

**Ms Vittoria Alliata di Villafranca**  
**Opening speech at the Integrity Pact Stakeholder Event**  
**Bucharest, 14<sup>th</sup> December 2017**

**SPEAKING POINTS**

- Good morning, ladies and gentlemen.
- I have the great pleasure of warmly welcoming you to this event.
- By bringing all of us together today we want to create **an opportunity to share experiences** so far, to take stock of where we are after almost two years and to look ahead. I am confident this will be useful to all of us.
- The integrity pact project encompasses two elements that are highly important to the EU Commission and to commissioner Crețu in particular:
  - innovative work to strengthen administrative capacity and improving public procurement, and
  - using the expertise of civil society and giving civil society organisations a role to play in public decision-making.
- With over 351 billion EUR available under the Cohesion Policy funding for 2014-2020, we have to ensure that the money is spent in the best possible way to the benefit of the EU citizens. That is why finding new ways of working to **enhance administrative capacity, strengthen public bodies and ensuring efficient and transparent public procurement procedures** is a high priority.
- The 7<sup>th</sup> Cohesion Report, the main analytical and policy document in our field that was published recently, very strongly *argues* and *provides evidence* that **without good governance sustainable development and**

**increased living standards cannot be achieved.** Between 1996 and 2015 government effectiveness weakened in 7 EU countries whereas it improved in eight.

- The policy implication of this is clear: we need to invest in the modernisation of our public institutions and find innovative ways to spend our money better, including through better public procurements and by fighting corruption and fraud. And reaching a good level does not guarantee permanent success; we need continuous focus on getting better.

#### *Aims of the IP project*

- The public procurement process can be **a challenge to authorities**. To create a good competition requires knowledge not only on the legal framework, but also on how to make a good tender. In the Cohesion Report, we saw that there are too many tenders across the EU with only a single bidder. In many regions in Greece, Poland, Slovakia and Italy more than 40 % of the procurements only received a single bid. This does not necessarily mean there are irregularities in the process, but it raises the question of whether we get good value for money in these tenders. Cooperation with civil society experts can give valuable support to public bodies and help build their competence and capacity to conduct solid public procurements.
- But good public procurements also require a high level of **trust** from businesses and civil society. Without trust that a competition is fair and open and driven by competent authorities, many businesses will hesitate to place their offers. In many countries across the EU we see that citizens lack confidence in the quality and impartiality of public services. Many public procurements are conducted without an open call for tender and with limited transparency. To **build trust, not only capacity**, is central for increased competition. Close cooperation between authorities and civil society can be an important step in the right direction.

- With the help of **civil society organisations** like Transparency International, we can contribute to secure, fair and transparent processes, improve competition and strengthen trust in authorities and government contracting. In the Lisbon Treaty it is stated that "**The institutions shall maintain an open, transparent and regular dialogue with representative associations and civil society**". This was again recognised by commission president Jean-Claude Juncker in his State of the Union speech this fall, and it shows what importance the European Union attaches to the civil society as its partner in all areas of Union action. Cooperation and sharing of experiences across sectors opens the door to learning, to new ideas and to finding better ways of working.
- When we strengthen public sector capacity, build trust and cooperate with civil society we help ensure that our funds are spent in the most efficient and effective way possible. Like that, we can reach the overall aim of the EU cohesion policy: to reduce social and economic disparities between the EU Member States and regions. We want the **EU funds to make the greatest possible impact** for the citizens!

#### *Results so far*

- Although we are still only half way through the pilot, and some of the projects are at a rather early stage, the observed developments after almost two years of implementation allow us to already draw some positive conclusions.
  - IP's **improve communication** and **increases trust** between the contractor, local stakeholders and the general public; they contribute to **transparency** which can help limit the trend we have seen recent years in many member states with a widening communication gap and distrust between citizens and public authorities ;
  - IP's act as a preventive **early warning system for irregularities in public procurement**, we have for instance seen how monitors can identify deficiencies in tender documents that could disproportionately limit the number of potential bidders;

- IP's can bring **cost savings** through preventing irregularities or mismanagement and **increase competition in public procurement**. When more bids are received there is a better chance of getting a good product.
- Integrity Pacts are also extremely important as they **stimulate collaboration**. Successful implementation of an Integrity Pact requires joint efforts from all involved partners and can **strengthen the reputation of a public body and promote fair play**.

#### *Concluding remarks*

- You, who are participating in the IP pilots, are **frontrunners** that will set an example for others, and by that **foster a culture of public demand for accountability and transparency in the use of public funds**. And this at the same time as you help guaranteeing citizens' engagement and involvement in the spending of public funds.
- We are convinced that the **participation in the piloting of Integrity Pacts will be beneficial to all partners involved** and that you are now building expertise that the rest of the EU will be eager to learn from when they see your results.
- In the context of Cohesion policy, the Commission will look for further possibilities to promote and support a **strong, independent, professional and engaged civil society sector** which can monitor and scrutinize projects co-financed by the EU.
- I would like to finish my intervention with coming back to an important point: reinforcing institutional capacity to manage EU funds leads to investments with bigger impact but also to improved overall performance of administrations and the quality of services they provide to citizens and businesses.
- Being part of this pilot, this is exactly what you do: whether you are a contractor, a monitor or a buyer, you are strengthening your own capacity and performance by working together with and learning from others. And

by doing this you help deliver better services and more value for money to citizens in your region.

- Thank you for your attention. I wish you a productive and interesting day.