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### **- Minutes and Conclusions -**

#### **Multi-beneficiary Coordination Meeting Zagreb, 14 & 15 November 2012**

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##### **General remarks:**

The main objectives of the Multi-beneficiary (MB) meeting were to:

- Give an update of the programming status for IPA MB 2012 and 2013 and implementation status of IPA MB 2007-2012
- Brief on the work of consultants on sector approach in enlargement context
- Give an update on the state of play of the preparation for IPA II and the IPA Conference
- Inform about the World Bank (WB) support on Monitoring and Evaluation frameworks
- Get an update on the recent Regional Cooperation Council (RCC) activities and the South East Europe (SEE) 2020 Strategy
- Start a discussion with NIPACs on Integrated growth, Smart growth, Sustainable growth, Inclusive growth and Governance for growth as defined in the SEE 2020.

##### **General conclusions:**

The objective of the meeting was not to present ready-made documents but to start a discussion before sending out the draft templates and guidelines. The development of the Multi-Country Strategy and the Country Strategy Papers needs to be an integrated and well- coordinated process, to consider where there is complementarity, added value and cost-effectiveness.

##### **Programme:**

- Update on the sector approach given by Mr Engström, presentation to be given by the consultants at the IPA Conference
- Update on status of IPA II given by the Director Mr Schumann-Hitzler and IPA conference to be held in Brussels on 25 January 2013.
- Update by World Bank on their assignment supporting Monitoring and Evaluation for sector programmes, draft Inception Report ready at the end of Jan/early Feb
- Regional Cooperation Council update on recent activities noted.
- South East Europe 2020 Strategy presented by the Regional Cooperation Council.

### **Key points:**

- MB Programming and implementation 2012 and 2013 are confirmed as on track.
  - NIPACs want to receive the IPA II 2014-2020 documents as soon as possible and want to be kept informed about the development of the sector approach and the indicators for monitoring & evaluation frameworks.
  - The Multi-beneficiary programme can provide help and added value in collaboration with ministries or developing benchmark.
  - With IPA II, the EU wants to move to a sector approach, and so the beneficiaries need to fix long term target linked to national strategies.
  - SEE 2020 vision is important for the overall accession process as it provides long-term targets for the countries to achieve which are measurable, and it visualises in a concrete manner benefits for the countries for undertaking reforms needed for the EU accession process.
  - The findings of the workshops are not a decision on what will be funded in 2014-2020 but the start of the process - food for thought.
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## **Minutes – 14 November 2012**

### **Opening Remarks**

*Speaker: Mr Matija Derk, NIPAC Croatia, Assistant Minister, Ministry of Regional Development and EU Funds*

Mr. Derk welcomed the participants to Zagreb and said it will be the last Multi-beneficiary meeting held in Croatia as Croatia will join the EU in 2013.

He said Croatia is now facing new challenges with the approaching transition from IPA funds to structural funds.

He underlined that the neighbouring countries are determined to join the EU and that it is the best for the stability in the region.

He offered help to all other enlargement countries and invited all participants to actively participate in discussions.

*Speaker: Mr Paul Vandoren, Ambassador, EU Delegation in Croatia*

Mr Vandoren said there should be no regrets that this is the last meeting in Zagreb since it is for the very good reason that Croatia will become the 28<sup>th</sup> Member state of the EU in 2013.

He also mentioned that valuable lessons were learnt during the accession process and that they can be shared with the other candidate countries and potential candidates.

He added that regional cooperation remains the top political priority in Croatia and underlined the importance of the SEE 2020 strategy and the Sector approach for the IPA programming 2014 – 2020.

*Speaker Mr Yngve Engström, Head of Unit D3, DG Enlargement.*

Mr Engström introduced the agenda and explained that the EU seeks to obtain a more strategic programming for IPA II with longer-term targets.

He said that change takes time, that it is a long term process, and that the reform process is often lengthy because reforms are blocked until right before accession. He explained his own experience when he was working in a ministry in Sweden at the time of that country's accession.

He said that the EU would like to help the candidate countries to reach targets that are good for everyone. The SEE 2020 will be discussed during the meeting as it gives a positive way to reach the enlargement targets with an appropriate growth strategy.

### **Update on programming MBP 2012 and 2013 and implementation of IPA**

*Speaker: Ms Gabriela Koehler-Raue, Head of Coordination Section, D3, DG Enlargement.*

Ms Koehler-Raue presented the IPA MB programming status for 2012:

Amendment number 2 to MB Programme 2011 – Regional Housing Programme (+ EUR 7.383 million), adopted on 23 March 2012

MB Programme for Tempus 2012 (EUR14.9 million), adopted on 30 May 2012

MB Programme 2012 (EUR 108 645 650), adopted on 31 May 2012

Amendment to MB Programme 2010 – SIGMA (+ EUR 3.0 million), adopted on 7 June 2012

IPA Monitoring Programme 2012 (EUR 3.48 million), adopted on 20 July 2012

Amendment to CSF 2011-2012 by adding allocation for 2013 (EUR 25.15 million), adopted on 9 August 2012

Phase 2 of the Regional Housing Programme will be presented to the IPA committee on 26<sup>th</sup> November. The MB Programme for 2013 will be presented to the IPA Committee on 5 December 2012.

She presented an overview of the implementation state of play for IPA 2007-2012 for the Multi-beneficiary programmes by year and by decision.

She explained that the contracting for the Nuclear programme for 2009 and 2010 decisions is still on-going and that the payments for the Nuclear programme for 2008 are also on-going.

Ms Nazli Hezar Tanrisever, Turkey asked if the definition of "minorities" can be added in the programme for CSF 2012 & 2013; Mr Engström: replied that small changes as footnotes in the PF can still be made.

Croatia inquired whether there are still funds available for additional projects under IPA MB 2013 programmes.

Mr Engström replied that there are still funds available for 2013, however it was decided that no new project should be included except for urgent bridging support. Any proposal received needs to be assessed in view of long term targets, the move towards a sector approach and preparation for IPA II 2014-2020.

Mr Midhat Dzemic, Bosnia and Herzegovina, asked if there was further consideration given to the proposal for a regional project on migration which was made during the last MB meeting.

Mr Björnsson replied that a feasibility study has been funded out of an existing regional project on migration with IOM. The draft conclusions of the feasibility study will be available by the end of November, followed by discussions with the beneficiary countries.

Ms Roncevic, SEECEL, asked if the EU can make available 1M€ as additional funding for the SEECEL project, as from 2014.

Mr Engström replied that the Commission noted the request and the good progress of SEECEL and that this would be looked into in view of possible additions to the 2013 MBP IPA.

## **Update on World Bank support to monitoring and evaluation frameworks**

*Speaker: Ms Joanna Watkins, Public Sector Specialist, World Bank*

Mr Engström introduced Ms Watkins, who outlined the objective of the project: "Develop a foundation for measuring & monitoring public sector performance in selected sectors".

She explained that they choose 2 common sectors for all the countries: Public Administration and Social Policy and Employment and that each country could choose up to 3 additional sectors such as Justice and Home Affairs; Private Sector Development; Transport; Energy; Environment and Climate Change; Agriculture and Rural Development.

The team will make suggestions for the sectors in the draft inception report, after inception missions to all countries have been completed.

She reported that the project has 2 phases: the current inception phase which started in September 2012 and will last until February 2013. Fleshed out findings will be available in a draft Inception Report at the end of Jan/early Feb. The inception missions for Montenegro, Kosovo\*, Bosnia and Herzegovina and former Republic of Macedonia have been completed.

The team is currently working in Albania and will go to Serbia and Turkey before the end of 2012. The Inception Conference will take place at the end of February where the final choice of sectors will be made public.

The Technical Assistance phase will start in February 2013 and continue till February 2014. During this phase the consultants will visit the beneficiary countries to help them to develop the indicators. A few "sector" level strategies already exist but the quality of strategic planning is highly variable. The WB has identified a number of issues including lack of ownership by the ministries.

Albania asked whether the WB will use existing monitoring structures or introduce new ones. Ms Watkins replied that if possible they build up on existing systems and add value.

Bosnia and Herzegovina asked if there will be additional or further meetings before the inception report will be available.

Ms Watkins replied that meetings will be organised next year before the end of February.

Ms Hilbig, GIZ, asked about the timeframe of the assignment and the connection with SEE 2020. Ms Watkins replied that 1 year of Technical Assistance is foreseen in the timeframe and there are potential synergies with SEE 2020.

Mr Sellen, CEB, asked if there will be a contact with CEB and if the Employment Sector is selected.

Ms Watkins replied they will have contact with CEB (and others such as SIGMA).

Ms Vitez, CEFTA, asked whether the choice of sectors is final and if in the future all sectors will be targeted.

Ms Watkins replied that they will deliver a limited set of indicators for selected sectors planned as they cannot target all sectors.

Mr Engström mentioned that the availability of statistics is often a problem in the beneficiary countries.

Ms Watkins added that the team will meet with National Statistics Institutes and that some indicators will require surveys and analysis of existing data.

The former Yugoslav Republic of Macedonia asked where this initiative comes from and if the choice of sectors is final.

Ms Watkins replied that the idea comes from discussion between the DG Enlargement and the World Bank embedded in the discussion of IPA II and the sector approach.

The selection of the sectors is not final; at the end of each mission, they produce an "aide-mémoire" and the ministries have the opportunity to make their comments.

Ms U. Damjanovic, ETF, asked if education is included. Ms Watkins replied that it is from the point of view of employment.

Ministry of EU integration Kosovo asked if the WB works in close cooperation with the EU.

Ms Watkins replied that the WB coordinates with the EU and the EUD.

#### **Update on work of consultants on establishing a sector approach in pre-accession assistance**

*Speaker Mr Yngve Engström, Head of Unit D3, DG Enlargement.*

Mr Engström explained that the consultants could not join the meeting to present their work as the guidelines are not yet completed and not approved by the management in HQ. The Consultants will make a presentation to the IPA conference in January 2013 and workshops will be organised in each country by the EU Delegation in February and March 2013.

The guidelines will include: Definition of sector approach in the enlargement context; Criteria (core elements) to identify sectors for IPA financing, Prioritization criteria for use in selection of sectors for IPA financing, Implementation modalities, Operational guidelines of the sector approach under the different management modes, Specific elements for developing sector support programmes in core policy areas.

Bosnia and Herzegovina asked when the guidelines will be available and if the role of NIPAC will be strengthened.

Serbia expressed disappointment because they weren't consulted.

Turkey expressed their concern about the implementation modalities of IPA II as documents are not available.

Mr Engström replied that he understands the frustration and that he will take back the message to HQ that the NIPACs urgently need the guidelines.

Ms Minic, RCC, asked if the beneficiaries will attend the workshops in the country.

The workshop will be organised by the EU Delegation who will invite the beneficiaries.

Mr Engström explained that because in the regional programming, the sector approach cannot be fully applied, a more strategic focus is necessary and coordination with the national programming exercise is essential. SEE 2020 is fundamental and provides an overall umbrella as targets including governance for growth. Key sectors in SEE 2020 are very close to priorities identified in enlargement strategy. Success on the accession path is not only measurable in transposition of the *acquis* but also in reaching targets for growth, employment creation and better living conditions for people. Growth targets have to be owned and should be valid for the whole government and all donors.

One of the conclusions of the last MB meeting was that regional strategies can be a driver for national reforms; this is very relevant with regards to SEE 2020. There is a need to analyse what is better delivered at national or regional level. There is a need to also define what are powerful tools and instruments to deliver IPA. Technical assistance, for example, is often easier to procure centrally and to deliver by one organisation for all beneficiaries. The Multi-country Strategy Paper should be developed in parallel, in coordination with the CSPs and not in a separate process.

## **Introduction to SEE 2020**

*Speaker: Ms Jelica Minic, Deputy Secretary General of the Regional Cooperation Council, RCC*

Ms Minic gave an update of the recent activities of RCC.

She said that RCC has become one of the key regional players and indispensable partner in the overall regional cooperation processes. By implementing the RCC Strategy and Work Programme (SWP) 2011-2013, the goals in each priority area of cooperation have been achieved. Progress was registered in augmenting the capacity of the countries from the SEE region to display a common stance in formulating regionally attainable goals, in strengthening synergy in their regional activities. An effective cooperation and coordination with the Chair-in-Office (C-i-O) of the South East European Cooperation Process (SEECP) and in the process of streamlining the regional initiatives and task forces in SEE has been noticeable.

She said that the progress has been evident in achieving an array of specific targets in each of the priority area of the RCC SWP 2011-2013. However, that progress has not been uniform due to different challenges, in particular the oscillating bilateral political relations and open issues in the region, as well as the economic and financial crisis with its social consequences.

She reported that the RCC will continue to work towards increasing its role in regional cooperation thus promoting issues of importance to the entire region and further mainstreaming regional cooperation in the countries' political agenda. The RCC will be engaged in promoting a comprehensive and sustainable regional cooperation structures and mechanisms, consistent with national development plans and reform priorities with the aim to contribute to the security and stability, economic and social development, respect of the rule of law, more efficient use of resources and good governance in SEE.

With the SWP 2014-2016, the RCC will assume greater responsibility in fostering long-term planning and vision building in regional cooperation reflecting the growing capacity of its main stakeholders from SEE in the area of strategic planning and development of regional platforms and programmes.

As an operational arm of the SEECP, the RCC will continue working, in cooperation with the country holding the SEECP C-i-O, towards translation of the political guidance into operational plans and executing a number of general functions in line with its mandate.

One of the main achievements of RCC's previous three years work was the foundation laid for the first regional strategy for growth and development – SEE 2020, thus providing an appropriate framework for adapting the Europe 2020 Strategy to the regional needs and realities. This strategy has placed the regional cooperation landscape in a clear and coherent framework, linking national priorities with regional platforms and identifying the most important gaps to be addressed over the long term. The quantitative strategic targets adopted by the region's economies in the areas of economic growth, trade, investment, education, employment and governance are being translated into policy objectives, with plans for action at both national and regional level being developed. Furthermore, SEE 2020 Strategy is putting forward a system of governance for reform, whereby clear mechanisms are being put in place to ensure de-centralised implementation and enable regular monitoring of progress.

The RCC central role in the SEE 2020 Strategy has been appropriately reflected in the RCC SWP 2014-2016 as it anchors most of its activities into the SEE 2020 framework. The breadth of the SEE 2020 - with its targets for integrated, smart, sustainable and inclusive growth, within a good governance framework - enables the RCC to rethink and re-integrate its priority areas and its approaches to best address the multi-faceted, present and future challenges in the region. Economic and social development, energy and infrastructure, justice and home affairs, security and human

capital development, including parliamentary cooperation as an overarching theme, are the priority areas of RCC's intervention. Alongside these are other significant areas such as media development, gender mainstreaming, social cohesion and civil society, to become fully aligned with the region's main priorities and strategic interest contained in the SWP 2014-2016.

### **Next steps towards implementation of SEE 2020**

*Speaker Mr Sanjin Arifagić, Head of Economic and Social Development Unit of the RCC*

Mr Arifagić's presentation was on the 'South East Europe 2020 - Towards Convergence and Growth' strategy.

He said that the transfer of responsibility for the SEE Investment Committee from OECD to RCC was a true catalyst for developing SEE 2020. After explaining the process leading up to the Ministerial statement on SEE 2020 on 9<sup>th</sup> November 2012, he also mentioned steps that have to be taken in future, leading to the endorsement of a strategy and concrete action plans by ministers in November 2013.

He pointed out the definitions of Integrated growth, Inclusive growth, Governance for growth, Sustainable growth, Smart growth, as follows:

**Inclusive growth:** *skills development, employment creation and labour market participation by all, including vulnerable groups and minorities*

**Sustainable growth:** *enhancing competitiveness, entrepreneurship and a commitment to greener and more energy-efficient development*

**Integrated growth:** *deeper regional trade and investment linkages and policies enhancing the flow of goods, investment, services and persons*

**Smart growth:** *commitment to compete on value added, promoting knowledge and innovation across the board*

**Governance for growth:** *improving the capacity of public administrations to strengthen the rule of law and reduce corruption so as to create a business-friendly environment*

Mr Engström asked if the Ministers of Economy liaised with NIPACs in developing SEE 2020, and how it was coordinated at national level.

Turkey inquired how SEE 2020 is linked to MB programming for 2014-2020 and how Turkey would be involved as the strategy is confined to SEE.

Serbia hinted that the SEE 2020 paper should have been endorsed by NIPACs. It is a relevant strategy but needs to be improved, targets are too general.

Mr Engström replied that SEE 2020 is not pre-empting any decision for MB programming but that it is the result of a regional process to define targets for growth and that input and efforts are needed at national as well as at regional level in order to achieve the targets.

Turkey is a specific case but there are a number of common challenges such as organised crime. However, MB support compared to national IPA resources is much smaller.

Mr Björnsson added that this is only the start of a process and indeed targets need to be more elaborated. Support to statistical offices for data input and monitoring is essential.

## **Update on IPA II, IPA conference 2013, IPA II Regulation and draft Implementing Rules**

*Video-conference with Mr Gerhard Schumann-Hitzler, Director D IPA Strategy & Regional Cooperation, DG Enlargement*

Mr Schumann-Hitzler gave an update on the state of play of the preparation for IPA II.

Since the Lisbon Treaty entered into force, the European Parliament, the Council and the Commission are in a "trialogue". IPA is one of the nine instruments in the area of external action. The three institutions involved are willing to finalise the legal proposal for the nine instruments in the area of external action as quickly as possible.

No final decision has been taken on the way the regulation will be adopted (delegated act or by "comitology").

He explained that the process takes time and that the "Rules for Application" for IPA II are still in draft form. He also said that there are some innovations: the guidelines/templates are more strategic and more long-term.

For the implementation phase there will be two strategic planning documents to have a more coherent approach to pre-accession assistance: 1) the Common Strategic Framework (CSF) and 2) the comprehensive Country Strategy Papers and the Multi-Country Strategy Paper. (CSPs)

Preparation of these strategic documents should be an inclusive process where the opinions and concerns of all stakeholders are taken on board.

He announced that the IPA conference is planned for 25 January 2013 with 300 participants, key stakeholders for IPA and enlargement (Beneficiaries, Member States, other donors, IFIs, etc.) invited and that active participation of NIPACs is essential.

The expected outcome of the conference will be a detailed roadmap of the work to be done in 2013, which should include a definition of the key actors, their respective contributions and the sequencing of events.

Mr. Miric, Serbia, said that the NIPACs want to be informed at an early stage about IPA II and consulted on templates and guidelines for strategic documents. He said that the programming exercise for 2012 and 2013 with SIFs and SF was very difficult as they have not received sufficient training. He mentioned that changes in institutional set ups will need time if they are necessary for implementing IPA II.

Mr Schumann-Hitzler replied that Rules of Applications are still under discussions in Brussels and more information should be available at the end of January 2013.

Ms. Tanrisever, Turkey, inquired about implementation modalities under IPA II.

Mr Schumann-Hitzler replied that there will be no fundamental shift, IPA can be implemented either centrally, by the Commission (HQ or Delegations), or decentralised. However, with the new financial regulation, these two modes will be referred to as *direct* management (centrally) and *indirect* management (previously referred to as decentralized, joint management, indirect centralized management).



**Discussions in 3 parallel workshops: 1) Inclusive growth**

*Facilitator: Ms Ulrike Damyanovic, European Training Foundation ETF*

**2) Sustainable growth**

*Facilitator: Ms. Lidija Topic the Regional Cooperation Council, RCC*

**3) Integrated growth**

*Facilitator: Ms Renata Vitez, CEFTA Secretariat*

**Questions to be addressed in each workshop:**

- 1) Which sector strategies would need to be deployed to contribute to achieving the targets in the area of Inclusive, Sustainable, Integrated, growth and Governance for growth as defined in the SEE 2020 Vision? Which other, complementary targets should be considered relevant?
- 2) Which common issues/problems/challenges have to be addressed in the area of Inclusive, Sustainable, Integrated, growth and Governance for growth and Governance for growth?
- 3) What measures need to be taken at national/horizontal/regional level to tackle the above mentioned common issues and to reach the targets? Who provides what kind of support (donors/IFIs) and where is IPA support most important?

**The conclusions for session 1 - Inclusive growth - were presented by Mr. Halili, Kosovo<sup>1\*</sup>.**

**Targets Inclusive growth:**

**Increase the overall employment rate to 45.2%**

**Add 300,000 highly educated people to the region's workforce**

1) The participants agreed that many strategies could contribute to the target such as inclusiveness and entrepreneurial learning but often the strategies are too fragmented and there is a lack of comprehensive and integrated strategies (except for Turkey). Education and employment is the best way to address social inclusion, generate growth and create jobs.

The targets need to be further elaborated (i.e. on inclusiveness, youth unemployment, poverty reduction). Not only quantitative targets are needed but also qualitative targets related to quality of jobs and education.

2) The participants defined unemployment, social exclusion, poverty and skills gaps as the issues to be addressed urgently.

They underlined the lack of quality strategies, including implementation plans, budget and prioritisation of needs. Monitoring of the implementation process of strategies, SMART indicators and realistic benchmarks are needed. A consultation process is important to ensure that all relevant ministries, social partners (including minorities) are part of the process and to ensure ownership.

3) The participants agreed that:

- the Tempus & Erasmus programmes should continue (Erasmus for All);

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<sup>1 \*</sup> This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo Declaration of Independence

- Vocational Education and Training (curricula development, qualification frameworks, professional skills, peer learning) with reference to Bruges/Copenhagen process should be supported;
- Centres of expertise, division of labour for delivery of specialised and higher education should be created.

The knowledge should be shared between the beneficiaries. Exchange of experience & learning from each other should be encouraged at regional level. The complementarity of national and regional actions should be ensured. Topics for further discussion: "brain gain", social inclusion, grey economy.

The participants agreed that human resource development & education/training for the labour market should be on top of the agenda.

**The conclusions for session 2 - Sustainable growth - were presented by Ms Stefanovikj, the former Yugoslav Republic of Macedonia.**

**Targets Sustainable growth:**

**Increase the rate of enterprise creation by 20%**

**Increase exports of goods and services per capita by 130%**

1) The participants agreed that the strategies should target the SMEs and include training, education, life-long learning; Public Administration Reform; Improve data collection and statistics, and converge statistical data collection with SEE 2020 headline targets.

Environment, energy, transport, agriculture and regional development are all complementary targets.

2) They found that a strategy for sustainable growth should include a broad variety of stakeholders. Better coordination is necessary, in particular with regards to budgets and financial allocations. The existing infrastructure is often a problem. Regional organisations and initiatives such as ECS, SEETO, RENA/ECRAN and SWG SEE for rural development should provide input.

3) The identified measures to tackle these issues include such as encouraging public debate, communication and providing information as a tool to empower the public.

The European Commission, World Bank (i.e. the report on 'Doing Business'), the IFI Coordination office, all provide support.

**The conclusions for session 3 - Integrated growth - were presented by Ms Vitez, CEFTA.**

**Targets Integrated growth:**

**1. Increase intra-regional trade in goods by more than 230%**

**2. Increase overall FDI inflows to the region by at least 120%**

1) The participants agreed that for Integrated growth as defined in the SEE 2020 Vision, the areas of intervention would be Trade and Investment. There was a common understanding that those are better defined as policy areas than sectors. It was also noted that this difference in definition/scope might represent an issue when action plans are developed as they may not have a direct correspondence with the sectors as defined in the national development strategies and/or the future sector based IPA multi annual programmes.

The participants suggested that at this point it is more important to develop relevant indicators to best monitor the progress (e.g. structures by markets and sectors); these can be later, if appropriate, transformed into additional sub-targets.

2) A number of cross-cutting issues were identified which on the one hand are vital to the implementation of the Integrated Growth targets but are also having an impact on other pillars of the SEE 2020 e.g. Competitiveness of the private sector, physical and communication infrastructure, governance at the regional and at the national level, functioning of labour and capital markets. Wide-spread corruption does not necessarily help the image of the region. The availability and quality of data is also an issue which needs to be addressed in the preparation of the Strategy.

3) The participant confirmed the relevance of key measures/actions to be addressed at regional level which have already been identified in the Statement of the Chair at the Ministerial Conference in November 2011 e.g. liberalisation of trade in services, elimination of non-tariff barriers to trade, trade facilitation and investment promotion. Additionally, horizontal areas were identified where action is needed to support the process e.g. intellectual property rights, public procurement market, competition rules, transparency mechanism such as timely notification of relevant legislation, regular and structured communication of relevant information to interested parties/business community via the CEFTA Trade Portal etc. Measures should be developed and tested in cooperation with the private sector and their representatives (Chambers of Economy).

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## **Minutes – 15 November 2012**

### **Discussions in 2 parallel workshops: 1) Smart growth**

*Facilitator: Ms Sandra Roncevic, SEECEL*

### **2) Governance for growth**

*Facilitator: Mr Piotr-Nils Gorecki, OECD SIGMA*

**The conclusions for session 4 - Smart growth - were presented by Ms Roncevic, SEECEL.**

### **Targets smart growth:**

**Increase GDP per person employed by 33%**

1) The participants agreed that the following strategies should be deployed to contribute achieving the targets in the area of Smart growth as defined in the SEE 2020 Vision: Industrial strategy and SME strategy, agriculture strategy, innovation, science and research strategy.

The contribution of ETF in the field of Human Resources is relevant, in particular with the new coming project FRAME.

The participants identified complementary targets such environmental targets and unit labour cost. (sustainable growth target overlapping). The value added per person employed, % of HT exports, % of high tech/innovation, patents, publications, trade marks – PR and the R&D business expenditure (Input indicator) have also been identified.

2) The following common problems have been selected: No ownership, lack of capacity, unrealistic strategies, monitoring of the process, law enforcement, integrated strategies, political will versus prepared strategies/priorities = the right strategy.

There should be a consultation process and expert groups during strategy development and feedback from national stakeholders.

3) The measures to be taken at national/horizontal/regional level to tackle the above mentioned common issues and to reach the targets were identified as follows: review of indicators/measures from 2011, Triple helix, free flows of talent, R&D, brain gain, Action plan, Continuation of 2011 (regional level), human capital development; at national level: marginalised groups.

The support is provided by different donor assistance, social support schemes (scholarships), IPA and national budgets (subsidies) and it provides an increase of quality of national education.

IPA should continue its support in order to further develop institutional capacities and prioritize sectors (apply percentage).

**The conclusions for session 5 - Governance for growth - were presented by Mr Music, RESPA.**

**Targets Governance for growth:**

**Increase government effectiveness by 20% by 2020**

1) Strategies need to be deployed in the field of anti-corruption, judiciary, fight against organised crime, public administration reform, civil society development, policy design and coordination, public procurement, public private partnerships and statistics in order to achieve the targets in the area of governance for growth.

Other targets with regard to the regulatory and business environment (e.g. red tape) and investment policy were found relevant.

2) The following common issues have to be addressed: enhancing public administration reform with economic governance notion, diversification of the key institutional partners, definition and acceptance of quantifiable indicators for progress evaluation, lack of reliable monitoring and evaluation frameworks and methodologies and procedures.

3) Most of the measures should be dealt with at national level while complementarity should be achieved with regional intervention to promote economic governance, set up standard indicators and to develop comparative data and monitoring and evaluation tools,

The Multi-beneficiary programme should ensure an integral approach (Government + Economic Governance) in developing national strategy documents for growth. Comparable indicators and a good Monitoring and Evaluation system has to be developed.

### **Concluding remarks**

Mr Engström thanked all participants for the fruitful exchange of views and said that next year will be crucial for IPA II. He concluded that they will meet at the IPA conference on the 25 of January 2013, with 6 people per country invited.