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Interviewee: Kestutis Rekerta

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FRIEDMAN: Good afternoon. It is January 28th, 2012. This is Yoni Friedman for ISS and I'm here in the Parliament building in Vilnius, Lithuania with Kestutis Rekerta, a program officer with the European Commission and formerly the head of the Strategic Planning Unit in Lithuania's State Chancellery. Joining me today is Gordon Evans, a former Cabinet Office official with the Canadian government that has consulted with the Lithuanian government. Thank you both.

REKERTA: *Maybe we should start even before 2000 because I used to work in the Ministry of Public Administration Reforms (and Local Authorities) from '96 to 2000. In fact, in one period of my career I was responsible for so-called reforms at the central level. Even in this position I was already involved in the reforms related to central government. I was interested in that.*

When the project started, I don't remember exactly, it was maybe 1999. By project, I mean the project with the Canadian government and financed by CIDA, Canadian International Development Agency. I moved from this ministry to the Government Office in 2000 and became head of Strategic Planning Unit. The decision to introduce strategic planning had already been taken before I took this responsibility. One of the suggestions for the project was to establish a structure responsible for this process. When this structure, this small unit was established we were three people only and we had to coordinate the implementation of strategic planning and the improvement of the methodology itself (we have modified it twice or three times). The first version was not very legally drafted. In Lithuania we have this habit to follow all legal acts. If it is not in the legal acts then it is not implemented at all.

Some different countries have different cultures and sometimes it is enough to have strategic feeling, and people are implementing without written rules and without legal acts. First of all, we had to translate it into legal acts because the administrative culture is quite legalistic. So we made it. It was already under my responsibility. We have prepared the draft, coordinated it with all the ministries and finally it was adopted as a government decree. So the methodology is a legal act.

Therefore, we can consider that formally and legally strategic planning was introduced in 2000.

FRIEDMAN: You mentioned that the decision to implement a strategic planning system was made before you changed positions, but to your knowledge why was strategic planning introduced in Lithuania?

REKERTA: *To my knowledge, it was a coincidence of several factors. As you know, Lithuania was in the period of preparation for EU (European Union) membership. We were in the position of negotiations and one of the main problems revealed by the European Commission was administrative capacity. Administrative capacity was assessed as not sufficient and was indicated as an area of possible improvement.*

It was clear from the discussion with the European Commission. The Government emphasized this area and tried to improve this area of public administration by additional tools. It was a coincidence that our Prime Minister was in Canada. I know from newspapers that n. he met also some government

representative in Canada and Canada suggested a project possibly focusing on administrative capacity.

Such a possibility from the Canadian government to support Lithuania in this area and the need identified by the Commission as one of the preconditions of EU accession was a good coincidence to improve public administration in Lithuania. There was a chapter 28, which was related to financial management and control systems. The model we had chosen and the model which was functioning in Canada, was the one related to the budget cycle.

We believed, and I think that the Government believed, that this measure could really improve the administrative capacities of Lithuania and to show the European Commission that we have improved already or are improving this area. Another factor was the Russian crisis. Russian crisis for Lithuania had more or less the same impact as the recent financial crisis. Therefore at the time the Government had also to balance expenditure making some budgetary cuts. There were some short-term measures to balance the next year's expenditure. Strategic planning was considered as a tool for the future. The tool when you define your objectives, when you fix your targets and when you really concentrate your resources. We believed that it will allow us to spend money in a more efficient way. It was seen as a measure related to the future economies and efficient public spending. Therefore, I think it was a coincidence of the crisis, European accession and this possibility to get support from the Canadian Government.

FRIEDMAN: Were there other models that you considered? You mentioned the Canadian program and the prime minister's experience with Canada. Were there other options you considered addressing on the administrative weaknesses identified by the European Commission?

REKERTA: *In parallel, there were some on-going improvements in the accountability system. I remember there were some traditional measures for improving this area, such as internal and external audit. The introduction of strategic planning system was not considered obligatory, because there was no obligation for countries to have such a system. It was an additional measure, just our own initiative to improve our own system. Your question was about choice of model?*

FRIEDMAN: Essentially choice of model.

REKERTA: *The model we have is not the same model that is functioning in Canada because you cannot just take and simply transfer it into another country. There is a different legal environment. There are even cultural issues that are different. Therefore, we had to introduce it as a Government decree. We had to introduce the corresponding provisions in the Law on budgeting system*

Therefore the system we have now is a result of research, experience from Canada because it was our country of reference and, experts were from Canada. Even at the expert level they have considered and they have discussed several models which exist in other countries—the U.S. (United States of America), for instance, and U.K. (United Kingdom). Every time when we were discussing, there was this comparative approach. But, of course, the dominant model was the Canadian one because we tried to take experience from Canada. All Canadian public service was ready to provide us as much information as we needed and we had limited possibilities to look at other models from other countries.

FRIEDMAN: Can you describe the basic elements of the system?

REKERTA: *The basic elements were to introduce this model into budgeting process and to align strategic planning to the budgeting cycle., Starting from priorities of the Government, designing response from the ministries to these priorities, developing ministries' programs, linking to financial resources, introducing performance indicators and measuring performance. Then analysis of the reporting for the last year and another cycle starts from priorities. It is an annual cycle of budgeting. Well, it is not really annual because we have chosen this model of three years on rolling process but mainly it was related to one year.*

FRIEDMAN: Before 2000 were ministries preparing strategic plans of some sort?

REKERTA: *Before that, no. They used to prepare some calculations for the Ministry of Finance related to the next budget. It was only tables with figures, without any performance indicators, any objectives. It was based on calculations and analysis made by people working in the ministries and knowing the sector and dealing with day-to-day work with all these institutions. They had to prepare and to submit to the Ministry of Finance the estimations of projects necessary for that institution. So nothing related to objectives or performance indicators or targets.*

FRIEDMAN: Were their estimates generally accurate? Was the Ministry of Finance providing generally appropriate resources to ministries?

REKERTA: *There were discussions between the Ministry of Finance and the line ministries about necessary amounts. Of course they didn't get exactly the same amount they submitted, but I cannot say more details about it because I didn't participate in such kind of budgetary discussion with Ministry of Finance. But it was done by people working in finance departments. It was considered exclusively their job.*

FRIEDMAN: You mentioned that in the new system the first step was for the government to communicate a set of high priorities.

REKERTA: Yes.

FRIEDMAN: Were previous governments undergoing a similar practice of stating three or five top priorities?

REKERTA: *No, it was not practiced like in some western countries where there is a budget speech or kind of commitment for the next year, no. Now when submitting the budget to the Parliament, the Government explains its priorities but there is no big speech. It is submitted to the Parliament just as ordinary draft legislation. There is no yet such culture to focus on it as very important issue. Everyone knows there is not enough money for everything. The Government will explain that it tried to reduce some expenditure or to increase another*

FRIEDMAN: Once the A.Kubilius Government communicated its priorities in early 2000, what was the next step? The ministries prepared their strategic plans?

REKERTA: *Yes, they had to translate all these priorities into their own strategic plans, showing how they will support it and how they will contribute to the achievement of these priorities. All these priorities were very clear, especially until 2004, the year we joined EU. It was EU accession, NATO (North Atlantic Treaty Organization) accession, one was related to the budget, etc.*

FRIEDMAN: So EU accession was actually a top priority. But there were many components, many laws that had to be adopted, and many regulations. So essentially as part of the ministries' strategic plans did they have to explain how they were going to contribute to the adoption of EU laws and regulations?

REKERTA: *Actually, in 2000, we did such kind of exercise on how we will finance all these priorities because we tried to take some money (it was 100 million litas), and we tried to give additional money for the implementation of these priorities. Some ministries were interested and they submitted their suggestions for what they will do with this money. Besides that, each ministry had to show how their programs were contributing to these general goals. Additional amounts were distributed for five ministries, the most involved in this process.*

FRIEDMAN: Did each ministry prepare a single strategic plan?

REKERTA: Yes.

FRIEDMAN: And in the strategic plan they had to communicate how they would contribute to the government's priorities? Were the ministries also allowed to develop their own priorities in addition to the government's priorities?

REKERTA: *Yes, according to our strategic planning methodology they had to put all these priorities in the way of prioritization. They had to put the most important priority first and so on.*

FRIEDMAN: As an example—I imagine it varied between ministries—how many priorities or how many objectives would a ministry propose in a strategic plan?

REKERTA: *About five.*

FRIEDMAN: So not so many?

REKERTA: *No—three, five. They're strategic priorities. Then we had a bit problematic issue because we had too many programs. Some ministries had, and maybe still have, ten to twenty programs.*

FRIEDMAN: Are these programs directly related to their strategic priorities?

REKERTA: *Normally yes because there is a requirement to show how a program contributes to the strategic objective of the ministry. Everything is linked by a logical framework of strategic planning, but we have seen that there are some problems because of the very big number of programs.*

FRIEDMAN: Why did that present a problem, the large number of programs?

REKERTA: *Because when you go into the description of the program it includes all the elements, so you have to put in place indicators and to design measures, actions—.*

FRIEDMAN: So was it too large an administrative burden?

REKERTA: *Yes it was. And from the point of view of coordination it was more difficult to put it in very clear, logical framework. If you have thirty programs it is more difficult than if you have one program for one strategic objective. That is clear. You*

cannot avoid some duplication. For us, it was very important to identify whether there were very similar activities or overlaps and so on. So we considered it as a problem and tried to reduce the number of programs.

FRIEDMAN: At what levels did the strategic plan contain indicators? Were there indicators at the level of the strategic objective or at the program objective or at both?

REKERTA: *Both. We had three levels of performance indicators: outputs, immediate results and impact indicators. Impact indicators related mainly to strategic objective of the ministry.*

FRIEDMAN: What was the third level?

REKERTA: *There were output indicators, immediate results indicators and impact indicators. That was the logic we followed.*

FRIEDMAN: And ministries were required to submit strategic plans at what point in the budget cycle? Were they already given general budget ceilings?

REKERTA: Yes.

FRIEDMAN: So that came first.

REKERTA: Yes.

FRIEDMAN: Then they produced the strategic plans.

REKERTA: *In the very beginning of the process we had two reviews of strategic plans. One was before the budgeting ceilings of the Ministry of Finance. The next one was after the adoption of the budget. But it was only once, I think, at the very beginning, when the ministries had produced for the first time their strategic plans.*

Later, the first phase was eliminated. The ministries already had some indicative ceilings from the Ministry of Finance and then, within this financial framework, they had to show what they will do with this amount of money available for this institution. They always have the possibility to mention that they would need some more money and they could provide all arguments necessary to support this. I remember very well some ministries, like the Ministry of (Transport and) Communication provided everything which is necessary and which is in line with the ceiling of the Ministry of Finance, and additional material which shows how many additional money they would need and why it is so and providing arguments for that. It was designed like this.

FRIEDMAN: When the ministries would submit their strategic plans they submitted them to your office?

REKERTA: *To both—to the Ministry of Finance and to us.*

FRIEDMAN: What happened at that stage, you reviewed the plan?

REKERTA: *Yes, we divided the responsibility of the review of the strategic plans with the Budget department of the Ministry of Finance. They looked more from the financial perspective. We also reviewed all these plans from the point of view of*

coherence with Government priorities and internal coherence of all elements of the strategic plan.

Generally, we looked at the quality of the plans. We were only three people and it was quite difficult exercise because we had, for instance, four or five ministries for each person. We had fifteen ministries or something like this. Depending on the ministry if you had for instance Ministry of Transport (and Communications), it is a very heavy document because they were investing a lot in roads, infrastructure, and so on. It was a lot of work to review it. We had a very short time period for that. It was a real challenge.

Nevertheless we have provided some advice and some suggestions for improvement. The ministries usually accepted them.

FRIEDMAN: Did you have a cordial relationship with the ministries? If you did provide some critical feedback was it generally accepted?

REKERTA: *Yes, normally it was accepted.*

FRIEDMAN: Did you find that in some strategic plans ministries were not adequately reflecting the government's priorities?

REKERTA: *Normally we assessed everything which was written in this strategic plan, including if it is aligned with the priorities of the Government. So even if the title or objective is not formulated in a very clear way, we tried to suggest another one or even to suggest a performance indicator or whatever we have seen not coherent*

FRIEDMAN: What kinds of problems did you encounter?

REKERTA: *In the first phase, the objectives were not very concrete: without timing, without any criteria for assessing. There were no link between performance indicators and how the target is formulated. We have seen all types of problems but more or less related to the matter because it was something new. They didn't have any experience in this kind of job. But we had some trainings, especially during the implementation of this Canadian project. We had seen that there were some problems and we suggested making some presentations by public servants from Ontario.*

They presented examples of very well designed programs with good indicators. When you see this logic you can think about your programs. They are of course different, but the principles are the same. We tried to take everything from this project, I hope. People participated very much in these kinds of trainings.

FRIEDMAN: Who organized the training? Were Strategic Planning Units created in the ministries?

REKERTA: *We organized all these training, but with the participation of public servants from the government office of Ontario.*

FRIEDMAN: Did the local (Lithuanian) Institute of Public Administration provide trainings as well? Did your office provide trainings?

REKERTA: *In fact the Public Administration Institute was already providing some courses on strategic planning even before this strategic planning was introduced into public*

administration system. But it was a different methodology. After the introduction of this methodology, we suggested this institute to provide courses on implementation of this methodology which was adopted by the Government. Before that, they had courses, but they were not very popular. I cannot say that strategic planning was an unknown issue. The courses of three days were given by the institute of Public Administration—but it was a different approach and different methods.

After the introduction, they tried to re-orient the activities and to provide services for public servants on this particular strategic planning methodology set up by the Government.

FRIEDMAN: About how long—how many weeks or months—did ministries have to prepare the document?

REKERTA: *I think three or four months they had after the adoption of priorities to submission of the first draft to the Government Office, or even more.*

FRIEDMAN: Were you engaged with ministries during this period when they were—?

REKERTA: No.

FRIEDMAN: Only once they submit?

REKERTA: *Some ministries had questions, so they called us and asked whether they understand correctly. After the submission, we were writing comments and sending them official letters. At that time the letters were signed by the Government secretary with a standard sentence, "Please take into consideration all our comments related to your strategic plans."*

The problem was also that in the beginning we were not only assessing strategic plans of the ministries, but also those of the subordinating agencies. At that time, every institution had to provide its own strategic plan—even institutions which were under the responsibility of the ministry. Not only the ministry and the central body, but also the subordinating agencies as well. We call them "institutions under the ministry".

FRIEDMAN: So about how many of these agencies existed?

REKERTA: *For instance, Ministry of Interior had at that time about fifteen subordinating agencies.*

FRIEDMAN: And each one prepared a strategic plan?

REKERTA: *Yes. Now it is already rationalized and it was one of our suggestions also to reduce the number of programs and to reduce the number of users of budgetary funds. Some ministries centralized a bit the fund management and left some subordinating agencies without this responsibility.*

FRIEDMAN: I understand that in the last few years there has been a renewed effort to reduce the number of programs and the number of appropriations managers.

REKERTA: Yes.

FRIEDMAN: Was this successful in the first part of the decade as well and then the problem got worse or—.

REKERTA: No.

FRIEDMAN: The number just kept going up?

REKERTA: *We were constantly reducing the number of programs because in our assessment we have seen that there were some similar objectives, or similar activities, thus we suggested merging some programs. It was one of our comments to these strategic plans.*

FRIEDMAN: Can I ask you briefly about your staff? You mentioned at first you were a staff of just three.

REKERTA: Yes.

FRIEDMAN: Were the officials employed by the government office? Did you get to select your own staff?

REKERTA: *I think we had to select one person. There is a standard procedure for public servants. We were able only to employ this person in the very last stage of this procedure. There is a conversation with all candidates. I remember that we had to organize it. It was Eglė Rimkutė who was recruited after this unit was established. I was transferred from the Ministry of Public Administration and Local Authorities. Another person, Nijolė Kundrotienė was working already in the Government Office but in another unit. She wanted to join this new unit. She expressed her interest, and she was transferred. Eglė came from one agency which was dealing with sports.*

FRIEDMAN: By 2006 how large had the unit grown?

REKERTA: *I remember that we had five people, not more. So it is really modest. Now maybe it is more important, I didn't follow the recent reorganization of the Prime Minister's office. I think there are a lot of people but I don't know who is doing what.*

FRIEDMAN: Did you feel that you had sufficient resources and sufficient personnel to do the job effectively?

REKERTA: *No. To assess such document you need really more than one week because it is hundreds of pages, especially in the beginning of the process when people don't have this experience. So it was very difficult.*

Afterward maybe it was easier because already for the second time they had already the feedback from us.

FRIEDMAN: Do you think the quality improved over time?

REKERTA: *In some ministries yes, but in others, no. Let's take example of the Ministry of Foreign Affairs. People are moving from one place to another one and when you start talking to the person responsible for strategic planning in the ministry it takes several years. After two years you have already the same language and you understand each other. But suddenly the person takes a position somewhere*

in Moscow or Vienna or somewhere else and there is another person who is taking responsibility and it starts from the beginning.

FRIEDMAN: So it was generally—.

REKERTA: *Generally it was an improvement. If the person was in the same position it was gradual, but it was still an improvement.*

FRIEDMAN: Can I ask, perhaps, both in 2000 and in 2006, what worked well—what do you think was working well for the system and what was not working well?

REKERTA: *I think what we did well is that we adopted this reform to local mentality and to local legal environment and to local existing procedures and we have included it in the process, which is vital for any institution. It is the budgetary process. You cannot avoid it because you have to finance your own institution and for that you have to provide some documents, some evidence and some arguments. I think it worked well.*

I remember we were in Macedonia where U.K. experts were introducing the same issue but it was quite difficult. When we told them that our mentalities were more legalistic they agreed that it was also a problem for them. They understood how it was important to introduce it in the national system of legal acts—so I think we did it well.

What was maybe not so well is that the number of government priorities was constantly increasing. This issue was not so well managed, but you can understand that being a public servant you cannot impose anything for the minister. The ministers tried to introduce their area of responsibility as government priorities and were constantly increasing the number of priorities. At the end we had the situation where all areas were considered as priorities.

It reduced the scope of possible concentration of financing and it was not a very good experience. I see now that the present unit is trying to come back to this period when the government had five priorities—only five priorities—and try to introduce performance indicators, but I am not following very closely this issue so I am talking what I heard during this conference.

The lady from the State Control, she told us yesterday that she was surprised because she would like to ask which area is not a priority. So this process was out of our control because it was really at the political level. They introduced this during their Government meeting. “Sorry, you are public servant, so you can say something before, you can suggest something before, but you cannot intervene during the government meeting.” Sometimes Prime Ministers accept it (increasing the number of priorities) because they don't see it as a potential threat, and take an additional area as a priority. The result is that everything became a priority. It was a very weak point in this process.

FRIEDMAN: So in the strategic plans the ministries no longer prioritize their programs as effectively?

REKERTA: *They could do it because all the ministries, when you have such large priorities, you can link your problems with at least one of the priorities, it is very easy. Before that it was more difficult. You can see which programs should be a priority and which ones should not.*

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- FRIEDMAN: At least initially when there was a smaller set of priorities, were there any penalties that you could levy if a ministry did not adequately prioritize the government's priorities? Could the Ministry of Finance withhold appropriations?
- REKERTA: *No, there were no penalties at all, but as I said before there were some bonuses. That means some additional money for priorities, but it was only once if I remember during the first exercise. Later on this exercise wasn't repeated because the government changed.*
- FRIEDMAN: Perhaps that leads to the next question. What challenges were presented by the fact that the government changed so soon after the Unit began?
- REKERTA: *Well I remember I survived some three, maybe more, changes of the Prime Minister. It was (Andrius) Kubilius, after Kubilius I can't remember.*
- EVANS: (Rolandas) Paksas.
- REKERTA: *Then (Algirdas) Brazauskas.*
- EVANS: Then—.
- REKERTA: *Then (Gediminas) Kirkilas. I remember ex-prime minister Brazauskas, in the beginning he didn't understand what this was for, how it works and what it is for this strategic plan. There were no discussions between us maybe during three months. We were in our office but he didn't ask us anything. Maybe he was trying to understand what our role was what we should do and whether it is necessary or not. Of course, we have provided explanations, notes explaining how it was started, why it was so and provided international experiences on that. Finally, he understood everything and he used us a lot and even tried to improve our role in this process. I remember well that he wanted me to come to his office and make some summaries for questions that were submitted to Strategic Planning Committee.*
- So in the beginning it was quite difficult because he didn't understand the purpose of this unit or the process as such, but afterwards it worked very well because he participated himself in the review of strategic plans, because every minister had to present its strategic plan for Strategic Planning Committee. He participated and he asked questions and it was, for me of us very heavy exercise. You can imagine the Prime Minister sitting in the same room for two days, because it takes two days just to present for the ministers their own strategic objectives and programs. You can imagine, two days, it is quite a heavy exercise. But he did it.*
- He had questions, suggestions such as: "Could you maybe adjust your figures? Because I know that this figure is not the right one". He had a very good memory for figures. "When you will be back to the ministry, please check it again." So it was difficult in the beginning, but when it was understood by the prime minister, how it could work and which added value it could give—it worked.*
- FRIEDMAN: At what point in the process did the Strategic Planning Committee meet? The ministries submit their plans and then you analyze them and provide your feedback—.
- REKERTA: *Afterwards.*

FRIEDMAN: They would then submit a revised draft?

REKERTA: *Before the beginning of the New Year because the budget was already adopted, I think. But then after the budget is adopted, the Ministry of Finance adopts appropriations for each program. Before the Ministry of Finance adopts these appropriations, we have this meeting in the Strategic Planning Committee.*

FRIEDMAN: Was there a monitoring component? Did you monitor implementation of the strategic plans during the year?

REKERTA: *Yes. Normally they had to submit it before the first of March because by the end of March we had to submit the Government report to the Parliament. So we had some two linked processes. The ministries submitted their implementation reports for the Government, and our role was to prepare the draft Government activity report to the Parliament. In the timeframe, it was coordinated more or less well. We had one month to finalize the Government activity report.*

FRIEDMAN: Did the ministries also report to parliament directly?

REKERTA: *Before the introduction of strategic planning it was like this. Some institutions used to prepare their activity reports and just send them to everyone including the Parliament, but normally after the introduction of the new mechanism they were submitting only to the Government.*

FRIEDMAN: You mentioned that soon after you began you had to make one adjustment in terms of imbedding the system in law. Were there other adjustments that you had to make along the way, other procedural changes, methodological changes?

REKERTA: *Well we have modified strategic planning methodology, if I recall, three times. In our view it was like a normal procedure because by the end of the second year you have a lot of feedback on what is going well and what are the problems. You have this feedback from the ministries. Sometimes they are mentioning that this point is very difficult and maybe we could modify this in our strategic planning methodology in order to deal with it in the most efficient way. So we were collecting all these suggestions.*

Every two years we modified strategic planning methodology. If you would look into our governmental decree you would see all these modifications—in 2002, 2004 and 2006. It was just like a normal procedure, every two years to adapt something to improve or to adapt to other issues because we have introduced this kind of inter-ministerial program, horizontal program, which is implemented by several ministries. So we had to design all procedures for the preparation, for the implementation and for the reporting. I think we did a lot of modifications. It was based on our own experience already without external experts.

I think it is good because it shows that the system was already running by itself. So it was a self-assessment and implementation of necessary measures to improve the systems.

FRIEDMAN: Can you offer an example maybe of a large change that you had to make?

REKERTA: *An example of modification?*

FRIEDMAN: Yes.

- REKERTA:** *For instance, someone from the ministries noted that there is kind of duplication of the reporting—because if the ministries implied in the implementation of inter-ministerial problem they have to write it in their own report. We decided that all these ministries will produce one report. So we went through titles—what should be written in this report? What should be reported for this and who would be responsible?*
- We have also modified tables, if I remember well. We have modified notions of different documents because some documents were disappearing. Some documents were introduced because of EU issues. This exercise had to be aligned with the implementation of structural funds after the accession. According to Lithuanian law, all this money from structural funds is a part of national budget. But the accountability for that also should be separate and common.*
- So we tried to align all these processes—EU requirements with national. At the beginning it was not a problem because we were not in the EU and it was not necessary. But after 2004, it was necessary to align this. We have introduced new documents like a single programming document, what it is, what it covers. It was related to European regulations. We couldn't modify anything because it was given by Europe. So we had to align it, to adapt our system to these requirements. But we have seen, it should be integrated because it is about the same. It should follow the same logic, it should follow the same cycles, follow the same procedures.*
- FRIEDMAN:** I've taken a lot of your time. Do you have any questions you'd like to ask?
- EVANS:** Just a couple of things—if you've covered them already just pass. There is this general impression that it was sort of a robust, successful period as the system built up from about 2000, 2004 and then after 2004 it kind of—it didn't improve as fast, maybe became more bureaucratic, disconnected from the decision-making system. That is sort of a general perception. Now people are sort of saying, "Okay, we'll take another look at it and see if we can improve it again." What would be your observation on that perception?
- REKERTA:** *Well, maybe it is true, because if you look at, in general, in public administration reform—and you mentioned in your presentation one report made by the World Bank that in all these eight countries that joined EU in 2004, normally public administration reform was slowed, even some actions were taken which were against principles of the European administrative space. They noted some decline in public administration reforms. So maybe in Lithuania it was also the same process because you have achieved already your objective, you are in the EU already and you can relax maybe. You understand? Maybe I think it is because of that.*
- EVANS:** I think that is an important observation because it was endemic across all the EU countries in a sense.
- REKERTA:** *But I think still, as I told you, we were improving this methodology until 2006. I believe that it necessary to do so, maybe every year or every two years. It is a normal review because you are growing up and people are acquiring more and more experience. You have to go together and see how to improve it even better.*
- EVANS:** I guess a second question, if you haven't covered it, how would you describe your relationship with the Ministry of Finance and how did that evolve?

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- REKERTA: *In the beginning?*
- EVANS: From the beginning until when you left.
- REKERTA: *As I said already, we have divided some responsibilities in reviewing strategic plans. When the plans were submitted we had to them. They mainly took the financial part. They have some data, historical data and they see whether it is going the right way or another way. We took government priority issues and general quality, logic framework of programs and coherence, internal coherence of all elements within the plans. So we have divided these responsibilities and we gave our feedback for the Strategic Planning Committee meeting.*
- EVANS: Did you have a good working relationship with Finance?
- REKERTA: *We didn't have any major problems but I remember well during one modification of the strategic planning methodology, we wanted to introduce the evaluation element within this cycle. I felt kind of opposition from the Ministry of Finance. I don't know why. Maybe they have seen it as possible need to put some money for that or some other reasons. We felt that they were not ready, and decided come back later and introduce it.*
- EVANS: They did set up a unit last year so you eventually won the issue because they actually have one now.
- REKERTA: Yes?
- EVANS: Yes, a program evaluation unit, they finally set it up.
- REKERTA: *In the Ministry of Finance?*
- EVANS: Yes.
- REKERTA: *So they understood this. But it was really maybe premature.—for each decision you have to have this good moment for that and a kind of common understanding of issues. When it is too early, it is too early. You should take some time and maybe it was just too early and now voila.*
- FRIEDMAN: Were there any difficulties at the very beginning, back in 2000, with the Ministry of Finance?
- REKERTA: *With the Ministry of Finance?*
- FRIEDMAN: In explaining the system? They perhaps had their own system that they were thinking of?
- REKERTA: *No we were in the same team and we were working together. They were always present and no, I didn't see any problem. Did you see any problem?*
- EVANS: In the very early days there were some problems but once the working group was set up—and I think there was a point where the vice minister realized that at a political level, and that was what he cared about, that in a sense it created the possibility of an alliance of the minister of finance and the prime minister versus the ministers and it didn't just leave the minister of finance alone to have to deal with the ministers. So I think they started seeing that as an advantage.

REKERTA: After 2003 when we had introduced this obligatory impact assessment, it was mentioned during the conference, the minister of finance also took it as an advantage and they used this impact assessment in the negotiations and in discussion on draft legal acts. I participated in one of the meetings when state secretaries were discussing the one project. I was waiting for another issue but heard how they were dealing. The Ministry of Finance was surprised that in one impact assessment it was mentioned that there will be no additional cost to implement it.

EVANS: No cost.

REKERTA: No cost or additional costs, so the representative of the ministry asked how they imagine it and asked explain. So they used it. For them it is an additional tool to save the budget and to keep it in balance.

FRIEDMAN: Thank you very much for your time.

REKERTA: Not at all, you're welcome.