Ladies and gentlemen, dear participants!

It is my great pleasure to open and address today the conference on Fiscal Decentralisation in the EAP countries, co-organized with our partners, the Congress of Local and Regional Authorities of the Council of Europe and Eastern Partnership Civil Society Forum.

Thank you for your precious presence. Our ambitious objectives, closer political association and deeper economic integration with the Eastern Partnership countries, can be achieved only with the active participation of all important stakeholders.

As you might know, in the conclusions of our last CORLEAP Annual meeting we have identified three thematic priority areas for our future political action in the EAP region. One of them is the topic of today conference - Fiscal Decentralisation.

I am glad to say that we are pursuing the efforts to accomplish our joint commitment in reinforcing the political and fiscal autonomy for regional and local authorities and to closely follow the on-going decentralisation and devolution efforts in EAP countries.

The CORLEAP is becoming a real forum for cooperation and exchange between regional and local authorities from the EU and EAP countries. This conference is also part of the Action Plan of CORLEAP for this year.

We are determined to play our important role in this region. Not only because it is our immediate neighbourhood but also because it is crucial to improve the quality of life for all citizens in this area who wants a greater European Union role particularly on economic issues. And, the regional and local authorities are the best transmission line for the citizens’ needs and aspirations.

I think we agree that the democratic infrastructure in most EAP countries need further reforms, principally at the local and regional level. We heard so many times that without democracy in regional and local level there is no true democracy.
But, in order to have an effective local democracy in the Eastern Partnership Countries, like in all other countries in the world, we need to have an adequate financial framework which will help the construction of multi-level governance and move regional and local government closer to the people.

In other words, an effective political decentralisation process can only be successful if the transfer of powers to regional and local level is accompanied by the corresponding financial devolution.

So, I think that the local and regional public finance reform should be considered as an urgent priority, a 'sine qua non' condition in the process of decentralisation and strengthening of local and regional authorities in the Eastern Partnership Countries.

It is obvious that the most EAP countries have their own specificities and fiscal decentralisation should be adapted to their national and subnational circumstances.

On the other hand, there are also some common indicators:

- in most of Eastern Partnership countries the governance system is centralised;
- the macroeconomic instability and the legacy from the past make the effective financial devolution more difficult;
- the financing in regional and local level is often driven by the interest of central government;
- local authorities have little or no control over their own finances;
- in some cases, the allocation of funds by the central government to the local level is politically motivated…

We all have to work together to change this situation and to further develop the capacities of the local and regional governments.

I think that the benefits associated with the Fiscal decentralisation that have been observed in the European Union can be used very well in the Eastern Partnership countries. And the EAP countries are well placed to benefit from further fiscal decentralisation.
In this context, I would like to welcome the fact that, despite the current economic crisis in the EU, financial resources in the form of grants and loans to this region have increased and within the future financial framework is expected a further increase of the funds.

This financial support could be used also for the programs which contribute in the process of fiscal decentralisation in the EAP area.

We know that, the challenges of this process in the EAP are enormous and it should be seen as a long term objective. Therefore, the possibility for action on the part of CORLEAP and other important stakeholders is also huge.

In particular, the role of CORLEAP as a "network of networks" among the EAP countries is crucial in the achievement of the Eastern Partnership objectives. The process of fiscal devolution is one of these objectives which will improve the efficiency of local and regional authorities in the Eastern Partnership Region.

Thank you very much for your attention!