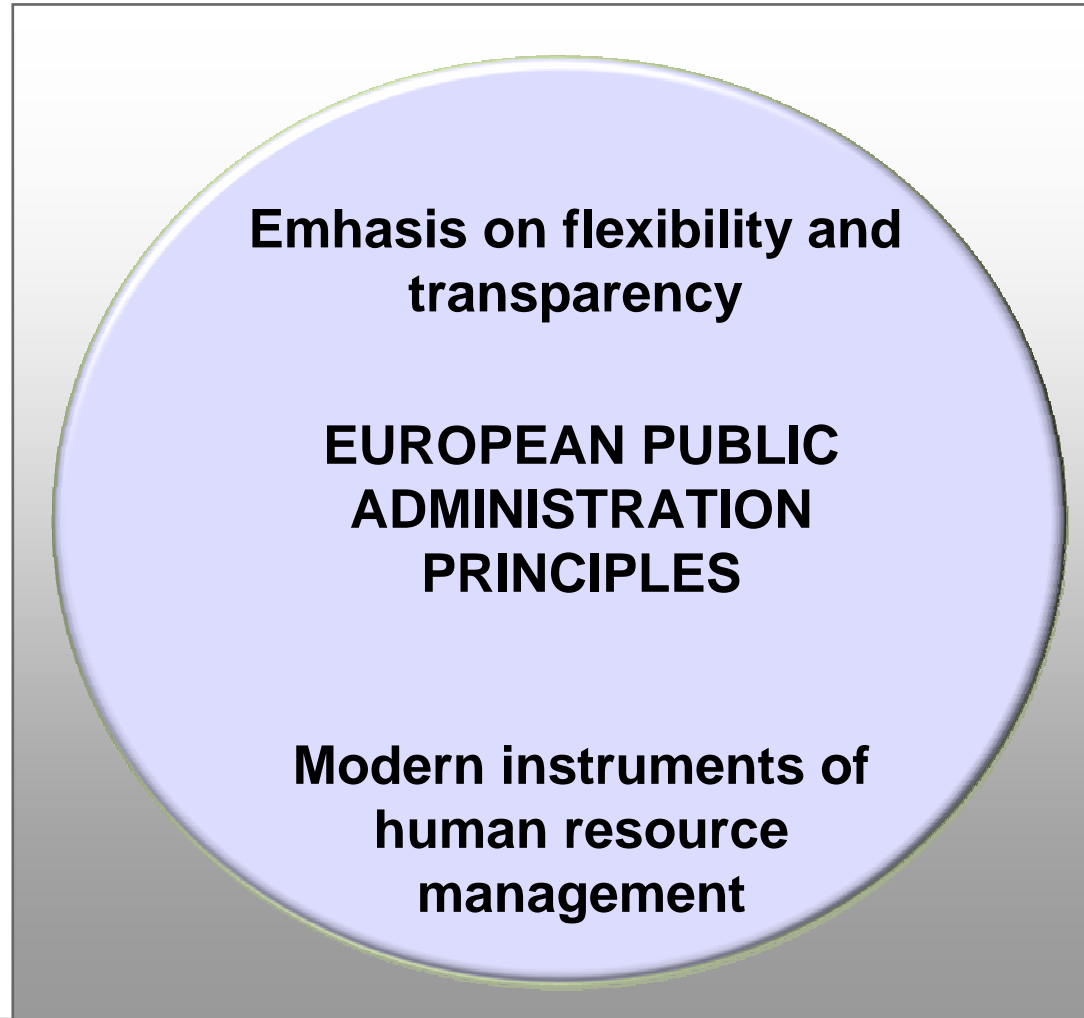
	<b>Initial performance management</b>	<b>Advanced performance management</b>
<b>Unsystemic, diffuse</b>	<i>Traditional type:</i>  Greece	<i>Management of performances:</i>  Netherlands, Sweden (Lithuania)
<b>Systemic, coherent</b>	<i>Performance administration:</i>  France, Germany (Lithuania)	<i>Performance management:</i>  Australia, Canada, UK, USA

Source: adapted by the author from G.Bouckaert, J. Halligan. *Managing Performance: International Comparisons*. Routledge, 2007.

# Importance of the civil service model



# Model of the civil service reform



## Higher civil service in Lithuania

- Senior managers of the Lithuanian civil service do not have a special legal status and no specific provisions are applied for their management;
- For some groups of senior managers (about 5 % of all civil servants) special provisions could be applied concerning their recruitment, career, performance appraisal, mobility, remuneration, training, etc.:
  - ✓ A central selection committee could propose candidates for holding managerial positions;
  - ✓ Fixed-term employment contracts could be signed with these managers;
  - ✓ their performance could be appraised according to the implementation results of strategic action plans and budget programmes;
  - ✓ Their mobility is ensured inside the civil service.



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