



## **SIGMA**

### **Support for Improvement in Governance and Management**

A joint initiative of the OECD and the European Union, principally financed by the EU

SIGMA is a joint initiative of the OECD and EU, principally financed by the EU, working together with EU accession and neighbourhood countries to improve public governance, in particular the functioning of the public administration.<sup>1</sup>

We welcome the European Commission (EC) placing more focus on public governance and making it one of the potential focus themes for the future European Neighbourhood Policy (ENP), and very much endorse the proposed approach. Good governance and good administration is crucial in sustaining and enhancing economic growth and providing better services and welfare to citizens. Good public administration is also a prerequisite to fully benefitting from the different types of assistance and opportunities that ENP has to offer the countries.

SIGMA has worked with countries in transition for more than 20 years. Therefore, we would like to take the opportunity to contribute to the ENP review discussion and reflect on those consultation questions put forward by the EC from a governance and public administration reform (PAR) perspective.

#### **Differentiation and flexibility**

Ambitions of the different neighbouring countries concerning European integration vary enormously and, within this, there are differences of ambitions and priorities with regard to reform of the governance system.

Within the ENP East region there are differences between countries which have agreed the DCFTA with the EU (Ukraine, Moldova and Georgia), and those who have not. Three ENI East countries want to move along the path of European Integration, thus the EU has the means to require and support the introduction of European practices in these countries.

In general terms, the ENI South countries concentrate more on state building reforms and do not always prioritise EU democratic values and practices. The situation today is very diverse in the Southern Neighbourhood. For instance, Tunisia is on a very different path to other countries in the region. Also the Kingdoms of Morocco and Jordan have much stronger ties with the EU than Algeria, Egypt or Lebanon.

Therefore, differentiation of the countries is valid from a PAR perspective, as is a flexible approach as regarding how the EU handles relations with the countries and stimulates reforms. For those East countries that have signed the DCFTA, most of the instruments being used in IPA countries can be used, and indeed are already used by the EC.

Similar support and instruments should not be excluded for those ENP South countries with intentions of signing a DCFTA. Support can be intensified after the DCFTA is finalised. Tunisia and Morocco are making first steps in that direction. Two DCFTA negotiation rounds were held with Morocco in January and April 2014. The preparatory process for the DCFTA negotiations with Tunisia also advanced recently, including

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<sup>1</sup> Currently SIGMA is working with 11 countries out of the 16 neighbouring countries, as agreed with the EC.

consultations with civil society and between experts and concluding that there are no technical obstacles to the launch of negotiations.<sup>2</sup>

For PAR, it would also be useful and appropriate to promote some approaches developed for the IPA region in the DCFTA countries. One year ago the EC successfully launched PAR as a third pillar of the “fundamentals first approach”. To help countries to understand and achieve the good governance standards expected of EU accession countries, SIGMA has developed, in co-operation with the EC, the Principles of Public Administration (<http://www.sigmaweb.org/publications/Principles-Public-Administration-Overview-Nov2014.pdf>). The Principles have proved to be a useful tool for both the EC and IPA countries, for guiding and monitoring reform efforts, structuring better policy dialogue and focusing EU assistance. Taking into account that sector budget support programmes for PAR are already under preparation in some of the Neighbourhood countries, the concept of a third fundamental pillar with attached instruments could be introduced in the DCFTA countries. In the first phase it would mean promoting the Principles in the countries and, subsequently, also gradually launching country monitoring to feed into the annual Progress Reports, as is conducted in the IPA region by SIGMA. The EC could also present the PAR Special Group instrument to interested Neighbourhood countries, as a means of improving policy dialogue and better targeting assistance.

As stated earlier, good public administration is crucial for increasing welfare and services to citizens. Countries need to prioritise PAR efforts regardless of their European integration ambitions and these should be supported and valued by the EU within the ENP framework. Therefore, further support to PAR also in other ENP countries is crucial.

When supporting PAR it is advisable to use, in addition to strategic considerations, the “more for more” approach, which praises the efforts of reformers and enables more assistance to be given to those countries that have demonstrated that they are more committed to improving their public administration.

It has been noted by SIGMA when working with the countries that EC reports on their progress is a relevant tool for triggering domestic discussions and guiding reform-minded stakeholders. Therefore, EC reporting and EC-country joint planning should continue. However, the format of the EC report and its modality might be tailored to the country needs, in terms of focus areas and regularity.

Taking into account the volatile and unstable situation in many of the Neighbourhood countries, co-operation instruments should allow quick and flexible reactions so as not to lose the momentum. Co-operation should create long-lasting relationships in order to build mutual trust.

### **Ownership by countries and member states**

Ownership of the reforms is crucial. Reform-minded governments still need guidance on reform priorities and sequencing, and the benchmarks for EU good public administration practices. Even when ambitions, priorities and the approach to EU support and requirements differ between countries, a general coherent framework is necessary to demonstrate the basic principles of good governance and good administration.

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<sup>2</sup> Preparatory talks on a DCFTA with Jordan have also progressed and sustainability impact assessments on possible DCFTAs with Egypt and Jordan have been carried out.

The Principles of Public Administration originally developed for IPA countries could also serve as good guidance for ENP countries and provide an overall framework of good governance that all countries would be potentially ready to embrace. However, the Principles for IPA countries would require revision to really resonate within ENP South and some of ENP East countries. SIGMA would be ready to undertake revision of the IPA Principles of Public Administration within the framework of SIGMA's forthcoming contract with the EC, which would enable SIGMA to start country outreach in the spring of 2016.

In order to avoid the perception of the Principles being imposed and to increase country ownership, we suggest launching a voluntary platform of good administration, based on revised Principles of Public Administration, which all ENP countries could join. This platform could bring benefits of knowledge sharing and participation in regional PAR-related initiatives, and could be used also as one of the criteria for prioritising PAR-related support provided by SIGMA or other EU assistance instruments.

Regardless of the suggested initiatives, the regional dimension of the co-operation is much appreciated by the countries and should be continued and enhanced. Also, a topical co-operation between EU Member States in providing support has proven a good tool for enhancing the relevance of PAR and ownership of EU Members States. Therefore, the EC could consider strengthening the practice of co-ordinating EU MS efforts, not only through a PAR Panel in the Eastern Partnership countries, but also in the ENP South region. Although country priorities are different, there are topics which are common to the whole region and relevant experience can usefully be shared with other countries.