



Budget for results: a (long) learning process

Conference: EU Budget focused on results

Panel: Key feature of the EU Budget Performance

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(Regional Development Committee)

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A vision from the following viewpoint...

Multi-Level Governance (MLG) approach – European, national, regional and local;

The budget function of promoting development (providing public goods)...neither stabilisation, nor redistribution;

Experience from Cohesion Policy implementation...

...and the regional policy in OECD countries

Structure of presentation:

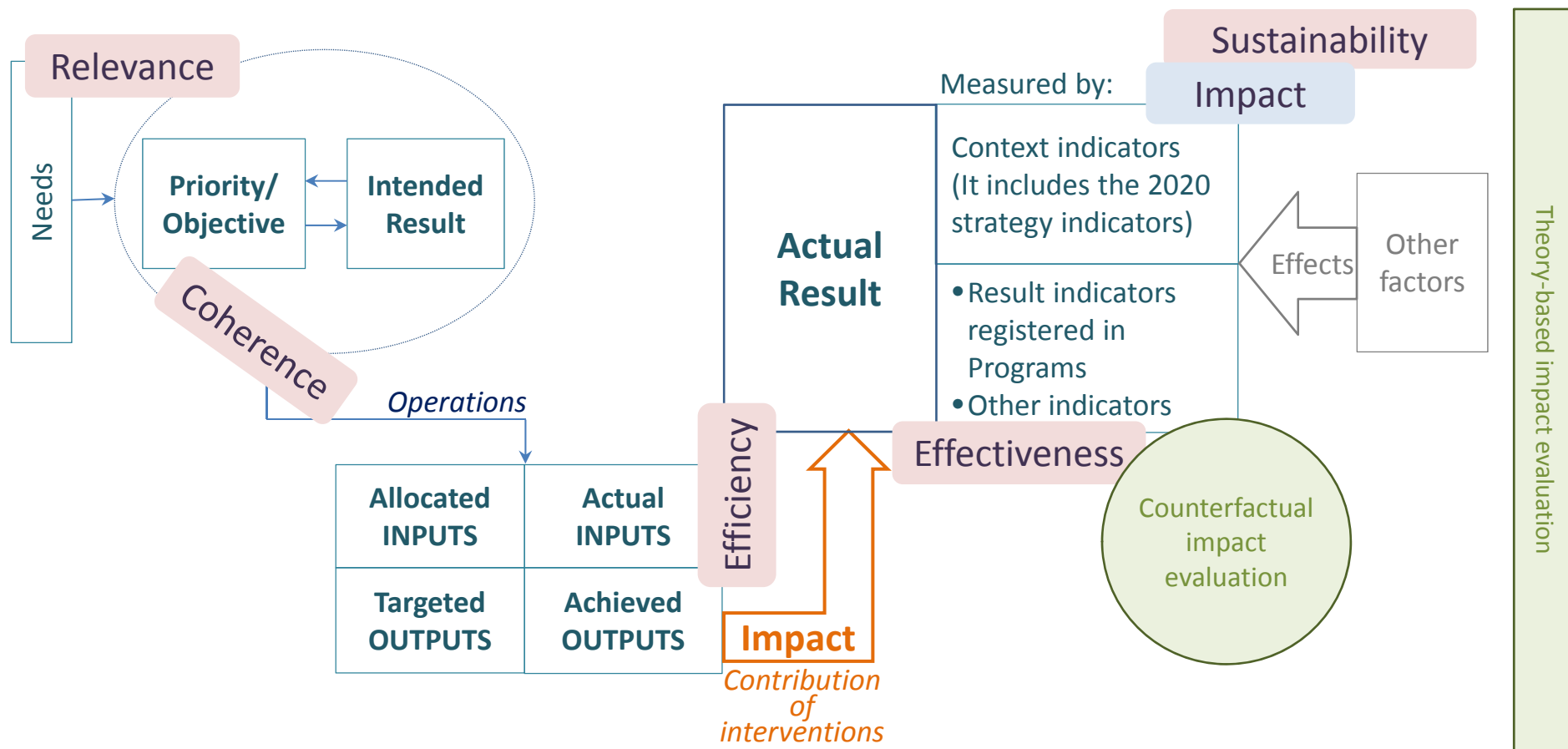
- 1. The intervention logic**
- 2. The implementation challenges over the policy cycle**
- 3. Territorial approach – the added value and the extra challenge**
- 4. European semester: coordination of economic and budgetary policies**
- 5. The learning process**

The intervention logic

Intervention Logic of public policies and its evaluation dimensions

Programming

Monitoring and Evaluation



Types of indicators over the policy cycle (example of education)

Policy inputs

(resources to education; institutional organisation of the sector)

Policy outputs

(institutional or territorial reform; number of teachers; trainings)

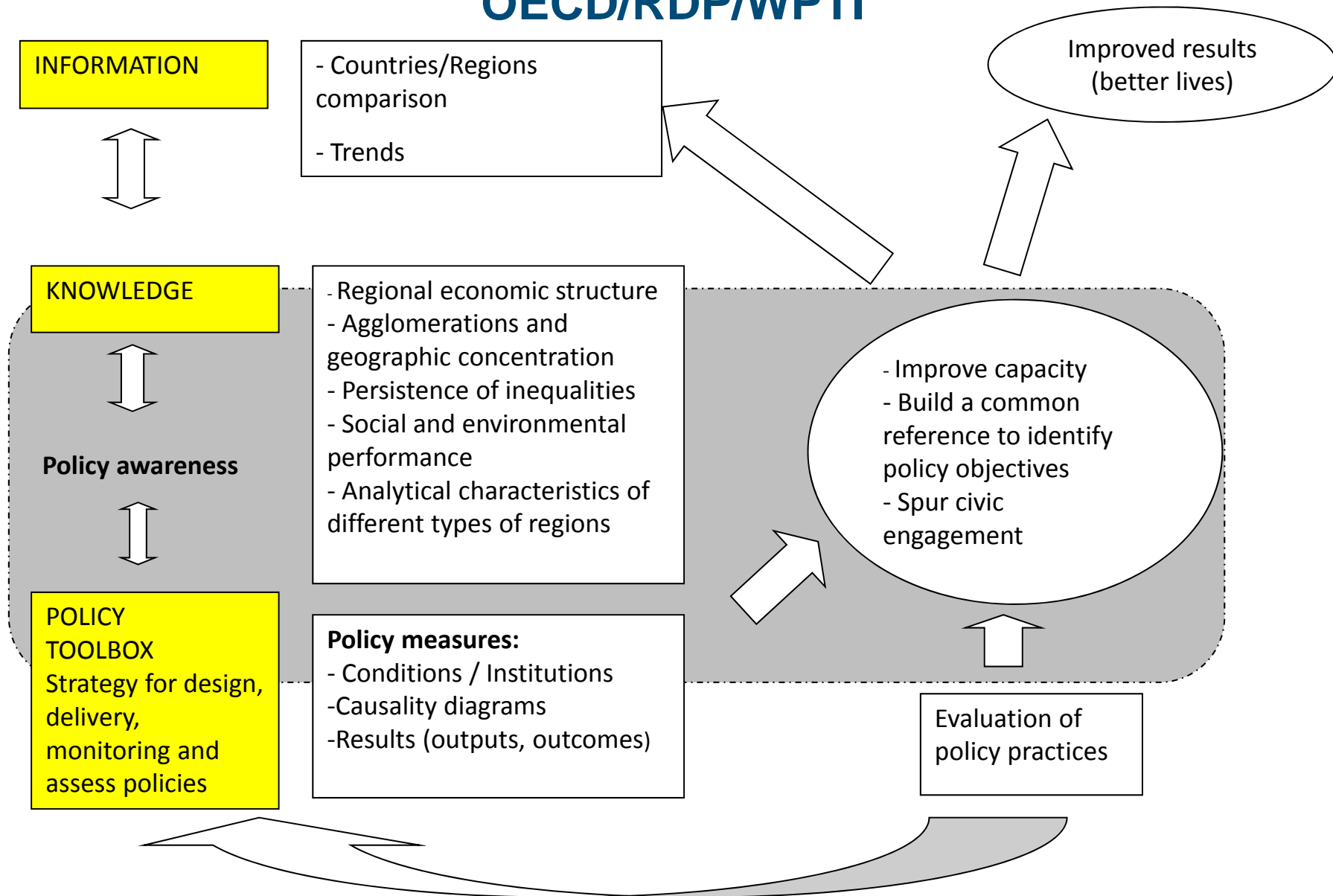
Policy results/outcomes

(supported students that are retained the following year; students participating in school activities)

Promote quality and efficiency of education (improve OECD PISA results)

An informed regional policy cycle

OECD/RDP/WPTI



The implementation challenges over the policy cycle

3 critical stages for a focus on results

1. Policy objective setting: (policy design and redesign)

- ✓ The clarity of policy objectives
- ✓ The right signal and incentives provided by indicators (e.g. R&D);
- ✓ The strategic alignment and knowledge about intervention logic (strategic planning)
- ✓ Evidence-based – based on sound knowledge (the inputs from monitoring and evaluation)

2. Policy implementation

- ✓ Set the rules and incentives aligned with results (results cascade from global to project level);
- ✓ The right/proportional use of results (bonus and malus);

3. Policy monitoring and evaluation:

- ✓ The right timing and the right scale to assess results;
- ✓ The accountability of public policies – public debate

Clear policy objectives are a key prerequisite indicators

- Without objectives it is unclear what indicators should measure
- The more precise objectives are about outputs and outcomes, the easier the development of indicators!



“Increase employment among single mothers by extending childcare provision”



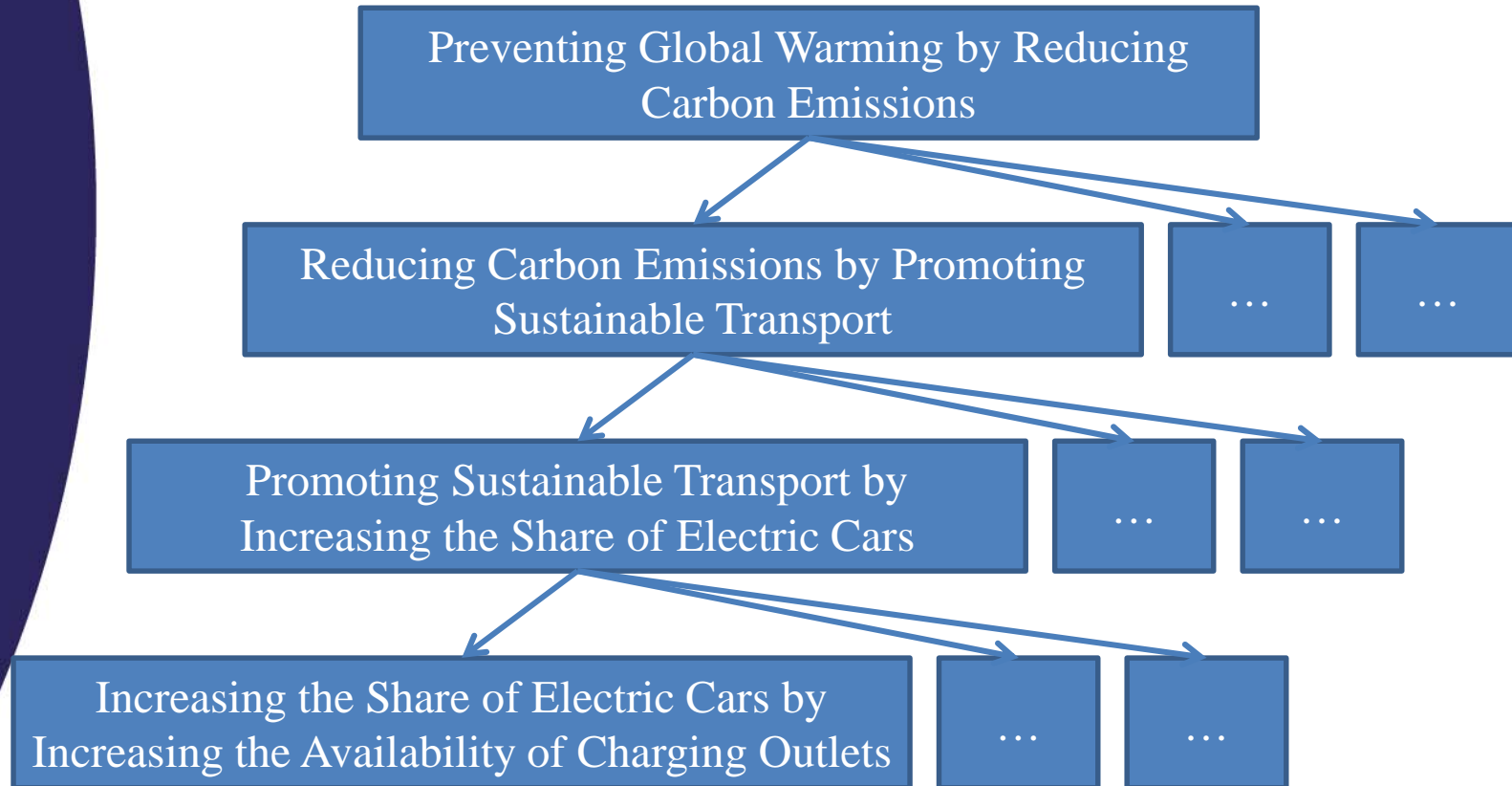
“Prevent costal erosion by constructing breakwaters”



“Ensure a more productive relationship between the central government and social partners”

Policy objectives must have a structure

The hierarchy goes from broad strategic objectives to specific outcomes of individual policies



Quality criteria for outcome indicators

High Quality

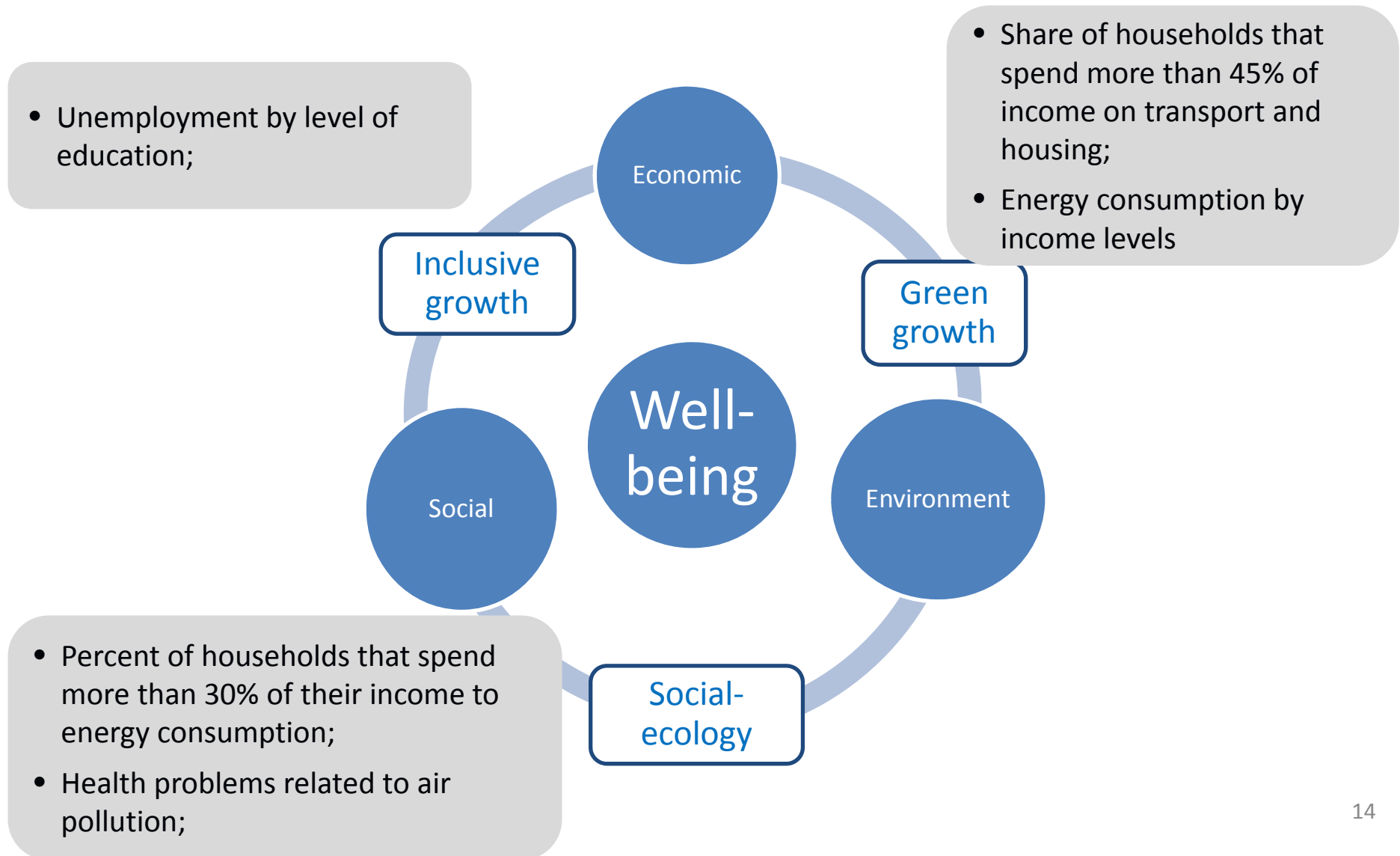
- ✓ Indicators aligned to objectives
- ✓ Responsive to policies
- ✓ Suitably normalised
- ✓ Available with short time lags

More problematic

- ✗ Use of output measures
- ✗ Frequently changing definitions
- ✗ Costly data collection
- ✗ Less reliable data sources

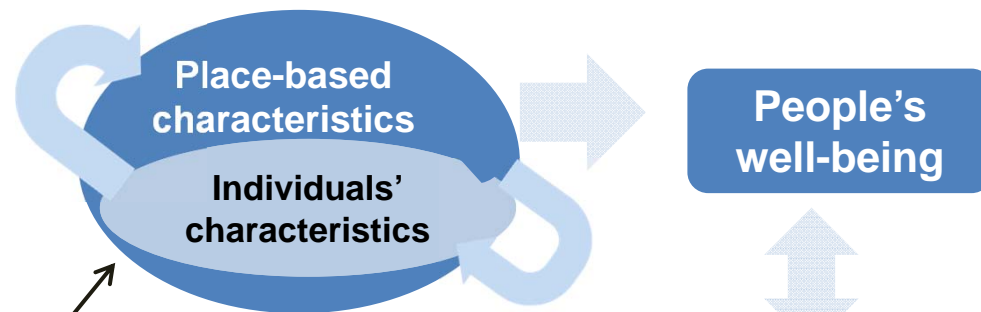
Territorial approach – the added value and the extra challenge

The combination of different dimension results: What matters for people well being

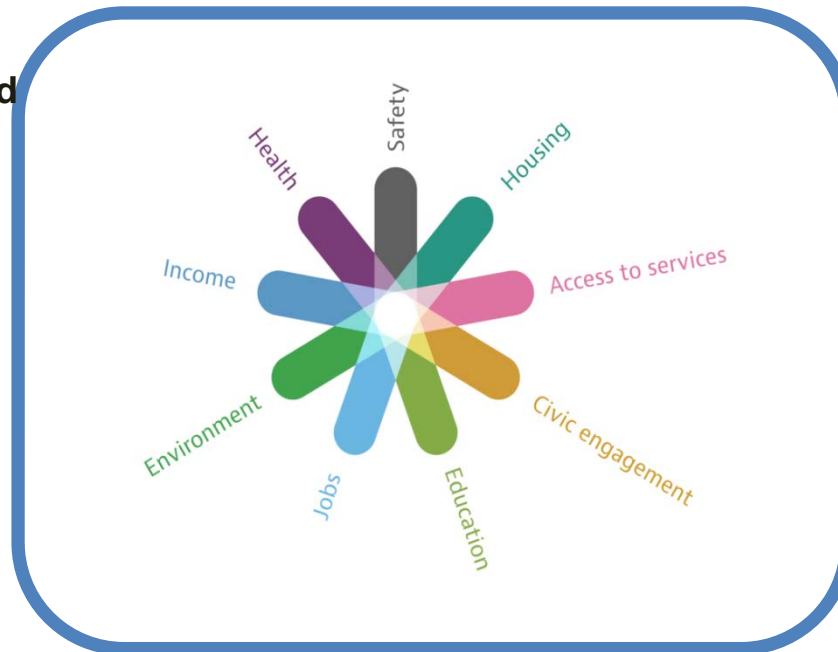


Explicit the “vision”: put at the center people’s well-being

OECD conceptual framework to measure regional well-being



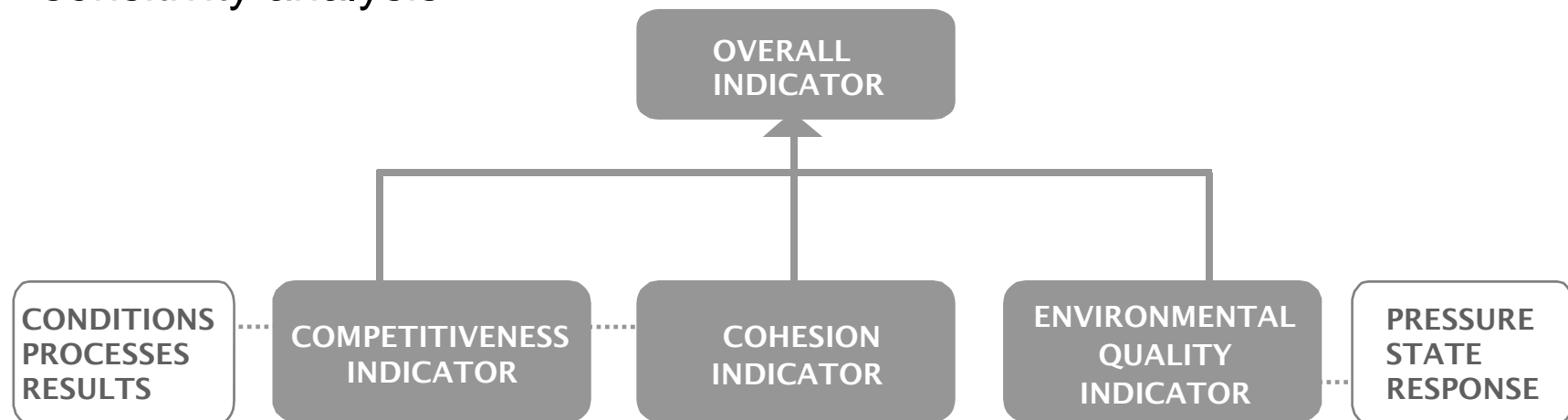
Including
citizenship,
governance and
institutions



- Well-being **where** people live
- **Multidimensional outcomes** measures
- **Distribution** of outcomes among people and places
- **Complementarity** across dimensions
- Well-being **over time** (resilience, sustainability)

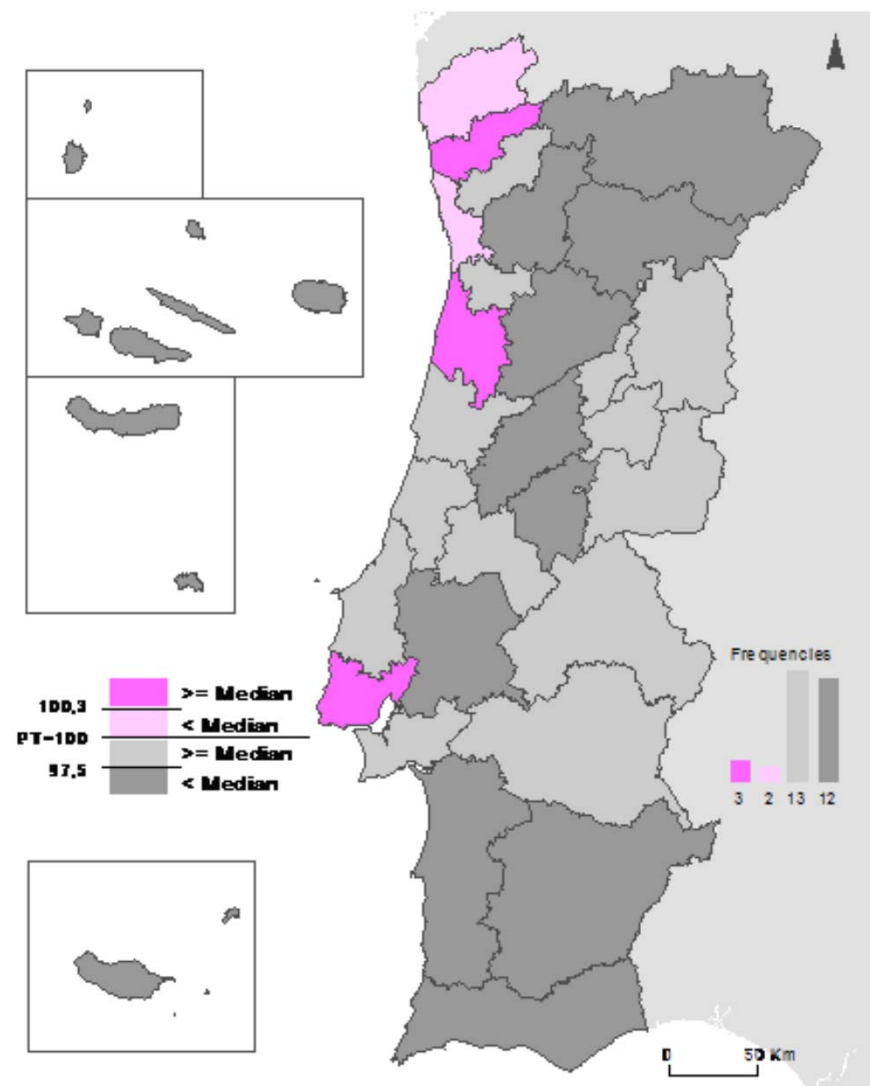
The Portuguese Synthetic Index experience

- Regional development Composite Indicator (ISDR) developed by Portuguese Statistical Office (INE) and National Planning agency (DPP);
- Motivation: A more comprehensive view of progress rather than focusing on indicators such as GDP is consensual – the well-being agenda
- The debate over the options with a group of experts and based upon a sensitivity analysis



The Portuguese Synthetic Index experience

2012 Global indicator/results



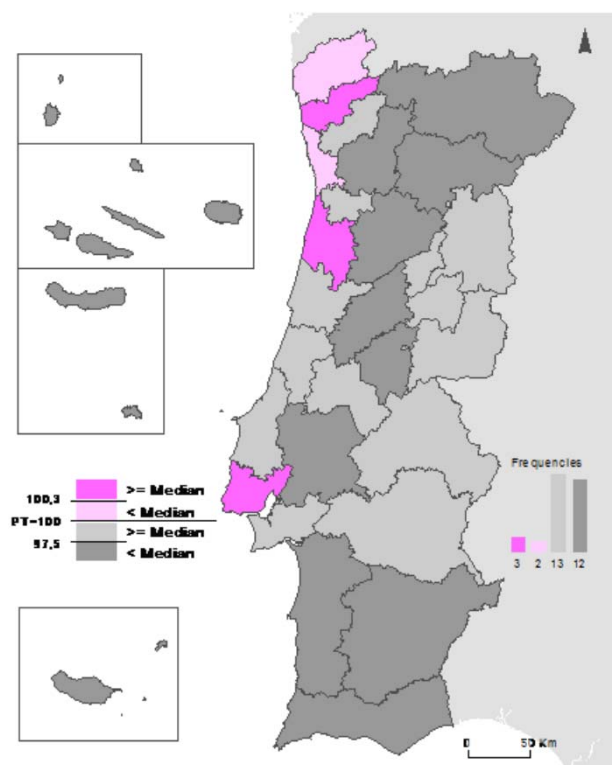
Policy uses:

- Basis for monitoring the subregional context of Cohesion funds implementation (NSRF and OP annual reports)
- Proposal to be taken into account in the new local finance law – in the calculation of transfers from Central government to the associations of local government (a premium for subregions with annual better progress in ISDR)

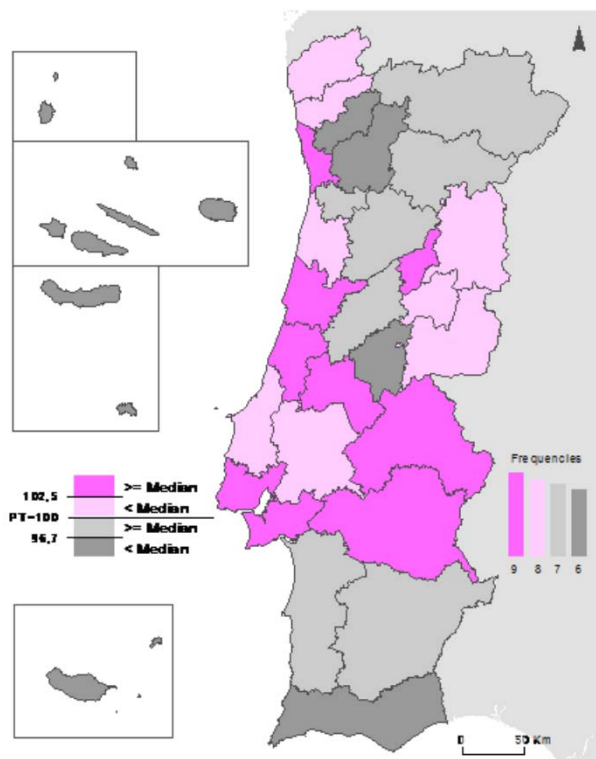
The Portuguese Synthetic Index 2012

DIMENSIONS

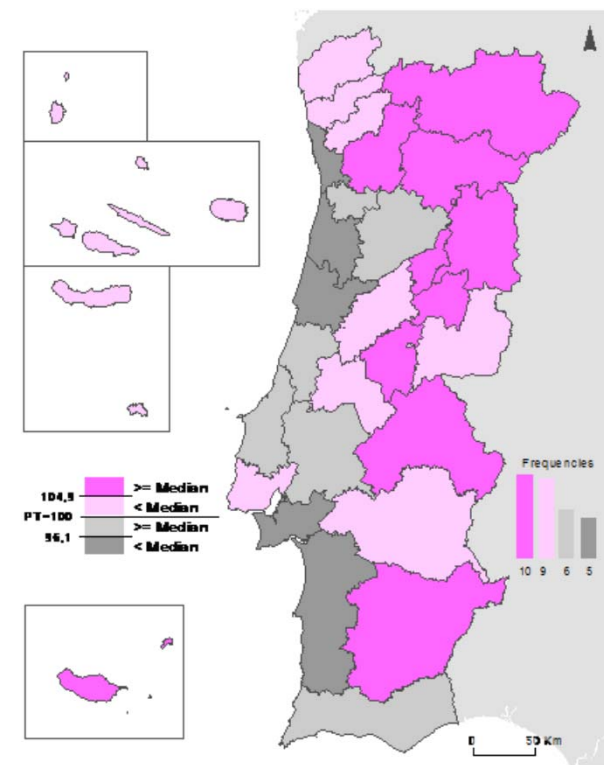
Competiveness



Cohesion



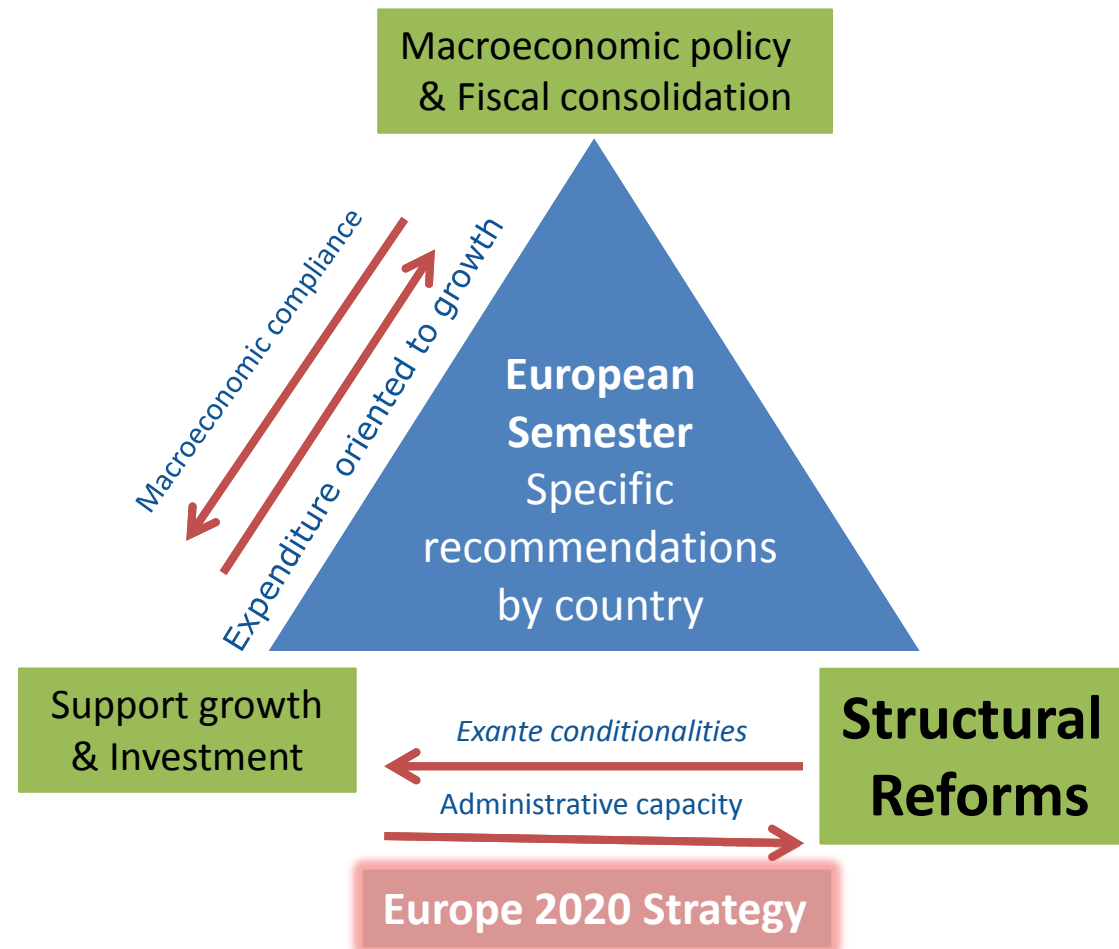
Environment



European Semester coordination of economic and budgetary policies

European Semester

- Based in 2 articulated/complemented areas: economic & budgetary
- Interdependence of the Economic Policies 2014-2020



Structural Reforms



National Reform Programmes

Each Member State submits its plan of structural reforms to promote growth and employment in line with the Europe 2020 strategy



Structural integrated approach

A strong commitment with structural reforms is essential for the sustainability of public finances and to boost the investment



The learning process

Some relevant challenges

For policy-making agenda

1. The political tension between pursuing long term objective (well-being) and the need for presenting short-term results - the timeframe of assessing the results (beyond political cycles and Cohesion Policy cycles) and the relevance of intermediate results (e.g. outputs within a clear intervention logic);
2. The governance of multiple interventions (multi-level – national, regional, local – and multi-sectorial) and their synergies – the role of territory in the integration of policies;

For measurement agenda

1. The relevance of subjective measures and subjective standards (e.g. good access to services)
2. The measurement of interdependence among policies outcomes (synergies among policies)
3. The need to measure asymmetries beyond average levels;

Lessons learnt

More focused on results implies

1. Less focus elsewhere (the limited resources and the risk to adopt “one sizes fits all” approach)
2. Setting the right incentives in policy implementation (e.g. selection criteria)
3. Stronger partnerships to solve the complexity to find the right balance between Focus (upper results sector oriented) and Flexibility (territorial synergies and well being)
4. Relevant (continuous) capacity building of the policy stakeholders at all levels
5. More investment in information and access to the existent information
6. A learning process (credibility matters, avoid the easy-wins bias, evidence-based in redesign of policies)
7. More informed public debate

A symbolic target on this long learning process...

Spending more time in the public
debate (civil and political) on budget
execution than on budget (plan)

Thank You

Obrigado

<http://www.adcoesao.pt/>

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