

Deputy Secretary-General, Ministers, Ambassadors, Excellencies, distinguished guests, ladies and gentlemen,

Allow me to first thank you, Deputy Secretary-General Kiviniemi, and our SIGMA colleagues for hosting this ministerial conference, which marks 25 years of fruitful cooperation between our two institutions.

Promotion of good public governance has been at the core of our cooperation since 1992, when our institutions joined forces and established SIGMA, “Support for Improvement in Governance and Management”.

The world in 1992 was very different from the world today. In 1992 the internet was just beginning to expand to ordinary users. Today, internet and social media have turned into every-day ballot boxes, where even marginalised groups can make or break governments.

We live now in a globalised, economically interlinked world, where businesses work flexibly across the borders and make their investment decisions based on regulatory transparency and predictability.

On the other hand, an increasing number of citizens feel that they have been left behind by globalisation. Many citizens feel distrust for their governments and for international organisations.

The importance of SIGMA

In the face of today's challenges, the continued existence of SIGMA is a useful reminder that the OECD and the European Commission have never been passive by-standers. Ever since the historical changes that reshaped Europe in the early nineties, we have joined forces to promote good public governance.

SIGMA was created as a response to the transition process of the Central and Eastern European countries. It was an innovation at the time that brought a team of Member State public administration practitioners together to support reforms in partner countries.

SIGMA profiled itself quickly as an expert body on governance, providing analyses and short-term technical assistance to peers and policy-makers. It is the aftermath of the global economic crisis in the early 2010s, however, that accelerated our cooperation to a new level.

The importance of good governance and quality administration for economic prosperity

The EU set up a stronger economic governance framework and enhanced policy coordination among the Member States to fight the effects of the economic crisis and improve the functioning of our economic and monetary union.

The European Semester process was launched in 2011, and modernisation of public administration immediately became one of its key priorities, confirming the strong link between economic competitiveness, societal well-being and the quality of administration.

Ensuring high-quality public services requires technological and organisational innovation to boost efficiency, both in public administration and in the delivery of public services and quality public investment.

At the same time, good governance and legal certainty are necessary for a stable business environment. The institutions that govern economic and social interactions within a country must fulfil key criteria, such as the absence of corruption, a workable and transparent approach to competition and procurement policy, an effective and stable legal environment, and an independent and efficient judicial system.

Only a few days ago, on 6 November, the Commission has proposed a roadmap towards further completing Europe's Economic and Monetary Union, which includes a proposal to increase support for structural reforms identified in the European Semester Process, such as public administrations reforms.

The Cooperation and Verification Mechanism: supporting Member States to pursue fundamental reforms

The experiences of the new Member States that joined the EU in 2004-2007 showed that their public administration reform efforts during the enlargement process had not been comprehensive enough. Many of them had a low absorption capacity of EU Structural Funds at a time when they most needed them to fight the economic crisis.

The Cooperation and Verification Mechanism (CVM), set up at the accession of Romania and Bulgaria in the EU in 2007, is a concrete example of support in the area of governance and rule of law to enable Member States to pursue fundamental reforms.

Last January the Commission made an assessment of the last 10 years, concluding that major and lasting progress has been achieved and the end of the mechanism is now in sight.

The experience of the CVM tells us that we need to give sufficient time for governance reforms. It is about mentality changes, breaking resistance from vested interests and eventually building a consensus behind the reforms such that they can be considered embedded in the legal and institutional framework of the country. Sustainability and irreversibility is key.

Principles of Public Administration: a reference framework for candidate and neighbouring countries

The experience of the CVM has also been very important for the Commission as it has fundamentally changed accession negotiations. As you all know, governance and rule of law reforms are priority number one and are among the first negotiations chapters to be opened.

In this whole process, the cooperation of the Commission with other partners and international organisation, all working in the same direction is absolutely essential.

The Principles of Public Administration, developed together with SIGMA, provide a framework to support candidate countries and potential candidates in designing their reforms. After three years of implementing the new approach on public administration reform, we already have some concrete results.

The Principles of Public Administration are now the commonly agreed reform and monitoring framework in the Western Balkans. The SIGMA baseline assessments have informed governments on the main weaknesses in their administrative systems and have contributed to the design of more cross-cutting and outcome-oriented reform strategies.

The Principles are now also a recognised reference framework in the Neighbourhood context, with more countries gradually engaging in the baseline assessment exercise and development of the reform strategies in line with the Principles. In the last month only, Ukraine and Armenia embarked in this process.

The Commission has also started to mainstream the key Principles in our joint work with partners to support sectoral reforms. This is in particular the case for the principles that address the quality of policy and law-making processes, in order to ensure that EU financial assistance and policy dialogue fully respect the horizontal public administration reform efforts.

I am confident that this new approach, which was designed with the support of SIGMA, will help your governments to better tackle today's public administration challenges and contribute to economic development in your countries. The evidence shows that your full political commitment and support is needed to move reforms forward.

Ladies and Gentlemen

Let me conclude by highlighting three key issues which need to be addressed to promote better services to citizens and business.

First, **better regulation**. This is an area where the European Commission is leading by example and has developed considerable expertise.

We know very well from our own experience that the quality of policy preparation and legislation matters for the functioning of the EU internal market and for economic development in Europe. If policies and legislation are not based on impact assessments, if they are not coordinated among concerned institutions and if they are not properly and timely consulted with non-state actors, it is almost certain that policies and legislation will not deliver as expected. On the contrary, they may be rejected and even worsen the situation.

A key concern for us is the frequently used fast-track and urgent legislative procedures in the parliaments. In many countries this has become a norm rather than the exception, and it should be urgently addressed as it risks undermining the democratic process.

Moreover, we can only preserve citizens' trust if we deliver the results of our policy ambitions and bring tangible benefits for citizens. Effective and proper application of law ensures that individuals and companies can enjoy their rights, and can obtain rapid and effective redress if these rights are violated.

Second, **accountability** is another decisive factor for delivering quality services to citizens and businesses. Let me highlight a 'mushrooming' of semi-independent agencies that can be observed in recent years. This raises concerns about proper supervision of these agencies, and creates risks of parallel and contradicting policies which pose costs for citizens and businesses alike.

Accountability also requires that citizens have the right to access public information. Governments should monitor and report on their commitments and implementation of policies and publish such reports, to allow full public and parliamentary scrutiny.

Third, **coordinated strategic planning and budgeting**. The Ministries of Finance should be systematically involved in the strategic planning process. Too often important policies and investments are in jeopardy, because the medium-term budgetary frameworks are not used as proper planning tools.

In conclusion, in our globalised world, public administration reform is not a choice anymore. Public administration reform is essential for all governments to boost economic competitiveness, tackle societal challenges or manage the refugee crisis.

The challenges our administrations face today require more integrated responses than ever before. This is why the Commission attaches increasing political importance to public administration reform.

We want to promote a more comprehensive approach to public administration reform, supported by the Principles of Public Administration. We want to see a more inclusive and evidence-based policy and legislative development in line with the Better Regulation approach at the EU level.

I am aware that public administration reform is a complex and long term endeavour. Successful and sustained implementation of these reforms is key for the credibility of governments in the eyes of investors and citizens alike.

When the European Commission and OECD engaged in cooperation on SIGMA 25 years ago, we did not hesitate to respond to a historical challenge. We innovated and we relied on expertise. These recipes of success will help us tackle also today's challenges and to continue our partnership for reforms together with all of you.

Thank you for your attention