



**Conclusions of the
CONFERENCE**

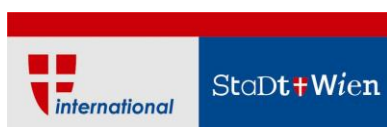
**PUBLIC GOVERNANCE AS THE FOUNDATION
OF EUROPEAN INTEGRATION**

VIENNA CITY HALL, JUNE 23RD & 24TH, 2016

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The Conference “Public Governance as the Foundation of European Integration” is embedded in the Austrian activities in the framework of the Berlin Process coordinated by the **Austrian Ministry for Europe, Integration and Foreign Affairs**, as well as in the initiatives of the **City of Vienna** as Coordinator of the Priority Area “Stepping up Institutional Capacity and Cooperation” of the EU Strategy for the Danube Region (EUSDR) and its Co-coordinator, **Center for Excellence in Finance, Slovenia**. Under their auspices, the Conference was organised within the programme “Capacity Building of the countries of the Western Balkans and the Republic of Moldova” (BACID programme) funded by the **Austrian Development Agency** and implemented by the **Austrian Association of Cities and Towns (AACT)** and **KDZ Centre for Public Administration Research**. The event represented a joint initiative of Austria and its partners from the South-East Europe (SEE): **Regional Cooperation Council (RCC)**, **Regional School of Public Administration (ReSPA)** and **Network of Associations of Local Authorities of South-East Europe (NALAS)**.

The Conference was held in Vienna on 23-24th June 2016, with the presence of more than 120 representatives of national, regional and local governments, transnational networks, EU and international organisations, NGOs, universities and companies.

While public administration reform is increasingly important within the European Union, it is even more vital for the enlargement and EU partner countries. Building on lessons learnt from previous enlargement rounds, the European Commission has developed the 'fundamentals first' approach, which is now at the core of enlargement policy. The three mutually reinforcing pillars of this approach are: rule of law, economic governance, and **public administration reform (PAR)**.

In that direction, the presentations of the high-level EU, SEE and state representatives of the Western Balkans focused on current public administration reform priorities and challenges. There was a broad consensus on the strong link between public administration reform, economic development and European integration. The participants supported the holistic approach in addressing public administration reform and discussed the main challenges in 4 fields:

- **public finance governance at national and sub-national levels,**
- **human resource management in public administration,**
- **strong cities for better public service delivery,**
- **civil society as vital partner of public governance.**

The results of the Balkan Barometer 2016, a survey conducted by the Regional Cooperation Council on the citizen perception of public institutions in the Western Balkans, stresses the need for PAR:

- Trust in public institutions is low. Dissatisfaction with the efficiency and fairness of the public institutions continues to be high.
- Governance is perceived as the main obstacle to growth and development.
- Corruption seems to be quite widespread. Citizens expecting more to be done do not see nor recognize efforts of respective governments in fighting corruption. The perceptions of the business environment need to be improved as complaints regarding the access to information, adequate government support, and the predictability of laws and regulations affecting businesses are still voiced.



Numerous actors in the Danube Region and the Western Balkans already deal with these key issues in line with the *South-East Europe 2020 Strategy* as well as the *EU macro-regional strategies for the Danube Region* and for the *Adriatic and Ionian Region*: these strategies cover regions of huge disparities concerning economic prosperity, quality of life and democratic stability – including different levels of development of public governance and public administration. **As it was concluded at the Conference, these regional strategies offer an important channel to develop strategies and measures to balance these disparities, and thus giving priority to modernisation of public administration as a basic pre-condition for a regional balanced development.**

The established cooperation within the PA10 of the Danube Strategy, in line with the overall commitment of the City of Vienna and participating actors to support institutional capacity building in the region, represented the first steps towards gathering different sectors under one umbrella – from EU, national, regional, local, civil society, academic levels. **As a follow-up, the participants of the Conference support:**

THE LAUNCH OF THE DANUBE GOVERNANCE HUB

The vision of the “Danube Governance Hub” is to strengthen the basis for a strong public sector based on European standards through comprehensive regional exchange. The best way to use the existing knowledge for sustainable modernisation of public administration throughout the region is to maintain the platform for know-how transfer while avoiding the same mistakes and profiting from practical experiences.

The Danube Governance Hub will

- contribute to the current efforts of modernisation of public administration in the Danube Region and Western Balkans;
- promote the exchange of know-how and enhancement of synergies between relevant stakeholders dealing with governance topics in the region;
- draw attention to the importance of coordination between national, regional and local level in cooperation with civil society as a basis for a strong public sector, foster European standards of public administration and management and
- contribute to the European Integration process in the Danube Region/Western Balkans.

Based on the outcome of the Conference discussions, the guiding principles of the Danube Governance Hub are identified:

1) Fostering Strategic Partnerships in the Danube Region/Western Balkans:

- Between EU and partner countries

More and better use of the EU financed Institution Building Instruments Twinning and TAIEX which promote partnership on a peer-to-peer basis among public officials of EU member states and partner countries. These tools support public institutions in approximation, application and enforcement of EU legislation. More attention should be paid to identify best practices, generated knowledge needs to be better integrated into PAR programmes while special attention should be drawn to the coherence and complementarity with other institutional capacity building tools.

- Between national and sub-national governments

The EU principles of multi-level governance and subsidiarity are important elements of successful reforms: when it comes to bringing strategies on the ground, providing quality public services and

implementing EU legislation, sub-national entities have a crucial role to play. Therefore their capacities have to be built simultaneously with the reforms at national level and their needs properly integrated in the EU assistance and strategic documents. Their special role had to be taken into account during consultation process. Participants at the conference acknowledged the undoubtable impact of the former EU Local Administration Facility (LAF) on elected representatives as well as regional and municipal professionals. Efforts should be made to reactivate this facility to build up regional and European networks and to familiarise the participants with the EU legislation and programmes.

- **Between public administration, civil society, academic and business sectors**

While stakeholders active in different sectors initiate cooperation with their peers at both national and international level, through joint projects and networks, there is a need to develop a comprehensive mechanisms of dialogue between sectors, focusing on modernisation of public administration as a common task and profiting from specific knowledge existing in each sector.

- **Between countries of the Western Balkans**

RCC, ReSPA and NALAS, as well as many other networks in the region are well functioning for years and significant results of this cooperation have already been achieved: their activities are closely mainstreamed with the South-East Europe 2020 and thus with Europe2020 Strategy. The responsibility of these networks in the European integration of the region is significant, thus the secure funding for their functioning is needed.

2) Promoting the most effective EU Methods and instruments for modernisation of public administration in the Danube Region/Western Balkans

Various tools for a modernisation of public administration and Public Good Governance were presented at the Conference:

- The EU Quality of Public Administration Toolbox introduced by the European Commission / DG for Employment, Social Affairs and Inclusion as an instrument to support European authorities to design and deliver quality policies and public services,
- The Principles of Public Administration developed by EU, OECD and SIGMA as support to public administration reforms in EU-candidate countries,
- The European Public Sector Awards created by the European Institute of Public Administration (EIPA),
- The Common Assessment Framework (CAF) - the European quality management tool for public sector organisations developed by the Innovative Public Service Group of the European Public Administration Network implemented in Austria by the CAF Center managed by the KDZ-Center for Public Administration Research
- The Council of Europe's Strategy for Innovation and Good Governance for local governments,
- The set of studies and benchmarking tools used in the Western Balkans: the RCC's Balkan Barometer, ReSPA studies on Better Regulation Efforts and on Improving Merit Recruitment Practices in the Western Balkans, as well as NALAS Fiscal Decentralisation Index.

The next step would be to summarize the common elements and create a common framework for Good Governance to be used by EU member states as well as partner countries as support for continuous improvements of their public administrations in line with EU standards and European values.