

Self-assessment CPB Netherlands Bureau for Economic Policy Analysis

The Hague, December 15, 2015

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1. Introduction

The CPB Netherlands Bureau for Economic Policy Analysis (CPB) is the official expert institute for fiscal and economic policy in the Netherlands. It is a unique institute, with a position that is somewhat comparable to the Congressional Budget Office (CBO) in the USA, except that CPB also carries out broader economic analyses and studies, often deeply embedded in economic theory. Also, CPB has profound knowledge of national institutional details, and is embedded in policy processes, for instance through participation in advisory committees and by carrying out ex ante evaluations of policy proposals at the request of policymakers, the government and political parties.

During its seventy years existence, CPB has acquired a reputation of independence, impartiality and high-quality economic analyses and forecasts. To cement and strengthen its reputation of quality and independence, CPB has regularly invited a group of independent experts to assess the quality of its work and to identify areas for improvement. In the past, this was done separately for academic work and policy-oriented work.¹ This time, there is a joint assessment because of the complementarity between the academic and policy-oriented output. In January 2016, this committee will evaluate the performance of CPB during the period January 2010 - June 2015.

Unlike previous editions, the current evaluation follows the Standard Evaluation Protocol 2015-2021 (SEP),² in line with practice in academia. This report contains a self-assessment, which is a formal requirement of SEP.³ Its purpose is to provide input about CPB's performance to the assessment committee. This document describes what CPB is and does, its efforts and results, as well as its strategy and plans for the coming period, while reflecting on internal and external developments. In line with SEP, it does so by considering three criteria: research quality, relevance to policy and society, and viability (the extent to which an institute is equipped for the future).

Because of various practical reasons, the SEP had to be adapted. For instance, the evaluation period does not cover the past six years, but (for practical reasons) the period from 2010 until the first half of 2015. Since CPB does not have a PhD program, this aspect is not included.⁴ Information on financing and organizational structure reflects CPB's status, which is different from university research institutes. SEP's criterion "relevance to society" has been expanded into "relevance to policy and society", to reflect CPB's role as arbiter and research institute for policymakers. The suggested format for a narrative to explain societal relevance⁵ has been adapted to reflect that CPB exists to be relevant to society: examples of societal impact and relevance are featured throughout this document, as they are integral to CPB's profile and activities. Finally, the length of this document is slightly longer than what SEP prescribes, to create sufficient room for explaining CPB's institutional position.

The remainder of this document is organized as follows. Section 2 describes the organization, composition and financing. Section 3 recapitulates the recommendations and follow-up of two previous assessments. Section 4 lists the targets from the past period and the goal for the medium term, and lays out the strategy, plans and targets to get there. Section 5 evaluates the performance in research and societal impact. Section 6 reviews of environmental factors and developments. Section 7

¹ The last academic visitation took place in 2010 (CPB Review Committee, 2010), and the last policy-oriented visitation in 2013 (Commissie Beleidsgerichte Toetsing CPB, 2013). See section 3.

² KNAW/VSNU/NWO (2014).

³ Due to the application of SEP, this self-evaluation is also in accordance with the protocol in "Evaluating Research in Context" (ERIC), HBO-raad et al. (2010).

⁴ Accordingly, Table D3d in SEP is not included in this document.

⁵ See SEP p. 27 on "D2 Narrative".

reports the results of a SWOT-analysis and makes benchmark comparisons. Section 8 reflects on research integrity. Section 9 concludes by assessing research quality, relevance to policy and society, and viability. This document includes nine appendices. In addition, a separate appendix (CPB, 2015) contains elaborate overviews of CPB's output.

2. Description of the organization, composition and financing

2.1 Description of CPB and its mission

CPB carries out economic research that contributes to decision-making processes by policymakers, political parties, and the government. Its research includes economic forecasting, analyses of election manifestos of political parties, cost-benefit analyses of large infrastructural projects, ex ante analysis of proposed policy measures, scenario studies, ex post evaluation studies, and policy relevant economic research. In addition to serving the government, CPB also carries out research at its own initiative, and meets requests for specific analyses from parliament, opposition parties, trade unions and employers' organizations. CPB's forecasts for the short and medium term typically define the constraints for political negotiations on the government budget.

CPB's mission is to be *the* top institute in the Netherlands for policy-relevant economic analyses, and in this respect, internationally leading. Underlying this mission is a vision to be a widely trusted source of policy-relevant economic analysis. Stakeholders are policy, politics, media (and citizens to be reached through the media), and societal groups (employees' and employers' organizations) participating in consensus-based decision making in economic and social policy known as the "Polder model", and academia.

The government relies on CPB's forecasts (see 2.8) for social-economic decision-making. The Medium-Term Forecast (published at the start of each election cycle and covering a four-year period) plays an important role in negotiations for a new government. CPB has an exclusive position in the Netherlands: its short- and medium-term forecasts are the only macroeconomic forecasts that are used in the budgetary process, and their use is formalized in law and procedures.

2.2 History and institutional setting

CPB was founded in 1945, shortly after World War II, at the proposal of the Minister of Social Affairs, Willem Drees. It obtained a legal basis in 1947, in the Law Concerning the Preparation of a Central Economic Plan. Although the Dutch translation of the name that its founders gave to CPB is "Central Planning Bureau", CPB has never been involved in economic planning in the sense of issuing administrative guidelines for managing the economy. Instead, it analyses the effects of current and future government policies, and by doing so, acts as national advisor and arbiter. The renowned economist Jan Tinbergen — who received the Nobel Memorial Prize in Economic Sciences in 1969 — was the founding director, during 1945-1955. Tinbergen was a pioneer in econometric modeling for short- to mid-term forecasting of economic developments. His idea, which still applies today, was that policymakers should define the targets of government policy and that economic analyses should identify the most effective and efficient instruments to get there. Since 1945, CPB has expanded its activities to cover more topics and research methods that do not rely on large models only.

CPB is a part of the ministry of Economic Affairs. The Minister appoints, in consultation with other members of the government, the director. CPB has a legal mandate of its own, and it has an independent advisory committee (see 2.5).

Since 1986, CPB offers political parties the opportunity to have the economic effects of policy proposals in their election manifestos and in coalition agreement negotiations analyzed ("are they realistic; does it add up?"). The plans of participating parties are analyzed by using a common format that offers voters a comprehensive comparison of the parties, contributing to the transparency of the election process.

2.3 Funding

As CPB is part of the ministry of Economic Affairs, so is its budget, which mostly relies on public funding. Appendix B provides an overview of funding and expenditures. About eighty percent of the annual budget comes from a lump-sum government subsidy, and up to twenty percent comes from research commissioned by local governments and national ministries, European institutions (such as the European Commission) and international governmental organizations. External financing typically pertains to research in specific areas, such as the economic effects of aging, globalization, health care, education, and the financial crisis.

CPB does not work for private organizations. To safeguard its independence, it applies the rule that the budget share from commissioned research should not structurally exceed twenty percent.⁶ Appendix B shows that this condition was met in all years except 2013, in which the share of external funding was slightly higher.

2.4 Independence and impartiality

Since 2012, CPB's independence has been formally safeguarded in the Ministerial Order "Aanwijzingen voor de Planbureaus".⁷ This Order specifies, among others, that a "Planbureau" is a part of a Ministry (in CPB's case the Ministry of Economic Affairs), and specifies the formal relationship with that Ministry, in particular regarding scientific independence. For instance, the Minister of Economic Affairs must abstain from giving instructions on research methods and the content of reports. Thus, the institutional setting of being an agency of a Ministry of Economic Affairs notwithstanding, CPB operates independently with regard to research and the contents of its work. CPB's staff is formally employed by the Ministry, but the director of the CPB is fully and formally mandated regarding hiring decisions of scientific staff. The CPB has its own HRM policy. CPB's director is the subject of a 360-degree feedback round, which is discussed with the Ministry's Secretary General and the chairman of the CPC (see 2.5). CPB's impartiality is illustrated by the fact that it covers many policy fields, spanning several ministries, and that it carries out policy analyses also for political parties not represented in the government. To support its independence from external financiers, the fraction of funding that originates from external assignments is capped (see 2.3).

⁶ The desirability of an 80:20 ratio between budget-financed and externally financed activities is included in the "Aanwijzingen voor de Planbureaus" (see 2.4).

⁷ Ministeriële regeling BWBR0031972, 16-09-2012.

2.5 Independent advisory board CPC

CPB has an independent advisory board, the Central Planning Committee (CPC), which was installed by law in 1947, as part of CPB's constitution. Its members, appointed for a three-year period, come from academia and the private sector. It meets at least twice a year and advises the executive management about the research program, output and organization. More generally, the CPC is a strategic sparring partner for the executive management that contributes to CPB's independence. In line with the Ministerial Order, the CPC has to commission regular external reviews of the CPB, such as the present one. Appendix G lists the members of the CPC.

2.6 Organizational structure

Since September 2011, CPB consists of five "Sectors" (research departments), supported by four staff departments, all reporting to the executive management ("directie"), as depicted in figure 2.1. Appendix A contains an overview of CPB's composition in terms of personnel categories, and of its change in size during the years.

The executive management consists of director Laura van Geest and deputy directors Clemens Kool and Bas ter Weel (also acting director). The executive secretariat ("Directiesecretariaat") is responsible for internal and external communications, and provides secretarial support for all staff members. The human resources department fulfills the usual tasks. The main tasks of the internal affairs (finance & administration) department include administration, budget control, facility management, archiving, and library services. The library's collection includes all important academic journals in economics, as well as field journals related to CPB's research agenda. Information technology and research support is responsible for hardware, software and all activities needed to run a sound IT-system. It also offers support in quantitative methods, software development and econometric and empirical modeling.

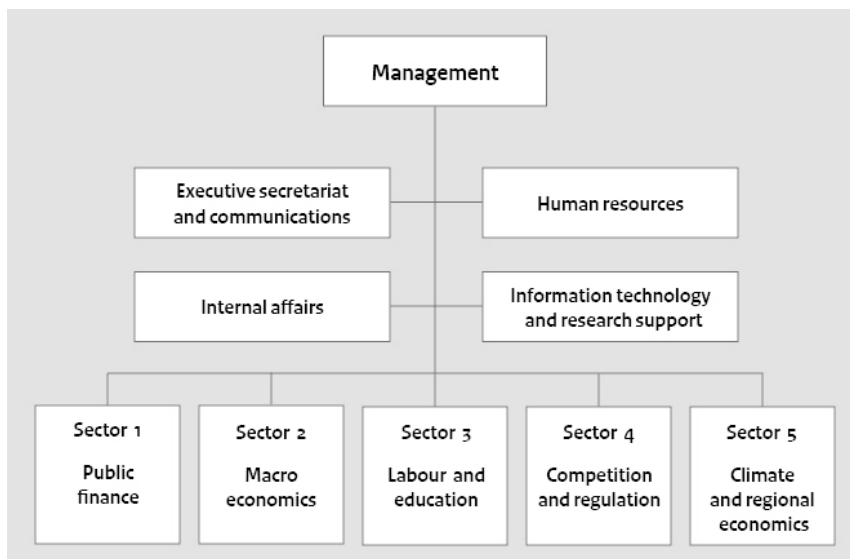


Figure 2.1: organizational structure

Sector 1 (Public finance), the government's 'fiscal watchdog', coordinates the forecasts, is responsible for the forecasts for the national budget cycle, and provides economic policy analyses, for instance on the budget, taxing, social security, and decentralized governments. Its current research program are Taxation, Social security, Government budget, and Decentralized governments.

Sector 2 (Macroeconomics), a macroeconomic knowledge center, carries out short and medium-term analyses and is responsible for the macroeconomic forecasts for the Dutch economy. It also analyses general macroeconomic issues, including aging and pensions, at the national and international levels. Its current research program are International analysis, Macro, and Pensions.

Sector 3 (Labour and education) conducts applied research on the life cycle ("levensloop"), focusing on education, labor markets and health. Its current research program are Labour, Life cycle, and Education. In addition there is a knowledge unit Science policy.

Sector 4 (Competition and regulation), a knowledge center on the functioning of and government intervention in markets, analyzes Dutch and European competition and regulatory issues. Its current research program are Healthcare, Financial markets, and ICT and innovation.

Sector 5 (Climate and regional economics) investigates mobility, infrastructure, spatial economics, water safety and climate. It also produces societal cost-benefits analysis of large infrastructural plans and knowledge-based investment projects. Its current research program are Climate, Spatial economics, and Infrastructure.

In the first half of 2015, a decision was made to restructure the choice and allocation of research programs as of 2016, with an eye to more pressing priorities and quality management. Sector 2 will host a new program Macro finance, while Pensions will be moved to Sector 3, and Decentralized governments to Sector 5. The program Life cycle will be terminated, with part of the work merged with Pensions. At Sector 4, the program ICT and innovation will incorporate the knowledge unit Science policy (from Sector 3) and continue as Innovation and science. At Sector 5, the program Climate will be terminated. The program Spatial economics and Infrastructure will merge into the program City, mobility and region. A new program Societal cost-benefit analysis will be started.

2.7 Works council, employee satisfaction and counselor

The Works council ("Ondernemingsraad"), consisting of staff members (union members and independent), is elected every three years by CPB staff. The council has to advise the director on organization and personnel issues. In specific cases, it can formally approve or reject decisions made by the director.

A recent employee satisfaction survey (Internetspiegel, 2015) shows that the staff is most satisfied about work satisfaction, cooperation, and an absence of undesirable manners. They are the least satisfied about work pressure, recuperation need, and career development.

Two staff members (one female and one male) have been designated (and trained) as counselors ("vertrouwenspersoon"). Counselors are available to discuss, on a confidential basis, sensitive issues in an easily accessible and informal way.

2.8 Activities and publication outlets

CPB carries out research aimed at contributing to the economic decision-making process of politicians and policymakers. Its main activities are (i) projecting and forecasting, and (ii) economic policy analysis.

The main forecasts are the Central Economic Plan (CEP), published in spring, and the Macro Economic Outlook (MEV), published in September, jointly with the government's Annual Budget at the opening of the Parliamentary Year. Brief updates appear in June and December. At the start of each election cycle, CPB publishes a Medium-Term Forecast (covering a four-year period).

Economic policy analysis addresses specific policy questions raised by external parties (mainly policy makers and politicians), and also includes research exploring specific themes in depth that indirectly contributes to policy analysis, for instance by providing empirical inputs or conceptual understandings of economic mechanisms, and by quantifying and measuring specific economic mechanisms or trade-offs. The research includes institutional analysis of specific sectors (such as health care, education), societal cost-benefit analysis (infrastructural projects, knowledge-based investment projects), and long-run studies (looking some thirty years ahead, possibly based on scenarios) Furthermore, CPB analyzes election manifestos of political parties ("Keuzes in Kaart", or KiK). After elections, CPB is often asked to analyze policy proposals put forward during the coalition negotiations. Such analyses are based on the same methods as those used for the analysis of election manifestos.

CPB has various publication outlets in addition to those mentioned above. CPB Policy Briefs aim at a wide audience of policy makers, the press and the wider public. CPB Communications ("Notities"), the most frequently used outlet, address parliamentary or departmental requests. CPB Books, which are published less frequently (three to four a year), may aim at a scientific audience, policy makers, or the general public. CPB Discussion Papers aim at diffusion of research findings to academic audiences before papers appear in academic journals. CPB Background Documents are often published as an appendix to other documents.

2.9 Academic partners, academic positions and visiting scholars

CPB has solid connections to the academic community through its academic partner network. Academic partners are prominent economists, affiliated with various universities (some abroad), who act as advisers to CPB staff, cooperate in writing academic papers, and review discussion papers. Appointments as academic partner formalize collaborative efforts and express CPB's commitment to organize critical feedback. Each academic partner is appointed within a specific sector for a period of one year, with the option of extending the term in case of mutual agreement. Academic partners are paid a fixed amount of money each year for their involvement. Appendix H contains an overview of the current academic partners.

A number of employees have part-time positions and (academic) fellowships at various universities (see also 5.2, and CPB (2015) for details).

There is budget available to receive visiting scholars who cooperate in research projects with CPB staff, such as coauthors of academic papers. Also scholars who would like to spend their sabbatical leave at the CPB are welcome to do so. There have been a small number of such visitors in the past period.

2.10 International partners

CPB maintains connections with organizations such as the European Commission, the IMF and the OECD, for instance through commissioned research, often in international consortia.

Since 2011, CPB maintains a partnership with think tank Bruegel (Brussels), materializing in joint research projects and visiting fellowships. Furthermore, CPB has ties with various foreign institutes for economic analysis and fiscal studies, such as the Institute for Fiscal Studies (IFS) and the public Office for Budget Responsibility (OBR) in the UK, and the Brussels-based Center for European Policy Studies (CEPS), a leading think tank on European integration.

CPB is a member of ENEPRI, the European Network of Economic Policy Research Institutes; NERO, a network of National Economic Research Organizations coordinated by the OECD; Euroframe, the European Forecasting Research Association for the Macro-Economy; EcoMod, a network promoting modeling and statistical techniques in economic policy and decision making; and the various networks of Independent Fiscal Institutions (OECD IFIs, EU IFIs (2x)).

2.11 Human resources management

Almost all researchers have a background in economics or econometrics, and many of them have a PhD degree. Some researchers have a background in other disciplines, such as mathematics and physics. Information analysts have various professional backgrounds.

Compensation and benefits are subject to government standards, providing ample opportunities for flexible work hours and job-specific training. Within the public sector, CPB offers competitive remuneration. There is an extensive system of assessment and appraisal of individual development and performance, implemented under the responsibility of the department heads. The executive management exerts discretion regarding, for instance, bonuses for individual performances in specific situations.

Most of the more experienced staff members are under permanent contracts, while younger staff are typically under fixed-term contracts. Mid-career staff is currently somewhat underrepresented, partly due to several budget cuts in the period 2010-2013.

Various HR initiatives were undertaken in the recent period. CPB introduced the "vlootshouw", a periodic discussion by the management team in which all employees are assessed. Heads of sector and program managers have been trained in carrying out job selection interviews. A policy regarding the mix of fixed and flexible work was developed and its implementation is in progress. Special attention was paid to sustainable deployment of personnel, aiming at continuous self-development and training of all employees.

2.12 Quality management

Mechanisms for quality control exist at various levels. They include the CPC (2.5), academic partners (2.9), periodic external evaluations, regular internal assessments of the research portfolio, and internal peer reviewing. Large projects are evaluated according to a special procedure, carried out by a program leader uninvolved in the project. For smaller projects, evaluations are more informal.

Internal peer reviewing pertains to research projects. First, a proposal is presented at an internal seminar to a small group of colleagues ("voorzaagseminar"). Depending on the outcome, a project

plan is submitted, to be approved by the head of sector. Half way during the project, there is another seminar ("doorzaagseminar"), attended by specialists from inside and sometimes also outside CPB. Academic partners may also be involved at various stages of the project (including the internal seminars). Policymakers (civil servants) are tapped through an increasing use of advisory boards ("klankbordgroepen") for large research projects. For additional quality control mechanisms, see section 8, which discusses internal peer reviewing for discussion papers, research culture and manner of interaction, and data storage and processing.

3. Recommendations and follow-up of previous assessments

The previous visitation, an policy-oriented evaluation chaired by Jean Frijns, took place in 2013 (Commissie Beleidsgerichte Toetsing CPB, 2013). Its predecessor was an academic evaluation chaired by Martin Hellwig in 2010 (CPB Review Committee, 2010). The follow-up to the latter visitation was reported in Teulings (2012), and the follow-up to the former in van Geest (2013), both of which are included in appendix J. The recommendations and follow-up activities are recapitulated below.

3.1 Assessment by the Hellwig committee, 2010

Quality of work:

1. Recommendation: increase scientific quality through more systematic efforts at publishing in academic journals and more systematic links to the academic community, a more consistent use of internal seminars, and a more open and critical scientific culture. In follow-up, numerical targets were set, for each sector on yearly basis, for scientific publications in reputed journals; publications are counted each year; a policy was implemented requiring authors to first write a CPB Discussion Paper, which will then need to be published in a refereed journal; and an annual, internal CPB prize was introduced for the best publication in a scientific journal.
2. Recommendation: spend less resources on the building of quantitative forecasting models, to create more room for other policy-relevant empirical work (e.g. descriptive theoretical analysis, reduced-form empirical work). In follow-up, two reorganizations led to a substantial reduction of the capacity devoted to forecasting and modeling (by merging the forecasting group and the model development group); internal discussions in 2011 led to rationalizations of work processes; the number of forecasted variables has gone down; and the main macro economic model has been simplified accordingly. At a later stage, some capacity was added to forecasting, to safeguard quality.

Policy Impact:

3. Recommendation: enhance the role in Dutch policy debates by educating policy makers, the media, and the wider public on the uncertainties involved in forecasting and cost-benefit analysis. In follow-up, CPB has organized (ad hoc, but on several occasions) seminars for policy makers (including parliamentary staffers) and journalists about models and methods; it continued contributions through guest lectures in courses targeting these audiences. Also, the external communication pays more attention to the explanations of uncertainty. Since 2015, the forecasts are represented with a fan chart, to underscore uncertainty around the central forecast.

4. Recommendation: review, and adapt where needed, publications strategies and intended audiences of publication outlets. In follow-up, the website was renewed and publication outlets were restructured, cutting the number of outlets to four, including the CPB Policy Brief series aimed at a wide audience of policy makers, the press and wider public. It published a book explaining the Euro crisis for a wide audience. There is now a weekly policy-oriented seminar ("Polinar"). To enhance its international (European) presence, CPB started cooperating with Bruegel (Brussels).

Research topics and resource allocation:

5. Recommendation: develop a strategic vision on CPB's role in financial economics and environmental economics/climate change, considering a danger of spreading activities too thinly; and more generally, to consider options to minimize the trade-off between research breadth and depth; and to review the procedures for work plans (including program/project selection and termination). In follow-up, climate research was initially continued to research questions on innovation and climate policies, and then gradually scaled back as the economic research agenda had been covered. CPB got involved in research on new ways to organize Dutch public administration (in particular decentralized governments). The number of programs was reduced from 20 to 15 (with slight variations during the years, and the creation of a temporary knowledge unit; see 2.6 for current situation), with default rules for evaluation and termination. The scope of activities remains relatively large though, in response to policy makers' expectations and demands. CPB is aware of the associated risks.
6. Recommendation: assess whether the resources spent on increasing the level of forecasting detail are necessary to respond to perceived demand and to increase the credibility of the forecasts meet these goals. For the follow-up, see "Quality of work" (recommendations 1 and 2) above.

Structure and organization:

7. Recommendation: in case of a reorganization, first determine the organizing principles of the sectors, while paying attention to the location of public finance. In follow-up, the number of sectors was reduced from six to five, with three program (sometimes redefined or moved to another sector) in each sector; and all research became program-based.

3.2 Assessment by the Frijns committee, 2013

General:

1. Recommendation: in response to an increasing demand for CPB's expertise, either narrow down its mission, or otherwise (for the government) to expand its budget. In follow-up, there have been discussions between CPB and the Ministries of Economic Affairs and Finance, resulting in an increase of the structural budget with one million Euro, used to strengthen the capacity at specific weak spots. The Ministry of Economic Affairs covers the (substantial) cost of additional requirements by the central government regarding IT.

Contents:

2. Recommendation: develop an encompassing vision on model development and tools, in connection to the recommendations of the Hellwig committee as well as insights from the national and international academic literature. In follow-up, CPB formulated a thoroughly motivated vision, based on research and discussions with experts (also abroad), on the use of macroeconomic models, and experimented with alternative models; a choice was made for more in-depth analyses using up-to-date methods, a new macro-econometric model for forecasts and policy analyses, a plan for further development of this model, and systemic use of time series methods to support forecasts.
3. Recommendation: regarding an increasing demand related to structural aspects of specific sectors, provide clarity on chosen methods and limitations; in subfields where expertise is concentrated among a small number of persons, use knowledge available at Ministries and knowledge institutes; and devote attention to internal quality control and external reviewing through knowledge and academic networks. In follow-up, the management has assessed and sharpened internal norms applying to transparency of methods and limitations, and to scientific standards. The use of external expertise was enhanced through increasing the use of advisory boards for large research projects, allowing project teams to use knowledge outside of CPB. For smaller projects, project teams must now also reach out to policy makers. The connection to academia was strengthened through the Academic Partner program (2.9).
4. Recommendation: keep Keuzes in Kaart viable by reducing, in consultation with involved parties, its scope. In follow-up, after internal and external evaluations, the scope was reduced substantially in several ways. Also, in cooperation with the other "planbureaus", prospective studies on promising policy changes ("Kansrijk beleid") in various fields were developed, that can play a role in policy design, most notably with regard to election manifestos. Involved parties have extensively been informed about these changes.

Capacity:

5. First recommendation (for executive management and CPC): in consultation with involved parties, make strategic choices about the fields to be active in (in the light of increasing demands in all fields, and CPB's limited capacity), while maintaining that quality must be leading. Note that the government acknowledged CPB's tight situation and increased its budget (see recommendation 1). In follow-up to the recommendation, CPB has chosen to maintain its breadth of research programs, which was supplemented with an externally financed program on decentralized governments. The additional funding has not been used to create more research programs, but to strengthen the capacity of existing programs. (See also the follow-up to recommendation 5 by the Hellwig committee.)

Second recommendation (for CPC): explore, in consultation with the Government, what the optimal way of funding CPB is, noting that a more protected status (shielded from cyclical budget cuts) may be desirable. There is a tension between this recommendation, which is primarily aimed at the government, and the "Aanwijzingen voor de Planbureaus"; it is likely that the government will seriously consider the needs of CPB if necessary.

Relationship with scientific world:

6. Recommendation (for executive management): better communicate and explain the (necessity of a scientifically rooted) publication policy in the light of CPB's mission, to reduce possible misunderstanding among external parties. In follow-up, CPB assessed the various publications series and communicated their purposes to policy makers, which created understanding (in particular for policy-relevant discussion papers). CPB will continue to communicate the relevance of its publication policy, and now adds, as a standard procedure, accessible Dutch summaries to discussion papers that highlight the policy relevance of the research. Explaining, to policy makers, the relevance of scientific output aimed at the research community, remains a challenge though.

Relationship with policy:

7. Recommendation: increase effectiveness and impact through more participation (also informally) in policy networks, and to let staff participate more in external networks (also in Europe). In follow-up, CPB enhanced the participation in networks of policy makers, for instance through involving Ministries to a larger extent in CPB's work (see also recommendation 3 above).
8. Recommendation: make explicit, formalize and communicate the current quality control processes, checks and balances. In follow-up, CPB enhanced the external quality control (see also 2.12, 8.1, 8.2).
9. Recommendation: keep paying attention to the political and policy sensitivity of output and communication. In follow-up, CPB continues to do this, noting that friction cannot always be avoided given its independent position. By initiating and maintaining external contacts, as well as timely communication, unpleasant surprises have become less likely.
10. Recommendation: transform the membership of the director in the "Studiegroep Begrotingsruimte" into an advisory position, and maintain the position of the director as "kroonlid" of the SER. CPB considers active participation in the "Studiegroep" to be desirable. CPB agrees with the recommendation on the position in de SER.

Independence:

11. Recommendation: anchor the independence of CPB through strengthening the CPC's role as supervisory board, and increase public accountability as well as transparency regarding research methods, work programs and activities. In response, the CPC is satisfied with the current separation of powers and tasks between the CPC and executive management. CPB judged that a status as "ZBO" (independent governing body) would not add much, now that CPB's independence is safeguarded in the "Aanwijzingen voor de Planbureaus" (see 2.4). CPB will continue to search for ways to increase public accountability, and to be as transparent as possible regarding scientific choices and other processes and activities.

4. Strategy and targets

4.1 Targets of past period

CPB's past (and current — see 4.2 for details) targets consisted of a steady flow of high-quality output, sound quality management, a strong position on the labor market, and effective external

communication. In the past period, they were sharpened by the research-oriented recommendations of the Hellwig committee, the policy-oriented recommendations of the Frijns committee, and constraints imposed by the government's budget cuts. The targets that followed from the external evaluations pertain to research quality (recommendations 1, 2, 5 and 6 by Hellwig committee; recommendations 2, 3 and 6 by Frijns committee), relevance to policy and society (recommendations 3 and 4 by Hellwig committee; all recommendations by the Frijns committee), and viability (recommendation 7 by Hellwig committee; recommendations 1, 3, 4, 5 and 11 by Frijns committee). See also section 6.1, for a discussion of targets in response to external developments, and section 8.2 on improvements in research culture.

4.2 Strategy and targets for next five to ten years

CPB's goal for the medium term is to be a widely trusted source of policy relevant economic analysis, despite a polarizing society where authority of any institute is no longer a given. Still, CPB is — and strives to remain — the leading institute for economic policy analysis in the Netherlands, and a source of inspiration abroad. The goal is to be an effective provider of input for evidence-based policy making in this changing society, while being impartial, independent, policy relevant and academically sound (the four core values of CPB).

To reach this goal, CPB's strategy consists of the following four pillars and specific plans and targets:

1. A steady flow of high-quality production, including and based on:
 - regular forecasts, World Trade Monitor, election manifestos;
 - academic output (Discussion Papers resulting in 20-25 articles in sound academic journals per year);
 - policy-oriented output (15 Policy Briefs / Books per year);
 - an upgrade of the macro-econometric model by the end of 2018.
2. Sound quality management, based on:
 - a switch to a broader use of standard ICT solutions to ensure easy transfers and exchanges among staff; change the scope from generic to specific ICT (by outsourcing generic ICT) to be able to improve the ICT tools used in business processes; benefit from developments with regards to "big data" analysis, version management, open source software and other developments;
 - improved project management;
 - an increased external orientation and entrepreneurial outlook of CPB staff and management, and improved internal collaboration.
3. A strong position on the labor market, to be supported by an upgrade in HRM policy and practices by the end of 2016, with close monitoring of implementation on an ongoing basis.
4. Effective communication, through upgrading the external presentation of CPB products (e.g. using info graphics, data visualization).

5. Performance

5.1 Selected performance indicators

Appendix C gives an overview of the selected output indicators. They correspond to CPB's profile and activities, as reflected in CPB's publication outlets, academic publications, outreach activities, and so on. There are six categories of indicators, relating to quality (research quality; relevance to policy and society), output, and the use and recognition of output:

1. *Research products for peers* contains all of CPB's scientific output, including the indicators suggested in SEP.
2. *Use of research products by peers* contains evidence of usage of data and software, and a citation impact analysis to add in-depth analysis specific for CPB. Other indicators suggested in SEP (use of research facilities; reviews) did not generate sufficient items to list.
3. *Marks of recognition from peers* contains the indicators suggest by SEP, plus a few additional ones in line with academic usage.
4. *Research products for societal target groups* contains CPB's policy-oriented output in its own as well as other publication outlets, outreach activities, organizing committees of policy-oriented conferences, and CPB Lectures. It overlaps to a large extent with the indicators suggested in SEP, with adaptations specific for CPB. Periodic forecasts (in particular CEP and MEV) are not included as output indicators, since they are produced in "fixed quantities".
5. *Use of research products by societal target groups* contains commissioned research projects and a Contextual Response Analysis of CPB publications. It overlaps with the indicators suggested in SEP, with added in-depth analysis specific for CPB. Other indicators suggested in SEP did not apply (e.g. patents). It was not possible to include interactions between CPB staff and policy makers from various Ministries and institutes like the European Commission, IMF and OECD, as they are deeply embedded in CPB's activities, but not documented.
6. *Marks of recognition from societal target groups* contains memberships of advisory bodies and policy/professional committees, and awards. Thus it overlaps with the indicators suggested in SEP; other indicators did not apply.

5.2 Results

A separate appendix (CPB, 2015) contains evidence of CPB's output for the selected indicators (5.1). The output exhibits a variety in outreach and audiences, ranging from academia to society, and from policy makers to politicians. There is a list of the different types of output for peers, of which articles in refereed journals are the most important one. The demonstrable use of research products by peers is analyzed in CWTS (2015), discussed below. The marks of recognition from peers exhibit, for instance, that staff members are regularly invited to give academic lectures, and are active in academia in various other ways, such as by organizing conferences and participating in editorial boards. Recognition among peers is also illustrated by several part-time university positions and fellowships, including a prestigious Harkness fellowship at Harvard Medical School. Furthermore, CPB (2015) contains a list of output for societal target groups, of which the Policy Briefs and the outreach activities to policy makers and non-academic institutes form prominent categories. The demonstrable use of output by societal groups is reflected in two ways: by externally financed research (5.1 in CPB, 2015), and the analysis in Prins (2015), discussed below. The list of marks of

recognition from society mainly consists of participation in advisory bodies and policy/professional committees. The category of awards contains one — prestigious — item, the Franz Edelman Award 2013 of the Institute for Operations Research and Management Sciences, for a paper that contributed insights on efficient flood standards to protect the Netherlands against flooding.

Appendix E lists, for each sector, the most important academic publications, and Appendix F does the same for policy-oriented/societal output — according to judgment by staff. Appendix D gives a summary overview, for the years 2010-2015, of the numbers of:

- policy-oriented output: CEP, MEV, Books, Policy Briefs, Communications ("Notities"), Special Publications, and policy-oriented and professional publications;
- scientific output: articles in refereed journals, chapters in edited academic books, academic books, Discussion Papers, and PhD dissertations.

Appendix D shows that over the years, there has been a steady output of Books, Policy Briefs and Communications. The numbers of policy-oriented and professional have been large, in the range of 35-40 per year. Similarly (among others), the output of Discussion Papers is of the order of magnitude of 30 or more per year, resulting in about 20-30 academic publications per year.

Prins (2015) assesses the use of 200 selected publications (including CEP and MEV) by policy makers and society, by analyzing public sources and user diversity in various audiences. CPB's publications are very frequently used and seen as authoritative and reliable, enabling, and sometimes structuring, important debates. CPB's publications are very relevant for opinion makers among a wide diversity of users. A large majority (93%) is Dutch. International users include the European Commission and the OECD. Printed media pay most attention to the regular forecasts published in MEV and CEP, and modest attention to studies on specific subjects. Studies that did receive a lot of attention include CPB Book *Europa in crisis*, CPB Communication "Second opinion van het rapport 'Nederland en de euro' van Lombard Street Research", and studies on topics like aging, pensions, education and health care. These findings confirm that CPB is a widely trusted source of policy relevant economic analysis, with relevance abroad as well. Periodic forecasts (in particular CEP and MEV) are by default of great relevance to policy and society. The variety in outreach activities and interactions (see CPB, 2015, sections 4, 5 and 6) attests CPB's voice in policy debates. Since Prins (2015) did not investigate CPB's direct interactions with policy makers, it cannot report on the use by policy makers. Such interactions occur very frequently, at various levels, and may, behind the scenes, have a large impact on policy making. A similar remark applies to memberships of advisory boards and committees, some of which are influential. Externally funded research (CPB, 2015, section 5.1) attests the importance that policy makers give to research on specific topics by CPB.

CWTS (2015) assesses the use of research products by peers, by analyzing citations of publications indexed in Web of Science during 2007-2014. In terms of citation impact, 7% of these publications belongs to the top 10% of their field (journal subject category) and publication year, in terms of their number of citations. Almost 70% of the publications are in the field "Economics", while the remaining part is scattered over 40 fields. CPB staff publishes in journals with a citation impact somewhat below the average of their field. 70% of these publications involves cooperation with coauthors at other institutes, and 31% involves international cooperation. The main research partners are Dutch universities. Documents published in national cooperation or without cooperation have a similar citation impact. Cooperation has increased over the years. The scientific impact of CPB is not constrained to Dutch research institutes, as indicated by citations by foreign organizations. These

findings confirm that CPB is a relevant research institute in the Netherlands as well as abroad. In addition, CPB (2015, sections 1, 2 and 3) shows that staff interacts with the academic world in many more ways than publishing in peer-reviewed journals: they are active in various ways, such as by giving research seminars, and by participating in editorial boards, and organizing academic conferences. A number of employees have part-time positions and (international) fellowships at various universities. Datasets and models developed at CPB find their way into research applications elsewhere.

6. Environmental factors and developments

6.1 Past period

Budgetary pressure and reorganizations: Like the entirety of Ministries in the Netherlands, CPB has had to deal with substantial budget reductions over the last years, that were generally aimed at reducing the size of the government through diminishing the size of the civil service. After a long period of declining budgets and subsequent cuts in numbers of staff, that led to reorganizations that concerned both the internal structure (2011) and the composition of the workforce (2012), the recent years have been characterized by relative tranquility. As a consequence of the last external evaluation in 2013, one million euros were added to the fixed budget, which added "flesh to the bones" of research program, each of which necessarily employs a small number of researchers.

Government elections and CPB's analyses of political plans and agreements: In 2012 the last analysis of election manifestos took place, as always published in a book entitled *Charted Choices* (Keuzes in Kaart). It was the biggest one ever: the largest number of participants (ten political parties), 80 people working the calculations (60 of CPB and 20 of the Spatial Planning Bureau, PBL), the largest number of topics of analysis, leading to 2,468 published measures (and a couple of hundred unpublished ones), in a 454-page book. Over the years, the participating number of parties as well as the number of topics covered has increased, while elections have become more frequent. In response to an evaluation, CPB decided to cut down the next analysis of election manifestos, by terminating reports on the so-called program effects.

To provide politicians with sufficient information about the effects of some of their choices in between elections, CPB initiated a new book series, entitled *Promising Policies* ("Kansrijk beleid"). The series will be published in collaboration with the two other planning bureaus and aims to give politicians insights into the effects of policy measures, both budgetary and programmatic.

Beside these books politicians and ministries have the possibility to make specific requests for calculations about specific plans or measures. This can be done publicly, but also on a confidential bases. Annually, CPB provides around 35 Communications ("Notities") with answers to such questions, including the alternative budgets for opposition parties in September.

6.2 Coming years

Budgetary pressure: There are no indications that Ministries' budgets will be restored or regain stability. The economy may be recovering, but the possibility that the government will once more cut budgets in the future, cannot be ignored. This external development is included as a threat in the SWOT analysis in 7.1.

Economics, politics and society: The reputation of economics in society has suffered during the financial crisis. Politics has become fragmented and more unstable. There are no indications that this will change in the coming years. Both external developments are included as a threat in the SWOT analysis in 7.1.

New premises: As of fall 2016, CPB will move to a new office location in the center of The Hague, which will be shared with the other Planbureaus (SCP and PBL). This provides opportunities, included in the SWOT analysis in 7.1.

7. SWOT and benchmarking

7.1 SWOT analysis

This subsection contains the findings of a SWOT-workshop, in which CPB's management team conducted an elaborate brainstorm/analysis session.⁸ The findings, which were discussed with the Works council and program leaders, pertain to the internal organization (strengths and weaknesses), and the external context (opportunities and threats). Table 7.1 summarizes the outcomes.

Internal organization	<i>Strengths</i>	<i>Weaknesses</i>
	<ul style="list-style-type: none"> - quality of output - independence - strong brand name - committed, dedicated staff 	<ul style="list-style-type: none"> - external orientation among staff - unbalanced staff composition - complacency - project management
External context	<i>Opportunities</i>	<i>Threats</i>
	<ul style="list-style-type: none"> - external communications - external partners - technology (data) - new premises 	<ul style="list-style-type: none"> - erosion of authority - uncertain external funding - competition on labour market

Table 7.1: Summary of SWOT-analysis

Strengths:

- *Quality of output:* CPB provides thorough economic analysis and robust forecasts, in line with academic standards. CPB publications range from Discussion Papers to Policy Briefs, bridging the gap between academic research and economic policy. CPB output also includes models, which are used to produce forecasts and policy assessments.
- *Independence:* CPB is independent and non-partisan, and perceived as such. Publications are positive, empirical in nature, sketching pros and cons.. This supports CPB's role as a trusted arbiter in the political arena.

⁸ The workshop, led by an external moderator, was held on October 13, 2015.

- *Strong brand name:* CPB has a sound reputation, based on applied economic research and a non-partisan image and behavior. This enables CPB research to carry weight in the public debate.
- *Committed, dedicated staff:* Employees are very loyal and committed to the CPB. They are also flexible if extra effort is needed for pivotal, high pressure projects like the costing of election manifestos. CPB staff is highly qualified to perform the mix of policy-oriented research that CPB is known for.

Weaknesses:

- *External orientation among staff:* Among CPB staff, the external orientation remains relatively narrow and passive. This relates to issues like 'political antenna', susceptibility to media perception, and pro-active responses to current developments.
- *Unbalanced staff composition:* CPB staff is somewhat unbalanced in composition, with very experienced staff on permanent contracts, young mobile staff on temporary contracts and mid-career staff underrepresented, due to a decade of budget cuts. Vigilance to maintain critical mass in the various knowledge areas is required with an eye to quality management. Economic training of employees is rather homogenous. HRM — key for a knowledge driven organization as CPB — has scope for improvement.
- *Risk Aversion:* Attention is focused at executing the existing work portfolio. The drive to ever improve could be further developed, also by better internal collaboration. Entrepreneurship does not flourish.
- *Project management:* The management of projects, including reaching deadlines in time, is suboptimal. At all levels in the organization, managers could delegate more effectively, while there is room for more feedback and interaction among all CPB employees.

Opportunities:

- *External communications:* New channels of information (social media), new methods of presentation (infographics) present novel means to improve reception of CPB analyses, as well as CPB's overall visibility.
- *External partners:* Academia, international organizations and policy makers present a wealth of knowledge, inspiration and opportunity. CPB's sound reputation and modern means of communication provide ample scope to take advantage, if well-targeted and problem-driven.
- *Technology:* New data ('big data', international micro data sets) together with ever improving computer processing power will open up new avenues for research.
- *New premises:* The new office location (as of fall 2016) will strengthen CPB's image as an attractive employer (for instance regarding candidates with PhDs from Amsterdam and Rotterdam, due to the central location), and contribute to the external orientation of staff. While it will require adaptation to a new work concept ("flex work"), it may also provide more opportunities for interaction and cooperation among staff.

Threats:

- *Erosion of authority:* Economics as a profession has lost standing, the internet supplements established institutes like CPB as distributors of knowledge, authorities in general have lost

respect in society at large. Politics have become more polarized, while the media landscape changes fundamentally (from paper to web-based). This poses a challenge to an institute like CPB.

- *Uncertain external funding:* Ministries have seen a cut in their budgets for research. These funds are an important source of additional finance for CPB. Without this funding (limited to 20% of the overall budget to safeguard independence), CPB would need to narrow its scope of activities, to maintain quality of its output.
- *Competition on labor market:* Once the economy recovers from the recession, labor markets may become less favorable or more competitive for CPB. At the moment, CPB is competitive at the entry levels overall, and junior levels in academia. Competition with departments at mid-career levels is more challenging (CPB has less room to offer permanent contracts in order to maintain flexibility). The typical CPB mix of research and forecasts makes a return to academia complicated (staff mobility).

7.2 Benchmark comparisons

Benchmark comparisons are complicated, as CPB is a rather unique institute. Nevertheless, at the level of individual activities, more scope for comparison exists.

Compared to research institutes and think tanks abroad, CPB seems to have a deeper knowledge of national institutional details, and is more embedded in policy processes, for instance through participation in advisory committees, and ex ante evaluations of proposed policy measures at the request of policymakers. The Hellwig committee already noted that, due its institutional setting, independent position, and the combination of forecasting and analysis under its roof, CPB is a unique institute. This makes it hard to find comparable institutes. Nevertheless, that committee made a brief comparison with ETLA (Finland), Ifo (Germany), and NIESR (UK). This comparison still seems valid.^{9 10}

Since the Great Recession, independent fiscal institutes have come to the fore, in Europe partly as a result of legislation. They aim to provide independent and authoritative analysis of national public finances. An important goal is to ensure unbiased economic forecasts. Compared to other Independent Fiscal Institutes (IFIs), CPB is a long standing institute with a broader scope and a less formalized mandate.¹¹ In the Netherlands, assessments of appropriateness of fiscal policy (the normative aspect of the mandate of EU IFIs) are delegated to the Council of State.

The European Commission (2015) recently suggested CPB — alongside with comparable public institutes such as CAE in France, the Council of Economic Experts in Germany, and BFP in Belgium — as a role model in the establishment of a system of independent national Competitiveness Boards (to contribute to strengthening the EMU).

Lenihan (2013) examines several "evidence-based policy" institutions across the globe, and discusses prominent institutes, including CPB. She highlights CPB's independence and integrity, and views CPB as "one of the best examples in this brief of an organization that undertakes a process of

⁹ Based on publicly available information (accessed in November 2015).

¹⁰ There was no information available to make a comparison regarding weaknesses, opportunities and threats.

¹¹ On the functions and impact of Fiscal Councils, see Debrun and Kinda (2014).

consistent external and self-evaluations of its operations and output" (p. 16). In the conclusion, CPB is mentioned as offering a best practice regarding (i) safeguarding independence of structure, budget and findings; diversity of funding where possible; (ii) subscribing to the view that effective communication is paramount — to policy makers as well as the general public; and (iii) demonstrating the value of independent external evaluations.

CWTS (2015), discussed in 2.5, confirms that CPB plays a significant role in academic research. Prins (2015), also discussed in 5.2, shows that CPB provides a point of reference for Dutch debates on economic policy. Prins (2015, p. 23-24) includes a comparison with SCP and PBL, but while CPB does not show up unfavorably, comparing them is not straightforward.

More specifically, a recent newspaper article compared CPB's economic forecasts with those by DNB, OECD, the European Commission, IMF and Rabobank.¹² The forecasts by CPB and DNB are (in the Netherlands) seen as the most authoritative ones. Their forecasts are more or less comparable, but since the focus and underlying models are different, they tend to serve different purposes.

CPB benchmarks its forecasts on a regular basis,¹³ leading to the following conclusion. While forecasts are by no means perfect (errors are inherent when predicting the future), its forecast errors are in line with those of other national and international institutes. Appendix I illustrates the outcomes of a benchmarking exercise, consisting of the mean and mean absolute error of Dutch gdp-growth over the period 1998-2014. It shows two sample periods: 1998-2014 and the same sample excluding 2009, as the outburst of the crisis dominates the forecast errors of all institutes.¹⁴ Regarding the forecasts for the upcoming year in the spring and autumn forecasts, the mean absolute error of gdp growth between 1998 and 2014 is about 1.6 percentage points. The December forecast is more accurate than the March forecast, which is sensible given the difference in forecast horizons. The mean error shows that excluding 2009, positive and negative errors almost cancel out. More generally, CPB's upcoming year gdp growth forecasting errors are in line with other institutes.

Overall, the impression is that CPB is, along broad lines, comparable in terms of the strengths identified in the SWOT analysis — in particular quality and independence — while the opportunities and threats that it faces are not unique for CPB (but that does not make them less pertinent).

¹² "Groeï precies voorspellen gaat niet", NRC, June 10, 2015. <http://www.nrc.nl/handelsblad/2015/06/10/groeï-precies-voorspellen-gaat-niet-1503146>

¹³ CPB published its latest assessment of forecast errors in 2010. A new assessment will be published in 2017. The underlying database is maintained.

¹⁴ Jong, Verbruggen and Roscam-Abbing (2010) contains an assessment of forecast performance during the crisis years.

8. Research integrity

8.1 Integrity, ethics and self-reflection

Research integrity standards at CPB are comparable to those at universities, although there are perhaps more formal procedures for scientific output in place, and more people involved in ensuring the quality of processes and outcomes. For instance, for CPB's own research outlets, there is an internal mechanism for peer reviewing (2.12). This reflects a corporate culture in which the organization's reputation is paramount. There have been no integrity dilemmas to deal with in the past period.

8.2 Research culture and manner of interaction

Researchers almost always work in teams and interact in several ways: formally during seminars, and informally by consulting and discussing with each other. Compared to a university department, there is a cooperative atmosphere at CPB, due to the fact that employees typically adhere to a strong feeling of contributing to the output of CPB, rather than individual publication records.

The past five years CPB management has continued to put substantial emphasis on the importance of getting CPB research published in academic (field) journals, supported by an annual prize for the best published article by CPB employees, and the publication of aggregated publication scores (per sector, based on a joint quality-assessment list of Dutch universities). This has led to a more productive research culture.

8.3 Data storage and processing

Processed data, computer programs and models of all research projects that result in a Discussion Paper are stored and controlled by the head of sectors, before a paper is published. Raw data are often bought or used through CBS terminals. Storage is centralized and secured according to high standards.

The ICT environment of the CPB offers ample and safe storage space in a network environment. Access to data files is administered through project drives that can be accessed only by project team members. The capacity is sufficient to be able to separately store raw data and processed data. All data are backed up on a daily basis.

The datacenter is currently located at CPB's premises. In the near future, this infrastructure will move to a government data center located in Amsterdam. This will enhance availability as well as security. The new infrastructure complies to current government standards.

8.4 Policy on research results that deviate from the prevailing scientific context

Proposals for academically oriented research are initially discussed informally by scientific staff. If a research idea and research strategy seem valid, the regular process of internal seminars for peer reviewing (see 2.12) is initiated. After the second seminar, a final (draft) paper is finished, which is refereed by a committee of three CPB-researchers under supervision of one of the directors. Outside referees (usually academic partners) are also consulted and asked to review the paper. Academic partners are typically consulted in various phases of the research and writing process. If the results turn out to be flagrantly different from the scientific literature, this will be noted by colleagues and

referees during the process described above. A possible outcome is that a project is aborted, so that there is no generation of output. Obviously this will lead to extra scrutiny.

9. Conclusion: research quality, relevance to policy and society, and viability

To conclude, this self-assessment relates the documented findings to the three criteria suggested by SEP:

Research quality: The quality of CPB's research is illustrated by its research output, to a large extent published in internationally, refereed academic journals, interactions with other researchers and research institutes, and its scientific impact measured by the number of citations. The evaluation by the Hellwig committee in 2010, resulted in specific recommendations that have materialized in several areas. This has strengthened various organizational and methodological aspects, and may contribute further to the quality of research in the coming years, in particular if the drive to excel and innovate is strengthened. This goal could be mitigated by a competitive labor market for talented researchers.

Relevance to policy and society: CPB has a strong brand name, and is seen as a widely trusted source of policy relevant economic analysis, mostly in the Netherlands. It is also recognized abroad, for instance for its independence, output, and commitment keep on improving itself. The evaluation by the Frijns Committee in 2013 led to several recommendations, most of which have been implemented. It also induced an increase in capacity thanks to budget growth. This has increased participation in policy networks, improved quality control processes, and more involvement of externally available expertise. These efforts may further strengthen CPB's role in policy and society in the coming years, in particular if its staff can increase its external orientation, although there is the external threat of erosion of authority.

Viability: In the past period, government-imposed budget cuts forced CPB to make important choices, but did not threaten its viability. Both the Hellwig and Frijns committees recommended CPB to make choices, in several dimensions. The follow-up to these recommendations led to changes in the organization (size and structure), the scope of activities (e.g. Keuzes in Kaart), and (thanks to a decision by the government) to an increase of the structural budget.

Across the board, CPB has exerted substantial effort to strengthen its position, but weaknesses that require attention remain. Moreover, external threats require the institute to remain vigilant and maintain a mindset open to continuous improvement in the coming years — in a polarizing environment, perhaps even more so than in the past period.

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Appendix A: Composition of the CPB

The table below corresponds to Table D3a in SEP, adapted to reflect CPB's profile and activities.

Personnel

as of:	01-01-2010		01-01-2011		01-01-2012		01-01-2013		01-01-2014		01-01-2015		01-07-2015	
	#	FTE	#	FTE	#	FTE	#	FTE	#	FTE	#	FTE	#	FTE
<i>Management team</i>														
Executive management	3	3,0	3	3,0	3	3,0	3	3,0	3	3,0	3	2,8	3	2,8
Sector heads	6	5,6	5	4,9	5	4,9	5	4,9	5	5,0	5	5,0	5	5,0
<i>Research staff</i>														
Program managers	20	19,4	20	18,3	15	15,0	15	14,9	16	15,6	16	15,6	16	15,7
Researchers	82	76,7	70	65,4	61	56,1	66	60,9	84	79,8	89	85,7	86	83,2
Information analysts	24	20,1	20	17,3	20	17,3	18	15,6	9	7,9	9	7,9	9	7,6
Academic partner	1	0,2	1	0,2	1	0,2	1	0,2	1	0,2	1	0,2	1	0,2
<i>Support</i>														
Exec. secretariat & comm.	11	9,6	11	9,8	9	8,3	8	7,3	9	8,0	10	9,5	10	9,0
Internal affairs	6	4,3	5	3,8	5	3,9	5	4,2	5	4,2	3	2,7	3	2,8
Facility services	4	3,4	4	3,6	4	3,6	3	2,6	3	2,6	3	2,6	3	2,6
Library	2	1,4	2	1,4	2	1,4	1	0,7	1	0,8	1	0,8	1	0,9
HR	3	1,8	3	1,9	3	1,6	3	1,6	3	1,6	2	1,5	2	1,5
IT	11	9,5	9	8,1	8	7,3	8	7,3	9	8,3	8	7,6	8	7,6
<i>Totals</i>	173	155	153	138	136	123	136	123	148	137	150	142	147	139

Numbers in the table include vacancies.

Appendix B: Financing structure

The table below corresponds to Table D3c in SEP, adapted to reflect CPB's profile and activities.

Funding and expenditures

	Realization	Realization	Realization	Realization	Realization	Prognosis	Prognosis
<u>as of:</u>	31-12-2010	31-12-2011	31-12-2012	31-12-2013	31-12-2014	01-01-2015	01-07-2015
<i>Funding</i>							
Regular budget	12.124	11.906	11.635	11.395	11.696	11.443	12.435
External financing	2.007	2.536	2.431	3.186	2.976	2.739	2.695
Other					1.034		860
<i>Total</i>	14.131	14.442	14.066	14.581	15.706	14.182	15.990
<i>Expenditures</i>							
Personnel	12.282	11.553	11.115	11.238	12.081	12.148	12.519
Other	2.649	2.410	2.624	2.309	2.765	2.042	3.078
<i>Total</i>	14.931	13.963	13.739	13.547	14.846	14.190	15.597

Amounts in 1,000 Euros.

Costs include salary costs as well as all other personnel-related expenditures, such as costs of training.

"Other" refers to intertemporal budget transfers from the previous year.

The table below shows the percentages of external financing.

Relative shares of funding

	Realization	Realization	Realization	Realization	Realization	Prognosis	Prognosis
<u>as of:</u>	31-12-2010	31-12-2011	31-12-2012	31-12-2013	31-12-2014	01-01-2015	01-07-2015
<i>Funding</i>							
Regular budget	86%	82%	83%	78%	74%	81%	78%
External financing	14%	18%	17%	22%	19%	19%	17%
Other					7%		5%
<i>Total</i>	100%	100%	100%	100%	100%	100%	100%

Appendix C: Output indicators

The table below corresponds to Table D1 in SEP, adapted to represent CPB's profile and activities.

	Quality domains	
Assessment dimensions (↓)	Research quality	Relevance to society
Demonstrable products	<p><i>1. Research products for peers</i></p> <ol style="list-style-type: none"> 1. Articles in refereed journals 2. Book chapters in edited academic books 3. CPB Discussion Papers 4. Academic books 5. PhD dissertations 6. Various (e.g. datasets, software tools) 	<p><i>4. Research products for societal target groups</i></p> <ol style="list-style-type: none"> 1. CPB Policy Briefs 2. CPB Books and Special Publications 3. CPB Communications ("Notities") 4. Policy-oriented and professional publications in other outlets 5. Outreach activities to policy makers and non-academic institutes 6. CPB Lectures 7. Organizing committees of policy-oriented conferences
Demonstrable use of products	<p><i>2. Use of research products by peers</i></p> <ol style="list-style-type: none"> 1. Use of datasets and software tools by peers and others 2. Citation impact analysis 	<p><i>5. Use of research products by societal groups</i></p> <ol style="list-style-type: none"> 1. Commissioned research projects 2. Output of commissioned research projects 3. Contextual Response Analysis of CPB publications
Demonstrable marks of recognition	<p><i>3. Marks of recognition from peers</i></p> <ol style="list-style-type: none"> 1. Academic awards, prizes and individual research grants 2. Invited academic lectures 3. Organizing committees of academic conferences 4. Scientific committees 5. Editorial boards 6. Part-time academic positions 7. Fellowships 	<p><i>6. Marks of recognition by societal groups</i></p> <ol style="list-style-type: none"> 1. Memberships of advisory bodies and policy/professional committees 2. Awards

Appendix D: Main categories of research output

The table below corresponds to Table D3b in SEP, adapted to reflect CPB's profile and activities.

	2010	2011	2012	2013	2014	2015 (Jan - June)
<i>policy-oriented output</i>						
CEP	1	1	1	1	1	1
MEV	1	1	1	1	1	0
Kortetermijnramingen	4	4	4	4	4	2
Wereldhandelsmonitor	12	12	12	12	12	6
Keuzes in Kaart (KIK)	1	0	1	0	0	0
CPB Books	-	4	1	5	3	4
CPB Policy Briefs	-	14	7	9	12	12
CPB Communications ("Notities")	13	35	42	37	35	17
CPB Special Publications	7	-	-	-	-	-
Policy-oriented and professional publications	36	38	36	38	41	15
<i>scientific output</i>						
Articles in refereed journals	32	23	21	22	31	26
Chapters in edited academic books	1	1	9	4	2	1
Academic books	0	0	2	0	0	1
CPB Discussion Papers	28	36	26	36	35	13
PhD dissertations	1	0	0	2	3	2
<i>Totals</i>	137	169	163	171	180	100

Year 2010 excludes data on abandoned publication outlets (except Special Publications), so that the table underestimates the number of actual publications in 2010 and cannot be compared to subsequent years.

The CPB Special Publications series was terminated in 2010.

Appendix E: Most important academic output

This appendix contains, for each sector, the five most important academic publications.

Sector 1:

1. Bettendorf, L., K. Folmer, K. and E. Jongen, 2014, The dog that did not bark: the EITC for single mothers in the Netherlands, *Journal of Public Economics*, vol. 119: 49-60. (In cooperation with sector 5).
2. Bettendorf, L., M.P. Devereux, A. van der Horst, S. Loretz and R. de Mooij, 2010, Corporate tax harmonization in the EU, *Economic Policy*, CEPR; CES; MSH, vol. 25: 537-590.
3. Bettendorf, L.H.J., E.L.W. Jongen and P. Muller, 2015, Childcare subsidies and labour supply — Evidence from a large Dutch reform, *Labour Economics*, vol. 36: 112-123.
4. Mooij, R. de, and M. Devereux, 2011, An applied analysis of ACE and CBIT reforms in the EU, *International Tax and Public Finance*, vol. 18(1): 93-120.
5. Vuuren, D. van, 2014, Flexible Retirement, *Journal of Economic Surveys*, vol. 28(3): 573-593.

Sector 2:

1. Bonenkamp, J., Y. Adema and L. Meijdam, 2013, *International Tax and Public Finance*: 1-27.
2. Lukkezen, J. and H. Rojas-Romagosa, Stochastic debt sustainability indicators, *Revue de l'OFCE*, vol. 127(1): 97-121.
3. Antony, J. and D.P. Broer, 2014, Euro area financial shocks and economic activity in the Netherlands, *Empirica*: 1-25.
4. Veenendaal, P., H. Rojas-Romagosa, A. Lejour and H. Kox, 2015, A value-added trade perspective on recent patterns in world trade, in Hoekman, B. *The Global Trade Slowdown: A New Normal?* CEPR E-book.
5. Rojas-Romagosa, H., J. Francois and Eddy Bekkers, 2014, Melting Ice Caps and the Economic Impact of Opening the Northern Sea Route, CPB Discussion Paper 307.

Sector 3:

1. Akcomak, I.S. and B. ter Weel, 2012, The impact of social capital on crime: Evidence from the Netherlands, *Regional Science and Urban Economics*, vol. 42(4): 323-340.
2. Euwals, R., D. van Vuuren and R. Wolthoff, 2010, Early Retirement Behaviour in the Netherlands: Evidence from a Policy Reform, *De Economist*, vol. 158(3): 209-236.
3. Kok, S. and B. ter Weel, 2014, Cities, tasks and skills, *Journal of Regional Science*, vol. 54(5): 856-892.
4. Webbink, D. and H. Oosterbeek, 2011, Does studying abroad induce a brain drain?, *Economica*, vol. 78(310): 347-366.

5. Webbink, D., M. van der Steeg and R. van Elk, 2012, Does intensive coaching reduce school dropout? Evidence from a randomized experiment, CPB Discussion Paper 224 (forthcoming in *Economic of Education Review*).

Sector 4:

1. Bijlsma, M., J. Boone and G. Zwart, 2014, Competition leverage: how the demand side affects optimal risk adjustment, *RAND Journal of Economics*, vol. 45(4): 792-815.
2. Douven, R. and E. Schut, 2011, Pricing behaviour of non-profit insurers in a weakly competitive social health insurance market, *Journal of Health Economics*, vol. 30(2): 439-449.
3. Douven, R., M. Remmerswaal, and I. Mosca, 2015, Unintended effects of reimbursement schedules in mental health care, *Journal of Health Economics*, vol. 42: 139-150.
4. Koning, P. and K. van der Wiel, 2013, Ranking The Schools: How School-Quality Information Affects School Choice In The Netherlands, *Journal of the European Economic Association*, vol. 11(2): 466-493.
5. Ikonnikova, S. and G.T.J. Zwart, 2014, Trade Quotas And Buyer Power, With An Application To The E.U. Natural Gas Market, *Journal of the European Economic Association*, vol. 12(1): 177-199.

Sector 5:

1. Aalbers, R.F.T., V. Shestalova and V. Kocsis, 2013, Innovation Policy for Directing Technological Change in the Electricity Sector, *Energy Policy*, vol. 63: 1240-1250.
2. Boeters, S. and J. Bollen, 2012, Fossil fuel supply, leakage and the effectiveness of border measures in climate policy, *Energy Economics*, vol. 34(2): S181-S189.
3. Brekelmans, R., D. den Hertog, K. Roos and C. Eijgenraam, 2012, Safe dike heights at minimal costs: the nonhomogeneous case, *Operations Research*, vol. 60(6): 1342-1355.
4. Hilber, C.A.L. and Wouter Vermeulen, 2015, The Impact of Supply Constraints on House Prices in England, *The Economic Journal*, published online June 29.
5. Hilber, C., T. Lyytikäinen and W. Vermeulen, 2011, Capitalization of Central Government Grants into Local House Prices: Panel Data Evidence from England, *Regional Science and Urban Economics*, vol. 41: 394-406.

Executive management:

1. Akcomak, I.S., D. Webbink and B. ter Weel (2015), Why did the Netherlands develop so early? The legacy of the Brethren of the Common Life, *Economic Journal*, vol. 125(587): 1-40.
2. Bovenberg, L.A., C. van Ewijk and E. Westerhout (eds.) (2012), *The future of multi-pillar pensions*, Cambridge: Cambridge University Press.
3. Ewijk, C. van, H.L.F. de Groot and A.J. Santing (2012), A meta-analysis of the equity premium, *Journal of Empirical Finance*, vol. 19 (5), pp. 819-830.

4. Teulings, C.N. (2010), How to share our risks efficiently?, Principles for optimal social insurance and pension provision, *De Economist*, vol. 158(1), p 1-21.
5. Teulings, C.N. and N. Zubanov (2013), Is Economic Recovery a Myth? Robust Estimation of Impulse Responses, *Journal of Applied Econometrics*, vol. 29 (3), pp. 497-514.

Appendix F: Most important policy and societal output

This appendix contains, for each sector, the five most important societal publications and/or other societal outputs.

Sector 1:

1. Various authors, 2015, *Kansrijk Arbeidsmarktbeleid*, CPB Boek 16.
2. Romijn, G., M. van Dijk and J. Donders, 2010, *Hervorming van het Nederlandse woonbeleid*, CPB Bijzondere publicatie 84.
3. Bettendorf, L. and S. Cnossen, 2014, *Bouwstenen voor een moderne btw*, CPB Policy Brief 2014/02.
4. Eijkel, R. van, and W. Vermeulen, 2015, *Een ruimer lokaal belastinggebied*, CPB Policy Brief 2015/05.
5. Lukkezen, J. and W. Suyker, 2013, *Naar een prudent niveau van de overheidsschuld*, CPB Policy Brief 2013/05.

Sector 2:

1. Ewijk, C. van, J. Lukkezen and H. Rojas-Ramagosa, 2013, *Waarschuwingsindicatoren voor schuldhoudbaarheid*, CPB Policy Brief 2013/8.
2. Gelauff, G., D. Lanser, A. van der Horst and A. Elbourne, 2014, *Roads to recovery*, CPB Boek 11.
3. Lever, M., J. Bonenkamp and R. Cox, 2014, *Doorsneesystematief in pensioenen onder druk?*, CPB Policy Brief 2014/1.
4. Lever, M., J. Bonenkamp, C. van Ewijk and R. Mehlkopf, 2014, *Pensioen in Discussie*, CPB Policy Brief 2014/6.
5. Lukkezen, J. and C. Kool, 2015, *Lessen uit zeven jaar stagnatie in de eurozone*, CPB Policy Brief 2015/9.

Sector 3:

1. Corvers, F., R. Euwals and A. de Grip, 2011, *Labour Market Flexibility in the Netherlands; The role of contracts and self-employment*, CPB Boek 1.
2. Ewijk, C. van, A. van der Horst and P. Besseling, 2013, *Toekomst voor de Zorg*, CPB Boek 7. (Joint work with Sector 4.)

3. Horst, A. van der, L. Bettendorf, N. Draper, C. van Ewijk, R. de Mooij and H. ter Rele, 2010, *Vergrijzing Verdeeld, Toekomst van de Nederlandse Overheidsfinanciën*, CPB Bijzondere Studie 86.
4. M. de Graaf-Zijl, S. Boeters, J. Bolhaar and A. den Ouden, 2015, *De onderkant van de arbeidsmarkt in 2025*, CPB/SCP, CPB Boek 17.
5. Smid B., H. ter Rele, S. Boeters, N. Draper, A. Nibbelink and B. Wouterse, 2014, *Minder zorg om vergrijzing*, CPB Boek 12.

Sector 4:

1. Bijlsma, M., A. Elbourne, M. Lever and G.T.J. Zwart, 2011, Een evaluatie van de financiële transactiebelasting, 2011, Notitie / CPB Achtergronddocument.
2. CPB, 2012-2015, Risicorapportage Financiële Markten.
3. CPB, CASE, ETLA and IHS, 2015, A study on R&D tax incentives: Final report, DG TAXUD Taxation Paper 52.
4. Various authors (Werkgroep Zorgkeuzes in Kaart), 2015, *Zorgkeuzes in Kaart: Analyse van beleidsopties voor de zorg van tien politieke partijen*, CPB Boek 14; and *Zorgkeuzes in Kaart: Technische uitwerking van alle afzonderlijke beleidsopties*, CPB Boek 15 (Joint work with several Ministries).
5. Ewijk, C. van, P. Besseling and A. van der Horst, 2013, *Toekomst voor de zorg*, CPB Boek 7. (Joint work with Sector 3.)

Sector 5:

1. Bos, F. and P. Zwaneveld, 2012, Een snelle kosten-effectiviteitanalyse voor Deltaprogramma IJsselmeergebied: Wat zijn de kosten en veiligheidsbaten van wel of niet meestijgen met de zeespiegel en extra zoetwaterbuffer?, CPB Notitie, September 27 (including CPB Achtergronddocument).
2. Dijk, M. van and G. Romijn, 2010, *Hervorming van het Nederlandse Woonbeleid*, CPB Bijzondere Publicatie 84.
3. Groot, H. de, G. Marlet, C. Teulings and W. Vermeulen, 2010, *Stad en Land*, CPB Bijzondere Publicatie 89.
4. Romijn, G. and G. Renes, 2013, *Algemene Leidraad voor MKBA's*, CPB Boek 10.
5. Verrips, A., R. Aalbers and F. Huizinga, 2013, KBA Structuurvisie 6000 MW Windenergie op Land, CPB Notitie.

Appendix G: Composition of the CPC

2014-2016:

- Roel Janssen (writer and journalist)
- Joost Korte (Deputy Director-General, DG AGRI, European Commission)
- Jaap Maljers (healthcare entrepreneur)
- Annemieke Nijhof (CEO of Tauw Group)
- Jan van Ours (professor at Tilburg University)
- Kirsten Rohde (professor at Erasmus University Rotterdam)
- Margot Scheltema (supervisory director of DNB)
- Hans Smits, chair (CEO of Janssen de Jong Group)

2010-2014:

- Eric Bartelsman (2004-2011)
- Kees Cools (2007-2014)
- Marry de Gaay Fortmann (2007-2014)
- Harry Garretsen (2004-2011)
- Paul de Grauwe (2011-2014)
- Jan Michiel Hessels (2007-2014)
- Mark de Jong (2006-2011)
- Gert-Jan Koopman (2004-2011)
- Joost Korte (2011-current)
- Marike van Lier Lels (2007-2014)
- Mirjam van Praag (2011-2014)
- Cees Outshoorn (2007-2014)
- Alexandra Schaapveld (2000-2011)

Appendix F: Academic partners

Sector 1:

1. Prof.dr. Maarten Allers (RUG), Program Decentralised authorities, until 31 December 2016.
2. Prof.dr. Koen Caminada (UL), Program Public Finances, until 31 December 2016.
3. Prof.dr. Bas Jacobs (EUR), Program Tax policy, until 31 December 2015.

Sector 2:

1. Prof.dr. Casper van Ewijk (UvA), Program Ageing, until 30 September 2015.
2. Prof.dr. Wouter den Haan (LSE), Program Macro, until 31 December 2015.
3. Prof.dr. Jacques Pelkmans (CEPS), Program International Analysis, until 31 May 2015.

Sector 3:

1. Prof.dr. Eddy van Doorslaer (EUR), Program Course of Life, until 31 December 2015.
2. Prof.dr. Pieter Gautier (VU), Program Labour market, until 31 December 2016.
3. Prof.dr. Bart Verspagen (UM), Program Research, until 31 December 2016.
4. Prof.dr. Dinand Webbink (EUR), Program Education, until 31 December 2015.

Sector 4:

1. Prof.dr. Jan Boone (CPB, UvT), all programs, ongoing basis.
2. Prof.dr. Robert Dur (EUR), Program ICT & Innovation, until 31 December 2016.
3. Prof. Dr. Wolter Hassink (UU), Program Financial Markets, until 1 May 2016.
4. Prof.dr. Erik Schut (EUR), Program Healthcare, until 31 December 2015.

Sector 5:

1. Prof. dr. Geoff Blanford (CESifo), Program Climate, until 31 December 2015.
2. Prof.dr. Steven Brakman (RUG), Program Infrastructure, until 31 December 2015.
3. Prof.dr. Henri de Groot (VU), Sector 5, Program Environment, until 31 December 2016.

Executive management:

1. Prof.dr. S. Cnossen, Executive management, Partner until 31 May 2017

Appendix I: Forecasting benchmarks

The tables below benchmark CPB's gdp growth forecasting errors for the upcoming year with those of other institutes. Note that DNB makes forecasts appearing at the same moment as CPB's KMEV and KCEP. The international institutes follow a different schedule.

	Mean error	Excluding 2009	Mean absolute error	Excluding 2009
CPB, March	0.7	0.4	1.6	1.3
IMF, April	1.1	0	1.5	1.2
EC, Spring	0.7	0.4	1.6	1.3
OECD, Spring	0.6	0.3	1.6	1.3
DNB, June	0.5	0.2	1.7	1.4
CPB, June	0.6	0.3	1.6	1.3
CPB, September	0.5	0.2	1.4	1.1
IMF, October	0.5	0.2	1.4	1.1
EC, Autumn	0.7	0.4	1.3	1.0
OECD, Autumn	0.3	0.1	1.3	1.1
DNB , December	0.4	0.1	1.1	0.9
CPB, December	0.1	- 0.1	0.9	0.8

Appendix J: Other relevant documents

1. Teulings, C.N. (2012), "Follow-up", letter to the members of the CPB Review Committee 2010, March.

> Return adress: CPB, P.O. Box 80510, 2508 GM, The Hague

Members of the CPB Review Committee 2010

Date: March 2012

Subject: Follow up

Dear [.....]

It has almost been two years since the CPB Review Committee reported its findings. With this letter I would like to inform you about the way CPB Netherlands Bureau for Economic Policy Analysis (CPB) followed up on your recommendations. Since then CPB has been reorganised in response to the severe budget cuts. This concerned both the internal structure (2011) and the composition of the workforce (2012). These reorganisations have also been used to implement part of your recommendations. On other recommendations, we have installed working committees, whose findings we have also implemented. In this letter I shall follow the order of the Summary of Findings on page 1-2 of your report.

Quality of the work

Enhance scientific quality by publishing in scientific journals

As part of a larger discussion about the internal culture of CPB, the management has set a numerical target for scientific publications for each sector. Following a reputed ranking of economic journals in English points are awarded to each publication (roughly between 1,5 and 0,5 point per publication). Each sector has to achieve 6 points annually. This change is fostered by our new publications policy (see below). We now expect each author to first write a CPB Discussion Paper, which will then need to be published in a refereed journal. Finally, we introduced an annual and internal CPB prize for the best publication in a scientific journal.

*Reducing effort spend on model building and forecasting (see also *Research Topics*)*

Major strategic goals of both reorganisations were the reduction of the capacity devoted to quantitative forecasting and modelling. We initiated an extensive internal discussion about these issues for most of 2011, which led to the start of numerous projects to rationalise our working processes. The number of variables forecasted has gone down and will be reduced further in the near future. The main macro economic model will be simplified accordingly.

The forecasting group and the model development group were merged. Their combined total staff will be reduced from approximately 20 to 13 full time

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Your reference

Vul het kenmerk van de
geadresseerde in. Voorbeeld:
UK2010-1

Our reference

Vul uw kenmerk in. Voorbeeld:
CPB2010-1

Enclosures

Vul het aantal bijlagen in.
Voorbeeld: 1

equivalents. Apart from the efficiency gains, we expect that this merger will also enhance the quality of the forecasting.

Date
March 2012

Our reference
Vul uw kenmerk in. Voorbeeld:
CPB2010-1

Policy Impact

Educating policy makers

To educate our 'clients' about our work we have organised different seminars for policy makers (including parliamentary staffers) and journalists about our models and methods, which were well attended and received. We also continued our guest lectures in courses targeting these audiences. We published another popular book jointly with a major non-fiction publisher, explaining the Euro crisis for a wide audience. Other books also received wide attention, especially a scenario study on the future of the city, and a book on the role of land prices in spatial and urban planning. Moreover, we are involved in several initiatives that look at new ways to organise public administration in The Netherlands and regularly participate in projects that look at the organisation of spatial planning initiatives and programmes.

Clarify the audiences of various series of publications

Besides the launch of a whole new website, we completely renewed our publication policies. A major step was reducing the available outlets to four. CPB Discussion Papers aim at scientific audiences and are meant to be published in a scientific journal, as indicated above. CPB Notes are answers to parliamentary or departmental requests, which sometimes also attract larger audiences, as was for example the case with our note on the effects of the introduction of a Tobin tax in the financial sector. CPB Books are relatively rare (three to four a year), and can aim at a scientific audience, policy makers, or the general public. Following directly from your report, we introduced CPB Policy Briefs (the latest example in English is attached). Policy briefs aim at a wide audience of policy makers, the press and the wider public. They have a fixed format and a limited length (5000 words). May I invite you to take a look at (the English part of) our website where you will find samples of all four categories (www.cpb.nl)?

A lot of policy proposals in the Dutch arena have a European background. To enhance our international presence we therefore started to closely cooperate with the Brussels-based economic think tank Bruegel.

Research Topics

Clear strategy on environment and climate change

We decided to continue our climate research, because it is a topic that remains high on the public agenda and involves large amounts of taxpayers money. Continued involvement is also explicitly called for by different parts of the public sector. Our strategy is not to be involved in assessing the potential impact of climate change e.g. on sea levels, but to focus instead on the intensity and the timing of the policy response as well as the proper choice of instruments.

Breadth versus depth

CPB has reduced the number of programs from 20 to 15, as outlined in more detail in *Structure and Organization* below. Each program has default duration of 3

years, and needs to be accompanied by a detailed output and communications plan for the full period. Programs rather than projects are the relevant units of planning in the annual work plan cycle.

Date
March 2012

Our reference
Vul uw kenmerk in. Voorbeeld:
CPB2010-1

Despite this serious cut in topics, the scope of our activities remains large because that is what policy makers expect and demand of CPB. We acknowledge the thin coverage of each individual field and the associated risks for maintaining scientific standards.

External funding

CPB's dependence on external funding has increased the past years. Severe budget cuts have been offset by additional external funding, although there is a legal maximum to this of 20% of our annual budget. This development has increased the risks of too much breadth and too little depth in terms of topic selection, but we are doing everything we can to retain our focus.

Structure and Organisation: provide a clear division into sectors and programs

Lack of clarity in the division in sectors

We have reduced the number of sectors from six to five, with three programmes in each sector. We also harmonised the internal organization principle (all research is now programme-based) and further reorganised the remaining sectors. This has led to a clear organisation:

- 1: Public finance
 - Government finance
 - Social security
 - Taxes
- 2: Macro economics
 - Macro
 - International analyses
 - Macro-financial and pensions
- 3: Labour and education
 - Labour
 - Education
 - Life cycle
- 4: Competition and regulation
 - Financial economics
 - ICT & Innovation
 - Healthcare
- 5: Climate and Regional economics
 - Infrastructure
 - Climate
 - Spatial

We believe this has led to more homogeneity within sectors. For example, by combining public economics and taxation we obtained coherence and by bringing forecasting and macro modelling together model application and model building are no longer separated. There is also the benefit from the interaction with ALM type analysis of macro financial time series for pension funds.

Date

March 2012

Our reference

Vul uw kenmerk in. Voorbeeld:
CPB2010-1

Programs terminated were those on Semi-public organisations, and Nature, Environment and Agriculture. In addition we merged Globalisation with Innovation and ICT; Business cycle with Macro economics; Europe with International Business Cycle; Macro-Finance with Ageing; and Social Cohesion with Education. We upgraded our work on Financial Economics to a full programme and commenced a programme on Taxation.

Tenure

At page 11 of the report the committee observed that the number of young researchers has been declining since 2002 and that women are underrepresented in management positions. The recent budget cuts (minus ten percent in 2011-2015) tend to strengthen this development. CPB has decided to cut the number of positions for research assistants by half (from 20 to 10), since the demand for research assistance declined steadily over the past decade. This implies that eight people need to involuntarily leave their position at CPB. This is painful process, because most of them have worked here for at least ten years or more. However, it was the only way for CPB to open up vacancies and attract new talent within a reasonable time-span.

All these new initiatives and measures are the direct result of your work. On behalf of all my colleagues I would like to thank you once more for sharing your insights and opinions with us. We are confident CPB Netherlands Bureau for Economic Policy Analysis is in an even better shape because of your review.

Yours sincerely,

Professor Coen N. Teulings
Director

2. Geest, L. van (2013), "Follow-up aanbevelingen commissie-Frijns", letter to J.M. Hessels (chairman CPC), December 19.

Centraal Planbureau

> Retouradres Centraal Planbureau, Postbus 80510, 2508 GM, Den Haag

Datum 19 december 2013
Centrale Plan Commissie
Betreft follow-up aanbevelingen commissie-Frijns
mr J.M. Hessels (per email)

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Uw kenmerk

Ons kenmerk

Bijlagen

*Bij beantwoording van deze
brief graag ons kenmerk
vermelden.*

Geachte heer Hessels,

Op 18 februari jongstleden bracht de Commissie Beleidsgerichte Toetsing van het Centraal Planbureau haar rapport uit, getiteld *Uit de Lengte of uit de Breedte?*. De commissie, naar haar voorzitter ook de commissie-Frijns genoemd, werd door de Centrale Plan Commissie (CPC) op 29 juni 2012 geïnstalleerd. Hiermee gaf de CPC gevolg aan een van de taken die haar is opgedragen in de Aanwijzingen voor de Planbureaus, welke op 21 februari 2012 door de Minister-President werden vastgesteld.

Het kabinet heeft op verzoek van de vaste commissie voor Economische Zaken van de Tweede Kamer der Staten-Generaal op 12 april 2013 een reactie op het rapport gegeven (Tweede Kamerstuk 31083, nr. 45). Namens het kabinet gaf de Minister van Economische Zaken aan het belangrijk te vinden dat het CPB met de aanbevelingen aan de slag zou gaan en kondigde aan dit mee te nemen in zijn gesprekken met de nieuwe directeur van het CPB. Sinds het aantreden van ondergetekende op 1 augustus 2013 is dit dan ook een speerpunt geweest in de werkzaamheden van het CPB. In deze brief zet ik onze besluiten en conclusies op een rij.

De commissie-Frijns geeft in totaal 17 aanbevelingen, verdeeld over zes deelaspecten van het functioneren van het CPB: algemeen, inhoud, capaciteit, relatie met wetenschap, relatie met beleid en onafhankelijkheid. Deze reactie van het CPB volgt die onderverdeling.

Algemeen

De commissie stelt dat er een keuze moeten worden gemaakt tussen meer budget of beperking van de inhoudelijke activiteiten van het CPB. Dit heeft geleid tot overleg tussen het CPB en de ministeries van Economische Zaken en Financiën. Tot mijn vreugde heeft de Secretaris-Generaal van het ministerie van Economische Zaken medegedeeld dat het structurele budget van het CPB met 1 miljoen euro wordt verhoogd. Hiermee kunnen in de komende maanden de 'dunne plekken' in de personele bezetting van de organisatie worden versterkt. Er wordt geen nieuw onderzoekprogramma mee opgestart.

Inhoud

Geheel langs de lijnen van het advies van de commissie en in aansluiting op een interne discussie die de afgelopen jaren is gevoerd na het advies van de wetenschappelijke visitatiecommissie onder voorzitterschap van professor Martin Hellwig (2010), heeft het CPB een uitgebreide visie geschreven op het gebruik van macromodellen.¹ De belangrijkste wetenschappelijke kritiek op de bestaande situatie was dat het SAFFIER-model verouderd is en niet goed aan zou sluiten bij de bestaande inzichten in de academische literatuur. Voor de modelvisie is ook geconsulteerd in het buitenland, bij wetenschappers en bij Nederlandse instituten die van vergelijkbare modellen gebruik maken. Tevens zijn er experimentele, alternatieve modellen gebouwd en geanalyseerd. De belangrijkste uitkomst van deze exercitie laat zich samenvatten in de keuze voor:

¹ <http://www.cpb.nl/publicatie/verdiepen-en-verhelderen-macro-economische-analyse-bij-het-cpb>

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Ons kenmerk

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- meer tijd voor verdiepende analyses met wetenschappelijk up-to-date methoden (los van de grote modellen);
- gebruik van een macro-econometrisch model (vernieuwd Saffier) voor ramingen en beleidsanalyses. Dit type model is theoretisch en praktisch het meest geschikt voor beleidsrelevante toepassingen op het CPB;
- een ontwikkelagenda voor het macro-econometrisch model met oa nadruk op financiële factoren en verwachtingsvorming en op meer transparantie door verkleining van het systeem en vereenvoudiging van de aansturing;
- systematisch inzetten van tijdreeksmethoden als zijlicht op de ramingen.

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Op deze manier wil het CPB haar rol versterken bij het voeren van het maatschappelijk debat over macrovraagstukken met wetenschappelijk gefundeerde argumenten. Tevens investeert het CPB in methoden en technieken die het mogelijk maken ook de komende jaren op verantwoorde wijze ramingen en beleidsanalyses te blijven leveren. Aldus kiest het CPB een positie binnen de inherente spanning tussen beleidsrelevantie en wetenschappelijke relevantie, die goed aansluit bij de ontwikkeling die zichtbaar is bij verwante buitenlandse instituten.

Ook bij in andere werkzaamheden wil het CPB zo duidelijk mogelijk zijn over gekozen methode en de beperkingen hiervan. Hoewel dergelijke keuzes en voorbehouden immer vermeld worden in de publicaties en/of bijbehorende achtergronddocumenten, of hier naar wordt verwezen via voetnoten, kan de transparantie worden vergroot. Dit is ook een zaak van wetenschappelijke kwaliteitscontrole en reproduceerbaarheid van resultaten. Het management van het CPB heeft de interne richtlijnen nagelopen en waar mogelijk zijn deze aangescherpt. Bijvoorbeeld qua archivering van datasets en het vereiste van consistente publicatie van (wetenschappelijk) achtergrondmateriaal via de website van het CPB.

Waar mogelijk wordt nog meer gebruik gemaakt van externe expertise door uitbreiding van de bestaande gewoonte om klankbordgroepen in te stellen bij grote onderzoeksprojecten. Daarmee kan ook makkelijker bestaande kennis buiten het CPB worden gebruikt, met name bij andere kennisinstellingen en departementen. Bij minder grote onderzoeksprojecten, of publicaties zoals Policy Briefs of belangrijke achtergronddocumenten, wordt voortaan altijd de aansluiting gezocht bij beleidsmakers. Tenslotte wordt de bestaande verbinding met de wetenschap uitgebreid, via het Academic Partners-programma. Per 2014 heeft ieder onderzoeksprogramma (16 in totaal) een 'eigen' hoogleraar die adviseert en meedenkt bij het onderzoek.

De aanbeveling om de doorrekeningen van de verkiezingsprogramma's, bekend naar de titel van de publicatie *Keuzes in Kaart* (KIK), beperkter op te zetten wordt breed gesteund in het CPB. Na een uitgebreide interne en externe evaluatie is daarom gekozen KIK te verkleinen. Het gaat vooral om het schrappen van de programma-effecten en het verhogen van het minimumbedrag voor ingediende beleidsvoorstellen. Tegelijkertijd wordt er in samenwerking met de andere planbureaus getracht tussen verkiezingen te publiceren over wat kansrijke beleidsveranderingen zouden zijn. Over deze veranderingen is eind november uitgebreid gecommuniceerd met alle betrokkenen, en via de media ook met de kiezers.²

² <http://www.cpb.nl/publicatie/vernieuwing-doorrekening-verkiezingsprogrammas-evaluatie-keuzes-in-kaart-2013-2017>

Capaciteit

De aanbeveling om strategische keuzes te maken over het aantal beleidsterreinen waarop het CPB actief is opgevolgd door te kiezen voor handhaving van de bestaande breedte van de onderzoeksprogramma's, het afgelopen jaar aangevuld met het extern gefinancierde programma decentrale overheden. Het extra budget wordt niet gebruikt voor uitbreiding van de onderzoeksterreinen, maar voor het aanvullen van de personele sterkte op een aantal plekken waar de bezetting te dun is geworden. Het CPB heeft er derhalve vertrouwen in kwalitatief goed werk te kunnen blijven leveren de komende jaren.

De aanbeveling om tot een nieuwe begrotingsystematiek te komen is primair gericht tot het kabinet. Door het CPB valt op te merken dat de aanbeveling moeilijk te rijmen met de genoemde Aanwijzingen voor de Planbureaus. Zoals is gebleken is het kabinet bereid om serieus naar de noden van het CPB te kijken als daar voldoende reden voor bestaat.

Relatie met wetenschap

Het CPB is blij met de vaststelling van de commissie-Frijns dat het beleid ten aanzien van het wetenschappelijk publiceren terecht en noodzakelijk is. Waar de finesses hiervan in de wereld niet altijd worden opgepikt door blijven wij dit beleid consistent toelichten. Voorts zorgen wij voor beter begrijpelijke Nederlandse samenvattingen bij Engelstalige wetenschappelijke papers.

Relatie met beleid

Zoals hierboven aangegeven volgt het CPB graag de aanbeveling op om waar mogelijk de (ambtelijke) netwerken beter te onderhouden en de externe kwaliteitscontrole van het werk te borgen. Een belangrijk aspect daarbij is het betrekken van de beleidsdepartementen bij het werk van het CPB. Door uitbreiding van de klankbordgroepen wordt ervoor gezorgd dat CPB-medewerkers meer participeren in externe netwerken. Vanzelfsprekend is de externe gerichtheid een taak voor iedereen op het CPB, het management in het bijzonder.

Het stemt het CPB tevreden dat de commissie vaststelt dat de communicatiestrategie van het CPB adequaat is. Vanzelfsprekend blijft het CPB aandacht schenken aan de beleids- en politieke gevoeligheid van rapporten en uitspraken. Enige wrijving kan op zijn tijd niet worden uitgesloten, dat hoort onlosmakelijk bij de onafhankelijke positie van het CPB. Door het aangaan en onderhouden van contacten over de inhoud van publicaties en onderzoek kan het verrassingsmoment worden geminimaliseerd.

Net als de commissie stel ik vast dat het kroonlidmaatschap van de SER voor de directeur van het CPB, en het plaatsvervangend kroonlidmaatschap van één van de onderdirecteuren, waardevol is voor directe betrokkenheid bij Haagse wereld. Net als het kabinet, maar in tegenstelling tot de aanbeveling, denk ik dat actieve deelname aan de onafhankelijke Studiegroep Begrotingsruimte wenselijk is.

Onafhankelijkheid

De onafhankelijkheid is het grootste goed voor het functioneren van het CPB en mijn waardering geldt derhalve ook de beleidsmakers die hiervoor sedert jaar en dag een groot respect aan de dag leggen. In mijn gesprekken met u hebben de leden van de CPC aangegeven tevreden te zijn met de huidige afbakening van bevoegdheden en taken tussen CPC en CPB-directie. Met u, en het kabinet, ben ik

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