



EUROPEAN UNION

Delegation of the European Union

Skopje, 29 January 2015

**EU-funded project's conference:  
Transparency, Performances and Accountability of the  
Budget**

[Holiday Inn hotel]

Speaking points  
Ambassador Aivo Orav  
Head of EU Delegation

**Dear Minister Neziri,**

**Dear Mr Nikolov, Mr Trosanovski,**

**Distinguished Guests,**

**Ladies and Gentlemen,**

It is my pleasure to address you today at the opening of this conference that is part of EU-funded project on enhancing transparency and accountability through performance budgeting.

In recent years, the European Union and the International Financial Institutions have been strongly advocating budget transparency and accountability. The financial crisis has shown us how important clear and reliable reporting, together with an open fiscal policy-making process are for management of public finances and prevention of economic shocks.

These principles have been at the core of the European Union's intensified economic governance reforms taken in response to the crisis.

The developments in the European Union have soon been reflected in the enlargement process by putting more emphasis on economic issues and particularly on improved handling of public finances. In fact, 3 out of 6 country-specific recommendations adopted by the EU Council of Ministers in 2014 are linked to this goal. The intensified macro-fiscal policy

dialogue is also supported by an unprecedented level of EU assistance.

However, ensuring that public resources are managed in a responsible and transparent manner should not be seen only as one of the conditions for EU accession or as part of counter-crisis measures. It is a key element of democratic governance, shared by modern well-governed societies.

Governments are mandated to translate goals into action by means of the budget, the most important public tool for economic policy-making. A state budget directly or indirectly affects the lives of every citizen. Only a public provided with comprehensive budget information can determine whether the projects and activities undertaken by the public institutions produce the intended results and serve the needs of the society. It is not enough to ask how much money the state would spend or save but for what purpose and which outcomes.

These questions are answered much more easily in budget systems with performance-based management built on transparency. Such management discourages manipulation and in turn increases public understanding and acceptance of government policies.

Improved availability of reliable information on public finances is a prerequisite for accountability in public policy-making, making

possible introduction of mechanisms for better planning and evaluation. It creates opportunities for public involvement in the budgeting processes and helps to turn the debate from political confrontation into a fact-based discussion.

Let me remind you that in the global Open Budget Survey, this country ranked in the group of states that provide minimal information and it achieved the lowest score of all surveyed countries in the region. In addition, the score has gradually declined since the first measurement in 2008.

I am hopeful that this conference will contribute to higher awareness of the importance and role of transparency and accountability of public financial management among policy-makers, professionals as well as the general public. A better understanding of the issue should inspire further steps on the challenging road towards an efficient management of public finances that will effectively serve the needs of the society.

I wish all the participants an enriching day with fruitful discussion.

Thank you for your attention.