

*Dear Ladies and Gentlemen, good afternoon.*

*It is a great pleasure to join you virtually this afternoon, although I would of course love to be with you in person in beautiful Rome.*

It is also a wonderful opportunity to look back at the work that we were able to support last year with Vieri Ceriani, Danilo Ballanti and Francesco Porcelli to test the Standard Expenditure Needs – Standard Levels of Output approach with our Hungarian colleagues. And as this work was jointly supported by European Commission's DG REFORM under the Technical Support Instrument and the Council of Europe it is especially encouraging to see that the results of this work are feeding back into discussions in Italy, and that there is such interest in it.

I work at the Centre of Expertise for Multilevel Governance at the Congress of Local and Regional Authorities of the Council of Europe. Our role is to assist local and central authorities to implement effective solutions across a range of issues – including civil participation in decision-making, upskilling of staff, local central policy dialogue. We do that through technical support, training programmes as well as peer reviews and policy advice.

Local finance is of course a key issue in our work. Article 9 of the European Charter of Local Self Government stresses the importance of adequate local finances to underpin the responsibilities of local governments. In the Monitoring Reports on the Charter, this is one of the top recurring concerns. In this context, the SEN approach originally developed by SOSE was of longstanding interest to us. It directly concerns the subjects addressed by three important Recommendations of the Committee of Ministers of the Council of Europe:

- The 2023 Recommendation on the principles of good democratic governance which highlights efficient, effective and sound administration and sound financial and economic management.
- The landmark 2005 Recommendation on the financial resources of local and regional authorities, which calls for the estimation of spending needs based on objective criteria, taking account, as far as possible, of demographic, geographical, social and economic features leading to disparities in costs, and without penalising local

authorities that seek greater efficiency in service delivery, e.g. through intermunicipal cooperation arrangements.

- And the 2004 Recommendation on financial and budgetary management at local levels, which emphasises the cost-effectiveness of services provided to the community.

We have had the pleasure of working with Mr Ceriani in introducing the Italian experience to the authorities in Armenia, Bulgaria and in Hungary over the last years and we know that there is good interest among other members in exploring the approach.

The Hungarian pilot which you will here more about shortly from the experts – certainly exceed our expectations which as the project manager I was of course careful to moderate: We found an excellent stock of official data and received very strong interest from the working group of local and central experts.

Along with you I now look very much forward to hearing from the experts. Thank you once again for having me with you this afternoon.