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Interviewer: Yoni Friedman

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FRIEDMAN: Mr. Evans, thank you so much for speaking with me. I'd like to ask you to introduce yourself, tell me a little bit about your professional background and how you got involved in the project in Lithuania.

EVANS: *I'm Gord Evans. Going back I worked for the Canadian and then Ontario governments over the period of about twenty years. My last position was in cabinet office, I was in cabinet office for eight years and for about four years of that I had an obscure title called Deputy Clerk of the Executive Council. Basically that position was coordinating the planning across government and sitting in on cabinet and taking the minutes for cabinet decisions.*

In 1998 I left the government, went into international work and fell into two jobs, one in China and one in Lithuania. The Lithuanian job which of course we're talking about now was a project funded by CIDA (Canadian International Development Agency), it was a partnership between the Ontario Public Service, IPAC (Institute of Public Administration of Canada) which is an NGO, and the Lithuanian government. So that began my international career.

It was not a full time job. I would go to Lithuania quite frequently like once a month over a period of four or five years and have continued since then doing work in about 25 different countries internationally, most of it on center of government.

FRIEDMAN: What was the aim of the project in Lithuania?

EVANS: *It's interesting. There are different perceptions about that. From the Ontario government's perspective the aim was to go over there and introduce business planning. In Ontario at that time business planning was a type of strategic planning where basically the way in which ministries plan their budgets is linked to the policies which in turn are linked to the government's priorities. You know sort of a classic strategic planning type of approach.*

In the Lithuanians' minds it was varied things and, probably because they were used to donors, they thought it was part of public administration reform and at that particular period of time there were all these public administration reform strategies being developed across Eastern Europe and places like that. However, the people involved on the Canadian side were not development professionals, they were all people in government. So from our perspective we didn't have a clue what 'public administration reform' was because no normal government would ever do that.

From the donors' side this was very complicated. So it took a while to actually work out what it was about.

FRIEDMAN: Did you diagnose different problems then? What agenda—local officials you were working with perhaps had a different agenda?

EVANS: *I think the reason for some of the misunderstanding is that it was diagnosed by a senior Canadian civil servant who went over there and talked to the prime minister. The problems the prime minister articulated—.*

FRIEDMAN: This was Prime Minister Vagnorius?

EVANS: *Yes, Vagnorius. We were very closely connected with decision-making systems and how budgets were utilized and issues like that whereas our home base, where we were reported was to the Ministry of Public Administration Reform and Local Authorities which was known by the acronym MPARLA. Their job was to implement this public admin reform strategy across government. So they saw these other issues as being outside their competence, which was true, and nothing they could deal with whereas what we thought we were doing—was something connected with the prime minister's office.*

So naturally what happened over time is we gravitated towards the prime minister's office although still being located in MPARLA.

FRIEDMAN: At this point did you have the support of the officials at MPARLA? Did you explain your perception, your diagnosis, and your understanding of what the prime minister wants out of this program? Did the MPARLA come on board?

EVANS: *This was explained. It wasn't that MPARLA opposed it so much, it was just that they saw it as being outside their competence. So they tried to support it but they were always kind of leery about how much they would be able to accomplish using this particular thing.*

Remember at this time there are dozens of projects everywhere. People didn't necessarily take them all that seriously depending on what it was.

FRIEDMAN: I understand reform didn't really move forward under Prime Minister (Gediminas) Vagnorius. Can you explain why?

EVANS: *It didn't. Again center of government reforms only work if the top, the prime minister is committed to doing it basically and if he delegates to his most senior officials the responsibility for driving the thing. Although we had a connection in the prime minister's office, a young guy, during this first period—. I'm talking about a year and a half from mid '98 to the end of '99. He kept it alive in a sense because he saw the value of it so he kept it alive in the prime minister's office but he wasn't able to put it on the prime minister's agenda.*

So then of course it started taking off in early 2000 when Prime Minister (Andrius) Kubilius came into power because he had already been to Canada, had already seen the system, knew what he wanted and in January 2000 just after Kubilius came into power I came to Lithuania and said to the new head of the government office, Mr. Algirdas Semeta, that the project had to move into the chancellery and prime minister's office or it wouldn't work. They did that. So then it shifted to the prime minister's office.

FRIEDMAN: Can we discuss some of the context, that Lithuania is acting in 2000, the EU session, the financial crisis. But on a smaller scale, what were the more limited, the specific goals of the ground.

EVANS: *The goals didn't change. I mean it was sort of introduced as business or strategic planning system across government. We had pilots in three ministries, in Justice, Economy and MPARLA itself. But again, unless a system like that is adopted across government it is just a lot of work and you're running a parallel system. So that's another reason it wasn't working in the early days.*

When it got its second life in early 2000 under (Andrius) Kubilius, again the objectives didn't change, it's just the level at which it was being delivered did change. It was coming from the prime minister and coming from the prime minister's office.

FRIEDMAN: Were there other lessons to be learned from the pilot stage?

EVANS: *Well just those, the classic ones. If you don't have support from the top it is kind of a waste of time. You can't just export a Canadian system into a system that doesn't want it or isn't ready for it.*

FRIEDMAN: What were the specific problems that business planning was meant to solve?

EVANS: *Number one, making sure your resources are aligned with your commitments which of course sounds easier than it is, making sure that your resources are devoted to the government's priorities, which again sounds easier than it is, and secondly that the ministry is organized in a way that it can actually implement these plans once it occurs.*

There was a big emphasis because functional reviews were very popular in Eastern Europe at the time too. There was sort of some pressure on us to get involved in a big functional review exercise which we didn't really see as being a valuable use of time. I think in retrospect that was a good decision.

FRIEDMAN: When was the strategic planning working group first formed?

EVANS: *Almost right away. I mean in 2000, I remember Kubilius was just in power for about a year. It shows how quickly things can actually occur with the right leadership. I mean basically we talked to the prime minister, and Algirdas Semeta who was head of the government office, spent about five hours with them at Prime Minister Kubilius' house going through exactly how the system would work, shaped it into something that would work in Lithuania. The next week we introduced it at a cabinet, to some senior managers. The next week he appointed his chancellor who was head of the prime minister's office as head of a working group to design the methodology. This was probably in February or so, January or February.*

On that group were some senior officials from government like a vice-minister from the Ministry of Finance, a couple of technical people, someone from the prime minister's office, two or three line ministries, a couple of senior people from MPARLA. So it was a fairly high-level group to be doing what seemed like a technical exercise but he recognized that if they didn't get it, if there wasn't buy-in by these people and they didn't understand the system, it wouldn't get implemented and it wouldn't be suitable for Lithuania.

Basically we all worked together very intensively, late at night over a period of a month or so to come up with the design of the system and it was actually implemented that year. So there was a full cycle. It was decided not to test it, just to implement it. So there was a full planning cycle from March onwards really that implemented the new system and every ministry produced a plan that year. Priorities were set. All the various steps of the process were followed in 2000.

FRIEDMAN: Did you develop a methodology that you implemented in the pilot stage as well? Was this substantially different?

EVANS: *The difference was that what we were implementing in the pilot stages were really just plans in ministries. But since the plans weren't connected with either the budget process or any kind of priorities of government they kind of were just isolated instruments whereas this time, the process began as it should with the government setting priorities and then flowing through the budget process, setting the macroeconomic framework and the fiscal parameters, the budget ceilings and flowing from there into detailed planning.*

So the difference was in the first stage it was simply an exercise really to produce some plans that were disconnected from reality. In the second stage it was driven by political decisions. So it was night and day.

FRIEDMAN: Do you recall anything about the meeting at the prime minister's house? Was there a "ah hah" moment when the—?

EVANS: *It was so long. It wasn't like an "ah hah" moment. Because I'd known the prime minister from before, I'd worked with him on a couple of things when he was the deputy speaker of Parliament, also he came to Ontario on one of those study tours and got to see the system in action. I already knew him. So again, in a five-hour meeting it wasn't like as I said an "ah hah" moment, it was much more practical about what would work in Lithuania, how could we do it? What would be the choreography of staging it? If there was a moment, I was with my co-worker, Anne Evans, no relation, basically we did bring a printout of a PowerPoint presentation which we didn't put on the table but when conversation got to a certain point we did say, "Well we do have these slides." That allowed us to get into it in a bit more detail, so that turned out to have been a good idea.*

FRIEDMAN: Perhaps that leads to the next question which is as someone very familiar with the Canadian model of strategic planning, what were some of the challenges in trying to introduce a model, explain the model but let the locals take ownership and adapt it to their own context?

EVANS: *Well, in a sense it was made a lot easier because as I said, the prime minister had already been to Canada and he understood it. He in his mind had already adapted it and we worked out how to adapt it before it was even introduced. So you had, in a sense, the number one person who is important to convince is already convinced and has a vision of how it should work.*

It took a little longer with the rest but the main thing was they didn't ask Anne and me to go out and design something and bring it back to them; they designed it themselves. I mean there's a set of principles. We were involved in the committee, so if they were sort of going off track we would bring them back on track but essentially they designed the whole thing themselves with finance, based on their system.

Also it is worth noting they had been implementing a program budgeting system since 1998. So that system got tied in with this.

FRIEDMAN: Are there any, in your opinion, unique features of the Lithuanian system or ways in which it was uniquely tailored to match the Lithuanian administrative culture?

EVANS: *Probably the biggest difference between the Lithuanian system and most other systems—although it is very common in Eastern Europe, is it is incredibly*

legalistic. So there is a massive volume of laws that have to be dealt with. In a sense, the notion of proceeding with policies is quite foreign. So the breakthrough that has to occur is when you're—in a normal system you would set some strategic goals and objectives and then you would produce some policies to deliver those goals and objectives. Here, it ends up with a mass of laws with no policy instrument. So they had to make, in a sense, the conceptual leap to understand how strategic goals and objectives could be delivered through a mass of legal instruments. That remains, to some degree, a struggle to this day. That would probably be the biggest major adaptation.

It is a coalition government too, but then lots of European countries have coalition governments, it is not totally foreign.

FRIEDMAN: The working group is meeting late January, February and you unroll the program already that year. Did the government manage to make a macroeconomic forecast and issue guidelines to line ministries?

EVANS: Yes.

FRIEDMAN: In 2000?

EVANS: Yes.

FRIEDMAN: Do you remember at what point?

EVANS: *The new timetable, and remember, to some degree they were implementing this as a test outside the legal framework. The legal framework was just the budget law which had a different series of dates in mind. Again, in a very legalistic system, this caused some people to sort of reflect should we really be doing this. But the prime minister said, "Why not? We'll get the budget to the parliament so that's fine." He kind of got around that problem.*

Basically yes, because we started in January the macroeconomic framework gets prepared in March and is ready by late March, early April. So the methodology had been developed by then. Instructions had been developed for ministries by then. Strategic planning coordinators in each ministry were appointed by then. So you did have the basic sort of institutional infrastructure ready to actually go through with the full process.

FRIEDMAN: Was there a committee strategy to the line ministries? Did you support training for strategic planning?

EVANS: *Yes, it wasn't sophisticated because it was a quick process but some things were done that hadn't been done before, sort of—there was what I guess you'd call them workshops or something where people from the prime minister's office, the chancellery, the Ministry of Finance would chair a meeting with all the ministry representatives like the heads of the budget department and the heads of their strategic planning units. They'd talk about the methodology, talk about expectations, that kind of thing.*

Remember at the political level the prime minister set up the strategic planning committee which was sort of a small cabinet committee that is an offshoot of the cabinet to oversee the process. It was chaired by him, co-chaired by the minister

of finance with some senior ministers on it. They took an active role in the process throughout as well.

The big thing, just for the ministries is they saw that the political leadership cared about it and that was the major message so they took it seriously.

FRIEDMAN: Can you talk a bit more about the role of the strategic planning committee?

EVANS: *In cabinet systems they often create cabinet committees because the agenda of the cabinet is too vast to deal with any particular issue in depth at the cabinet meeting. So this particular sub-committee of cabinet I think had about six members, the prime minister, the minister of finance and some senior ministers. Those meetings would last two to three hours. They would look at an issue in depth. They, for instance, would approve the macro framework, approve the strategic priorities, look at the budget ceilings, look at the ministries' strategic plans. At key points in the process they would get together and approve things.*

When I say approve things, in a cabinet system they approve them in principle. They still have to go to the full cabinet, still have to be debated with the full cabinet and approved by the full cabinet. So it wasn't as though all the other ministers were ultimately excluded, but certainly the key ministers were probably driving the decision-making process.

FRIEDMAN: You discussed it a bit already but I'd like to ask about the role of the Ministry of Finance in this process.

EVANS: Yes.

FRIEDMAN: I think to some extent reforms were initiated in the prime minister's office?

EVANS: *Yes. I mean this was clearly driven by the prime minister's office. In a lot of systems you'll have sort of a dysfunctional, at times, split between the what the Ministry of Finance is doing and what the rest of the government, what the prime minister's office and the cabinet are doing. The budget process goes on on its own little merry way and then the policy and legal process goes on over here in a different way. What this attempted to do was to bring the key steps in the budget process which in setting the macro framework, the setting of ceilings, allocating moneys to priorities, making sure plans matched budget ceilings, bring that together with the government planning process.*

The Ministry of Finance at first was extremely skeptical and to some degree I suppose didn't necessarily ever fully buy-in but they did seem to realize at a certain point that there was some advantage in having the Ministry of Finance and the prime minister present a united front to the other ministers about what the priorities were and about respecting the budget ceilings and not making budget requests that were double the amount available. Instead of having Mr. Finance having to fight everybody, it created a better sort of political dynamic for them. It also allowed them to introduce their program budgeting process within the planning framework of the laws which is important for implementation.

That having been said there are always constituencies in the Ministry of Finance who just really care about protecting the budget in the same way they've delivered it for a million years and that's probably true to this day.

FRIEDMAN: Were there other ministries or other organs of government that opposed the reform process and posed some actual threat to undermine the reforms?

EVANS: *No, not threat. Again, this is the advantage of having the prime minister lead it. Even in a coalition government you'd be a fool to blatantly oppose the prime minister. The minister of defense was at first leery about it because they'd been implementing sort of a program budgeting system in preparation for joining NATO (North Atlantic Treaty Organization). I think all ministers of defense in Eastern Europe were doing that at that time. They were worrying that all their work was going to be replaced by a different approach.*

In fact, what the prime minister did, they put the ministry of defense on the strategic planning committee—the working group to make sure we used some of the work they'd done as a model for the others. So that was the one area that might have been a problem. It was preempted by involving them.

FRIEDMAN: I'd like to ask you a little about the priority setting, the importance of priority setting in this context both in terms of channeling financial resources to priorities but also something which you've written about which is the prioritizing important legislation.

EVANS: Yes.

FRIEDMAN: So if you can describe some of the weaknesses that you found at that time 1999-2000 and how those were addressed.

EVANS: *I mean, let's just talk about the priority setting first. The first year it was done in the most clean way. It is sort of a classic ABX budgeting approach where you set aside an envelope of money for priorities. You decide what they are. You develop—you get some specificity around what you're going to do with that money, this is within the macro framework. So that becomes sort of protected money.*

Then you create the budget ceilings outside of that. All ministries have to find some savings in lower priority areas to make up for it. That's the X part of the budget. Then the plans reflect those ceilings minus—the budget priorities being an add-on. That was the first year and that worked rather well. I think that was the only year they did that. In future years it became more muddled which again is common in many governments but even in those years I think the fact you had somewhere in the middle—the Ministry of Finance would still set ceilings with just a vague list of general priorities but you did still have the prime minister getting involved in sort of the middle of the budget process to try and make sure the things the government cared about did get in the plans and did get some money.

I think under (Algirdas) Brazauskas there was a fair bit effort to make it happen there. So it was not as clean but it still had that dynamic of the prime minister inserting himself at the right point, at a certain point in the process to make sure that the key things are being taken care of. So that was the priority setting. What was the second part?

FRIEDMAN: The legislative backlog.

EVANS: *Again because—.*

FRIEDMAN: and priority legislation.

EVANS: *We always knew it was a problem. The World Bank at this point became interested in the center of government reforms because remember Lithuania was one of the first center of government reforms anywhere that had a really focused center of government approach. So they started getting interested in this. Since it was such a problem in Lithuania we basically set up a study; I think it was a Dutch trust fund that funded the thing.*

Anyway we examined it and we found that really important laws were getting lost in the parliament, getting lost in the bureaucracy—I think one fact that just horrified them was that 45% of their major European integration laws were six months late from their target. This was affecting their whole ability to get into Europe. This was something the prime minister really wanted to change.

So they developed a much more focused legislative approach where the priority legislation had to come forward, it was tracked in the prime minister's office. So basically there was much more hands-on management. Simply within a year they flipped it around that I think only about 10% instead of 45% were being late. We also did things like measure how much of the prime minister's time was going into strategic issues versus administrative issues. Again we managed to flip that about—I can't remember what it was but say 30% to about 70%. So there again, these things are easy to do if anyone cares about them and the right attention is devoted to them and that's what they did. So in one year there was a big turnaround on these types of issues.

Now, like every system these problems tend to go away for a while, come back again and now here we are in 2012 and they're looking at the same problems again and new ways to deal with them.

FRIEDMAN: That first year in 2000 what do you think worked well with the system; what do you think did not work well?

EVANS: *Well the main thing if I looked at what worked well, it would be all the political buy-ins. When you look at reforms in other countries and why they haven't worked, they always use the phrase political buy-in, well we had it here. So that's why it worked. Secondly it survived a transition to the Social Democrats, which meant that the two major parties—and the Liberals as well—the three major parties actually had all experience with it, so I don't think anyone here thinks it is ever going to be thrown out because another type of government is going to get in.*

Another thing that worked well, it was designed by the Lithuanians. They didn't ask us to go away and write a manual for them. They themselves wrote it, which means if they design the manual themselves they'll fix it themselves. They were already revising the manual—every two years they revise it because they saw the problems and they fix it themselves. I think we created sort of a critical mass of well-placed people throughout the public administration including in ministries that cared about reform, saw it linked to getting into Europe and saw it as being beneficial to the country, a good way to do business basically. So those would be some of the benefits.

What didn't work? Again, it's not that it didn't work, it's just that these things take time. There is still, to this day, there is a legalistic culture that doesn't lend itself

to this type of planning. It is a work culture that thinks that the way to deal with problems in government is to draft laws rather than try to deal with them in more complex ways. That's an on-going issue. Did we ever get it fully institutionalized in ministries? Don't know. That may be a weakness but that may also just be a factor of time.

FRIEDMAN: In a different sense, how do you measure the success of strategic planning? You mentioned some of the benefits in terms of prioritization of the government's top priorities and synchronizing the policy process with the budget process, but did you see—though these things can be hard to measure; did you see tangible improvements in the quality of planning? Improvements in execution of plans? Or improvement in the quality and feasibility of budget submissions?

EVANS: *Yes. There are a couple of elements to that. In a sense, when we say what would be some sort of measure of success. The intangible ones are, in a sense a breakdown of some of the classic barriers you find in every government. There was a bit of a breakdown at the separation between the Ministry of Finance and the cabinet process. They got together a bit. There was a bit of a breakdown at the separation between the political level and the administrative level, and there was a bit of a breakdown in the separation between what happens at the center and in ministries.*

I guess these are the more immeasurable ones. What I saw as kind of a measure of success is a gradual weakening of the hardened silos that build up in a lot of government—when I first started the analyst in the prime minister's office who was responsible for finance had never met with the budget director. Now these people talk daily on the phone.

In terms of the measurable ones—strategic planning doesn't guarantee you a great future for your country or anything, it is just really a way to organize your business. We developed some measures in those studies and looked at them and there were significant improvements across a lot of areas. There were significant improvements in terms of how the prime minister spent his time, it was more devoted to strategic issues. There were significant improvements in how much delay there was in bringing forward priority issues. There were significant improvements in the budget requests. Instead of being double or triple the money available, they were much realistic. There was a whole—you've got the data. There were four or five distinct areas where there were tangible improvements.

They seemed to be corroborated in that 2006 World Bank study where they used a variety of measures to look across these Eastern European countries to look at policy coordination, performance management, strategic planning and a whole bunch of other measures. Generally Lithuania and Latvia both came out rather well in that. So there seemed to be some tangible evidence that these things had a beneficial effect.

FRIEDMAN: One thing I'd like to ask you about—this has come up in a couple of meetings and perhaps presents a contrast with Latvia. You mentioned that in 2000 the government introduced a program across the board. They skipped the pilot stage for example. I've heard some concerns about the rigidity of the process and perhaps creating more space for ministers or appropriations managers to have some discretion, some flexibility in planning. Do you see an issue here? Do you think that perhaps the planning process takes away some of that flexibility?

EVANS: *Yes, I mean, again you'd have to actually go out in the ministries and see how it is applied there. If you think about what happens is, some priorities are set, that's where the new money goes. Some ceilings are set, they have to be respected. I don't know that ministries really are blocked from bringing forward things to this day. They may feel they would like more flexibility to spend more money but that can't really be done in sort of a disciplined system. So you know, maybe that's just an ongoing tension. I don't know that the methodology was so all pervasive that they wouldn't have had any particular flexibility to pursue their own agendas within their fiscal framework. But that might relate more to the—and I don't know this—but that may relate more to the budget process where you have a very—. It is complicated to move money around under the budget system so it might be more to do with that.*

FRIEDMAN: You mentioned that one of the successes of the reforms, it did survive, was sustained across several governments.

EVANS: Yes.

FRIEDMAN: Were there things that you or the officials in the prime minister's office did to convince new governments or to help sustain the reforms? Was it partially just luck that the success of the previous prime minister? To what do you attribute the stability of the reforms?

EVANS: *The reality is that in any successful reform there is a big element of luck, the stars have to align. The obvious luck part was simply getting Prime Minister Kubilius who was already—he already understood in advance and knew what he wanted to do and was into it. In terms of the sustainability though, I think the keys were—with a new government coming in, the political level was removed., Although, all of the vice-ministers were removed, probably half the vice-ministers did come back in similar or different positions. The core of civil servants who had been involved in the system, including some in the chancellery were still there. So when the new government arrived, the system was presented to them as something that could be to their benefit—I mean a planning system is not a partisan thing particularly. So they continued it.*

First the (Rolandas) Paksas liberals came in---. Actually it was, it was (Gediminas) Vagnorius, then Paksas, then Kubilius, then Paksas again and then (Algirdas) Brazauskas. And that was the key one because the Social Democrats were in power for six or seven years. I think they were a little leery at first about whether this would be any good but eventually the prime minister came around to it. So I would attribute it again to just there being a critical mass of people within the public administration that made the case for it. It wasn't a bunch of foreigners convincing them.

FRIEDMAN: Were there any unforeseen challenges that arose?

EVANS: *Unforeseen? To be honest, nothing in particular. We thought the transitions of government—and remember, there were rapid transitions of government in those days. All those governments I just named with the exception of Brazauskas they were just in power for anywhere from as little as six months to a year. So this constant turnover of prime ministers in a politicized system where you have to let all the vice-ministers go and then hire them again; you weren't even getting through full planning cycles. So it wasn't until you got Brazauskas who I guess*

was reelected and was in power for five or six years, that you had the chance to actually have the cycle go through more than once under a government.

Now of course remember, these things had been put in law to some degree. They always follow their laws so at least that was there. But that was sort of the biggest thing.

FRIEDMAN: Were there any—you mentioned that the Strategic Planning Unit revised the system at least every two years.

EVANS: Yes.

FRIEDMAN: Were there any notable changes or revisions that stand out to you?

EVANS: *Well one not so much connected with strategic planning. The strategic planning, they'd have little feedback sessions and they do to this day with ministries. They continually bring their things in. Of course the big change was when they became a European nation. They then no longer were looking at European integration. They had to figure out how to integrate the whole European dimension of policy into their own planning system. So that was a huge change. I think they—that was around when I stopped working in the country. But they brought the European unit into the chancellery so there were two parts to it. I think they made a big effort to make sure that the two streams sort of worked well together, at least as well as they could. I mean Europe has its own dynamics.*

That was one big change but the other big change, which actually didn't work, was the whole—. In 2003, it was just at the end of our project, they tried to introduce impact assessment which is what Latvia did. That was the emphasis of the Latvians; it was on policy analysis and impact assessment to support individual laws. They introduced that here. I guess they did it in a way that there were too many and it became kind of a technocratic document. It never resonated at the decision-making level, and it kind of died out. That was a big change but one that didn't really work. It is one they're trying to revive again now. I consider that actually a big positive that they go back to problems and try to solve them again. Again, to me that is a sign in any government of a healthy system. You don't just throw things away, you continually try to work at it and you continually try to improve.

FRIEDMAN: The basic impact assessment introduced in 2003, was that something you worked on as well?

EVANS: *A little bit. It was just at the end of the project. We worked on it and said, "This is how it could work." We gave them some examples. Here are some formats that were used in other countries. The big challenge here though was because there are so many laws that come forward; how do you decide which laws to pick and that kind of thing. I guess, I suspect that is the part that never worked. It became sort of a routine exercise where they would attach them to 150 or 200 laws or something and the politicians just were overwhelmed by it perhaps. I mean, I don't know, I wasn't here. I don't think they ever figured out a way to get a manageable number of these assessments and have them used as a decision-making tool.*

FRIEDMAN: If I could just take it back for a minute, the issue of the legislative backlog, the legislation that—. How did you actually intervene on that level? Were there

officials in the prime minister's office that—was there a process of identifying priority legislation and that somehow instructing ministries or parliament to—?

EVANS: *Well, you can't instruct parliament. I mean what they did—the delays were at the government level initially. So it was taking—they had an annual plan and they had a target date of say March for this important law and it wouldn't come until October. So what they did is they just started more actively managing their legislative plan. There were two organizations that made a particular effort to do this. One was the chancellery and prime minister's office and then the other was the European committee which was the organization that was coordinating European integration across government. They were very significant. I should have mentioned this earlier.*

They were a very, very significant player in this whole process. In fact, going back, their support was one of the critical success factors that made this thing work. In those early years they were arguing across government and to Brussels that they saw this planning system as something that was helping them and helping Lithuania move its European agenda along. So I think that is an important point to add there.

So you had in a sense two central institutions both pushing to make sure the important laws got through. Once they got to the parliament, I think the parliament—you were able to negotiate with parliament that these were important laws. It was getting them out of the ministries and into the government that was the challenge when we were first measuring the problems.

FRIEDMAN: Some legislation important for EU accession would be introduced by parliament themselves? Is that accurate?

EVANS: *I doubt it. The reason being to get into Europe there is this thing called the acquis, which is 110,000 pages of legislation and then there is also legislation approximation. So there is a whole series of laws that you have to go through. The EU in those days would work out an annual and a three-term plan with each government that would be pages and pages and pages. But it was with the government in a sense that it was worked out. So I think it was probably the government that was producing 99% of these laws. You know there is a very, in a sense a timetable and a schedule to do it that they agreed with the EU.*

FRIEDMAN: Do you recall any resistance from parliament in terms of trying to dictate the pace of the adoption of legislation or the sequencing?

EVANS: *Nothing really, no real problems. I think there is always a tension here with parliament concerning the volume of legislation because they just can't possibly process it all. It remains a problem to this day. There are something like 2-300 laws in the parliamentary backlog right now. Of course that would be ten years' worth of legislation in Canada or 450 years of legislation in the United States since you only seem to be able to pass about one a year now—just joking. But that's about three years' worth of legislation in Lithuania. So you know it is not quite as bad. So there was tension there.*

The other dynamic in Lithuania was between the President and the government and that's just—it is a cabinet system here, it is not semi-presidential. The President does have influence and occasionally the President, who is sort of seen as more revered by the people in a sense, in a case the President would

criticize the government about this issue or that issue. That was more of a dynamic.

FRIEDMAN: I'd like to ask you, the project expired in 2003 and you returned several years later in 2007.

EVANS: Yes.

FRIEDMAN: Why were you brought back in 2007?

EVANS: *I was here with some Serbians because Lithuania and Latvia to some degree became interesting models for other EU accession countries to look at. So I was here with a group of Serbians who were on a study tour to Latvia and Lithuania. While I was here, someone in the prime minister's office came up and asked me if I would be interested in working with them. They were sort of taking a look again at sort of revitalizing their system. They felt it sort of slipped off as happens in every country, sort of become more technocratic, become disconnected from decision making. They were looking at revitalizing that and would I be interested in helping them. I said yes, sure.*

So I went through some of the typical, so-called competitive process that they run and then at some point they told me okay, you can come over now. So I started working with them from about I think late 2009 on, something like that.

FRIEDMAN: What was the situation in 2009? We've discussed a little bit, some of the ways that the reforms stagnated and became bureaucratic—.

EVANS: *That's the perception. Again I wasn't here. Of course, remember an incoming government will always critique the previous period because they want to be the ones to make a change. That aside I suspect there is a certain amount of truth. In every government, I remember the Brazauskas government had been reelected so they were in power for six years. There is a certain reform fatigue sets in, a certain comfort with their own way of doing things. So processes do tend to become more technocratic; decision making becomes a little more lax. There is not the same familiarity and tension. The economic climate was pretty good in the late 2000s. So I suspect all that was true.*

But of course in 2009, Europe was in the beginning of this horrendous fiscal challenge and again with Kubilius as the prime minister again, they felt there was an urgency to move quickly to sharpen their planning system. But also as you can see they're introducing a lot more tools now. They've gone beyond strategic planning. They're looking at human resources management, performance management issues, evaluation. Slowly over the years they're adding the full gamut of these instruments that OECD (Organisation for Economic Co-operation and Development) governments have. I'm telling them they're getting near the complete set at this point but there are still a few to go.

FRIEDMAN: Are you concerned that perhaps they're trying to do too much?

EVANS: *They probably are in a sense. In the end is that going to be a problem? I mean the whole issue will be: 'of these various tools that they've put in place over the last few years, which ones survive a transition?' I'm reasonably confident that a good number of them will. If a new government comes in next year they'll pick up the ones that suit them and continue the process. It's not as though as I said, this*

type of reform is a linear process with an obvious endpoint, it is more of a choreography in some sense. I think the basic underlying principles which have become a little more sophisticated over the years will continue, things like the political interaction with the process, extending it to the whole concept of performance, having better results measures, extending it to evaluation of senior management. All those kinds of things will ultimately continue under the next government. No, not all of them will survive but that's fine.

FRIEDMAN: In the past couple of years have you been working on specific increments or looking at the system as a whole?

EVANS: *Basically, I mean I look at all of them for them. In this particular area, they've been introducing functional reviews, they've been introducing program evaluations. They've introduced an IT system to monitor results. They're introducing impact assessments. Those are probably the major things I've looked at. Oh and now they're looking at capability reviews.*

FRIEDMAN: I understand the IT monitoring tool has been relatively well received?

EVANS: *Yes, I mean it will—it is in place now. It will start producing its first quarterly reports next year so April will be the first one. It is just there.*

FRIEDMAN: Could you explain a bit how that is supposed to work?

EVANS: *What it is, it has I think two elements to it. Probably Egle Rimkute can give you a better answer but basically it has measures that track the government's priorities which the prime minister's office cares about. Again, they've put an effort into coming up with better results measures. I mean every country can always improve these things, but they've actually done some tangible ones here now that make some sense.*

Then there is a level of ministry measures which are really more to the ministries strategic plans which the ministries track. So in a sense there are things that are of use to the prime minister's office and things that are of use to the ministry. I think there are probably—it's classic sort of—there are both outputs and outcomes as part of it. But the idea is it is all there and then they can quickly link it to priorities or not, ministry strategic plans or not. Over time they'll build sort of a longitudinal view of how road safety is progressing, whatever the indicators are for use for that and that kind of thing.

FRIEDMAN: So as of now the outputs aren't directly linked to the outputs in the strategic plans?

EVANS: *As of now, they put them in the strategic plans but I guess, I think now the difference is they have what they believe will be a good MIS (Management Information System) to support it. I mean they've been producing results reports for years but what did people do with paper reports or charts that are in Word or Excel on someone's computer. The idea now is that it is a system that will also archive information and so they've been doing it for a while, it is just more accessible now.*

FRIEDMAN: I understand that there is also a mechanism in part of the system to alert ministries or the prime minister's office if a project is behind schedule?

EVANS: *I think that is a separate system. There is, in both the structural funding area and then a project management area. This is a module, and again ask Egle about this, but it is more of a classic project management software that tracks steps in implementing something. So you see if you're falling behind. It is kind of classical critical path or PERT (Program Evaluation and Review Technique) thing put onto software. So yes, they have that kind of thing too I believe.*

FRIEDMAN: That's a separate tool?

EVANS: *It is a separate module.*

FRIEDMAN: Also being monitored by the prime minister's office?

EVANS: *Yes, I think so.*

FRIEDMAN: Can I ask you a bit about your impression of the project evaluation tool in place? I understand they've had a couple of pilot evaluations.

EVANS: *Program evaluations?*

FRIEDMAN: Program evaluations, sorry.

EVANS: *It is probably a sensible tool. In a lot of countries you have cycles where you say you're going to evaluate every program every five years or something like that. Let's say for Canada you set up evaluation units in each ministry. They contract out some consultants. They do these various evaluations which are then fed back into the system. It's questionable how well that has worked even in the developed countries.*

So recognizing that evaluation is one of those things in government that everyone knows you should do but almost every government does it badly, they're also trying to attempt it here. But they're doing a more internal approach where you're going to create evaluation teams with ministerial people perhaps with an external consultant, but with also people from the Ministry of Finance and prime minister's office on the team to help evaluate the programs. This is probably sensible for Lithuania because it is much cheaper than spending \$100,000 or \$200,000 on a consultant. It has the potential to lead to modest improvements. It's not going to revolutionize things but it seems like a sensible approach. They're going to come up with an annual plan, identify a certain number of programs to be evaluated each year. The government will approve it and then the ministries will go about doing it.

FRIEDMAN: Can I ask you about the functional reviews?

EVANS: *Yes.*

FRIEDMAN: Is this separate from the activities of the Sunset Commission?

EVANS: *I mean the Sunset Commission in a sense has a finger in all these pies. In fact that may be the way it evolves. The Sunset Commission has always been involved in the organization of government. So it had close involvement in the functional review program unlike program evaluation. So in that sense, same as program evaluation, there is going to be a functional review plan, several will be identified. It will be delivered by a core group of ministry people supported by the*

Minister of Interior in this case and the Prime Minister's office and they'll look at functions or agencies or parts of ministries that have been identified. where they'd like to actually take a look at the structure of them.

It has a chance of being somewhat effective but it is worth recalling that functional reviews in Eastern Europe or that have been done everywhere have been notoriously unsuccessful, probably because they've been overly ambitious in their design and they've been imposed by donors and that kind of thing. But this one I think has a chance of producing some modest improvements just because it is less ambitious and it is more internally delivered than paying half a million dollars to some consultants to come up with a grand design for a new ministry or whatever.

FRIEDMAN: Is it looking for overlapping functions or gaps? What is the—?

EVANS: *It depends what your target is. Just to give some examples. If they look at—they can do a horizontal review where they look at the inspection functions across government. If you have 28 different inspection functions can you consolidate them into four? They might look at that. If they look at an agency, in the agency's case they might be looking for does it overlap with other agencies? Is this an agency that could be commercialized or privatized or is this an agency that just has overlapping functions that could be made more efficient? Again in the tradition of functional reviews, the big decisions like divesting or eliminating an agency are rarely ones that are ever made. It will be—I suspect these things will be more along the lines of making things more efficient, streamlining them a bit, that kind of thing.*

FRIEDMAN: They've already had some successes.

EVANS: *Yes, some modest successes, sure. I can't remember the specific results but they worked with a number of ministries and some of the ministries have made a few changes as a result of it. So this is not like any kind of radical restructuring of the government but it falls more into that rubric of continuous improvement, slight efficiency gains, similar to program evaluations in that sense.*

FRIEDMAN: I understand that there has been an effort to reduce the number of budget programs, the number of appropriation managers. Is that part of this process as well, of streamlining government activities?

EVANS: *Sure. It wasn't done so much as a result of a functional review but I believe earlier in the government's mandate, probably in 2009, they had this problem—and appropriations manager is someone with independent budget responsibility and therefore an independent budget and therefore a separate strategic plan. They had way too many which meant that certainly things that would be parts of ministries were sort of quasi-independent from ministries. I don't know if they cut them in half or whatever but they radically reduced the number of appropriation managers and folded them under ministries so in a sense they had less plans to deal with, less budget things to deal with.*

They also moved out a whole lot of agencies that reported just to the government but to no one really and moved them under ministries, made them subordinate. So those were two ways in which they sort of tried to rationalize the proliferation of agencies. I think they had 700 agencies here or something like that.

FRIEDMAN: They also changed the strategic planning process. Initially the Ministry of Finance issued the budget ceilings earlier in the process and then asked ministries to develop their strategic plans and explain how they're going to use those resources. I understand that they've switched the order of the process.

EVANS: Yes.

FRIEDMAN: Can you describe—were you involved in that switch?

EVANS: *No, not really. That had happened by the time I got here. But again if you think of this evolution of things, there was sort of a two-step process in the early days. There was this priority-setting macro framework, then you set the ceilings, then you develop the plans. Over time the priority setting became sort of pro forma and you really went back to having ceilings set and then you would negotiate the plans. You would re-do the ceilings as per the prime minister's wishes in the middle of the process. It became a little muddier and that was fine. But the prime minister was still involved in the plans because that was his route to affecting what ministries were doing.*

When Kubilius got back in again, they reintroduced a priority-setting phase. It is not the same as the one previously but since there is such an emphasis on priorities now and they're tracked by the prime minister's office, and I think they feel they more or less have a handle on this, they decided at the same time that rather than have these detailed strategic plans come for approval they would just focus on this priority part and then let the ministries do their own plan. So the plans become more like operational plans delivering the priorities than they do strategic plans.

There's no perfect system, it probably makes sense for them to do something like that now. The ministries have had enough years of experience working on this to develop these things on their own. Talk to Egle Rimkute about this, ask her, but I think they've had feedback from the ministries that although they opposed this at first, they saw it as somehow a lessening of their influence, strategic planners in ministries, they've come around to support it more. They've come to see that it actually gives them more flexibility which goes back to one of your earlier questions.

FRIEDMAN: There is one more area I'd like to ask you about and that is the reintroduction or the revitalization of the impact assessment tool. What are some of the changes that the government is trying to make?

EVANS: *The changes, the one big change is that there are going to be less of them. Again probably the problem was before is they said any significant law will be evaluated. Well there are so many laws here they probably had a couple of hundred evaluations.*

So what they're doing here is now as part of the legislative planning process, on an annual basis, they've put together all the legislation that is going to be going to the parliament. They put it in an annual plan and set due dates. As part of that process they're going to pick—who knows what—say twenty to thirty major laws that are coming forward. The selection of those laws will be a debate between the prime minister's office and ministries. Ministries may suggest some, prime minister's office may suggest some but they'll come up with a list, present it to the government and then agree on it.

So everyone knows the government has identified the twenty laws or thirty laws that are going to come forward. The ministries then know what they have to do and the prime minister's office will, at least in the first year, work closely with ministries on producing the assessments. So during the year, maybe two a month, three a month will come forward. They'll give much more closer scrutiny to that.

They're hoping by focusing on really big laws and controlling the volume that it will create a political demand for this type of information as a key to decision-making. That's the whole key. If they don't use it for decision making then it is pointless. But you think about it from the decision-makers' perspective, what's the difference. Let's say there is going to be a big change in the energy sector or something like that. The way it is now the ministry will bring forward three or four laws that may be a hundred pages each to change the energy sector.

The ministers are sitting in their cabinet, they get these laws. They haven't got a clue what they're about. There's a little two-page explanatory note, and they kind of look at it. Maybe the prime minister will have been briefed but they have to ask questions based on these huge laws. It is very, very difficult. There is no real collective decision-making process, it more or less depends on whoever the minister is responsible for energy is to come up with the right ideas.

In a policy-driven system where these kind of policy documents or impact assessments come forward they'll say: "Here are two or three options that we could pursue for the energy sector. Here are the respective impacts and costs of each of these options. This is the one we recommend. We've done some consultations with stakeholders. Here is the likely reaction you're going to get. Here are some of the key elements of each model. Which one do you want to pursue?"

The government looks—they can actually have a debate around that type of formulation of problems. Once they've made that decision, then you can go and draft your 400 pages of legislation. So it is kind of like a two-step process, but that is a big culture change. They're hoping to succeed this time by limiting the volume, focusing on important things and producing higher-quality documents. Will it work? Who knows?

FRIEDMAN: Have they begun to introduce the impact assessments?

EVANS: *Not really, I think they've done some sort of tests on them but they're planning their legislative agenda now so they'll be identifying the twenty or thirty over the next few weeks and then they'll start actually arriving in April, May, sometime around then.*

FRIEDMAN: Thank you for sharing your thoughts. Looking back on fourteen years of working with Lithuania, is there something you know now that you wish you knew back then? Some advice you'd like to give?

EVANS: *No I wouldn't. Although I can think of all kinds of things now, in a way I'm glad I didn't know. I just simply enjoyed evolving with them along the way. It was more their journey and I was happy to come along for the ride. I don't think—I don't really question the way it happened I was just glad to be part of it.*

FRIEDMAN: Thank you so much for your time.