Background

The European Commission (EC) and the Swedish Presidency of the EU have agreed to organise a joint conference on Effective Support for Enlargement. The conference will take place in Brussels on 19 October 2009. It will build up on two previous donor's conferences, respectively held in Brussels on 23-24 October 2008 and in Tirana on 2-3 April 2009. The aim of both conferences was to better coordinate donor activities in support of the ultimate goal of accession to the European Union. Substantial progress in coordination has been made and a roadmap was agreed to guide further the advancement of donor coordination.

The Joint EC/Swedish Presidency Conference in October will build on the conclusions of the previous conferences and examine broader aspects of the aid effectiveness agenda. Particular attention will be given to the EU Instrument for Pre-accession Assistance (IPA) and its articulation with assistance provided by other donors and financial institutions given its decisive role in preparing the countries for their future EU membership. The conference will be an opportunity to take stock of the progress made in implementing IPA and in strengthening coordination mechanisms at country level.

Moreover, the conference will address the following main issues:

- **Effective assistance for reforms:** The panel will aim at stimulating discussion on results oriented management of financial assistance from the
point of view of the various stakeholders. What has been achieved so far? How can we achieve better results through better planning and implementation of financial assistance, how can we coordinate better and what lessons can be drawn from previous enlargements? As a contribution, the European Commission will also present the results of existing evaluation reports on IPA. Furthermore, the Commission will launch a mid-term evaluation of IPA to be finalised by the end of 2010. The Commission will present the key questions to be addressed in this evaluation and will invite partners to comment on its scope. The assessment will tackle the issue of how IPA programming documents accurately address the needs of the countries and how they can contribute to mobilising funds from other donors and financial institutions. The evaluation will furthermore include an assessment of the implementation modalities of IPA, including benchmarking, control and monitoring mechanisms.

- **Adequate capacity for absorbing financial assistance**: Following the conclusions reached in Brussels in 2008 and in Tirana in 2009, the conference will examine how we can achieve coherent support by donors through country strategies at sector level. In this context, particular attention will be devoted to the sound preparation of all countries for the implementation of the Regional, Human Resources and Rural Development Components of IPA. These funds help address the needs of the countries in terms of increased economic and social cohesion and are crucial to foster the integration of their economies into the EU economic space while reinforcing regional cooperation.

- **Adapting financial instruments to current challenges**: The third panel of the conference will focus on the needs of the countries and the impact of the current crisis upon them. New tools, such as the Western Balkan Investment Framework, are being launched to enhance the cooperation between the Commission, bi-lateral donors and financial institutions. These tools should help to accelerate the implementation of investment programmes. Furthermore, it can be expected that the current crisis will necessitate some shift in the priorities for financial assistance. So far, the EU and other donors react in a flexible manner to help the countries to surmount immediate fiscal
constraints. Macro financial assistance as well as General Budget Support under IPA is envisaged where specific needs arise. The conference will focus on how to continue to support the objective of approximating to European standards while best adapting external assistance to the changing context, and taking into due account the principles of the Paris Declaration.

**Expected conclusions:**

Concrete recommendations to improve aid effectiveness, particularly concerning:

- the mid term evaluation of IPA to be finalised in 2010
- better addressing the needs of the countries on the road to EU in the present crisis
- the design of sector strategies and their efficient use to steer assistance;
- how to support the countries to make best use of the Regional, Human Resources and Rural Development Components of IPA and make progress towards a decentralised management of assistance.