EU-IMF annual coordination meeting: continued commitment to reforms by Western Balkan countries key to making progress under the EU regional capacity development programme

Ljubljana, 31 May 2017 - Today, the European Commission and the International Monetary Fund (IMF) held their 2nd annual coordination meeting. The meeting focused on the EU-financed “Strengthening Economic Governance and Public Financial Management” capacity development programme which is currently being implemented by the IMF in Southeast Europe (2015 - 18).

During the meeting, the participants met with Ministers and officials from Albania, Bosnia and Herzegovina, Kosovo¹, the Former Yugoslav Republic of Macedonia, Montenegro, and Serbia to discuss progress achieved, the proposed work plan for the upcoming year as well as medium-term priorities. Switzerland’s State Secretariat for Economic Affairs, which also finances IMF capacity development in Public Financial Management in the region, also attended the meeting.

Bernard Brunet, Head of Unit responsible for Thematic Support, Monitoring and Evaluation at the European Commission (DG Neighbourhood and Enlargement Negotiations) highlighted that the Western Balkans partners have made substantial reform progress during the past year; in line with the EU’s goal of promoting improved economic governance in the region. Western Balkan partners voiced appreciation for the combined EU and IMF support to economic development to the region, which has bolstered partners' efforts to fulfil the criteria for achieving EU membership. Ms. Bojana Bošković from Ministry of Finance, Montenegro voiced her country’s appreciation and stressed that IMF and EU helped to make more efficient use of public finance resources. Ms. Sladana Rajković Stanić from Tax Administration of Republic of Srpska, Bosnia and Herzegovina said that technical assistance of IMF has helped to build better strategies in tax administration for a better service delivery to citizens.

Background Information
Supporting macroeconomic and public finance institutions and policies in member and partner countries has long been a common objective of both the IMF and the EU. Their partnership has intensified over the last five years and includes regular consultations at the staff and management levels. Recent collaborations include the development of an EU exogenous shocks facility, the Tax Administration Diagnostic Assessment Tool and the Public Investment Management Assessment.

The IMF’s capacity development efforts are part of its core mandate and help governments modernize their economic policies and institutions. They are financed jointly by the IMF, external development partners, and IMF member countries.

The “Strengthening Economic Governance and Public Financial Management” capacity development programme in Southeast Europe is financed through an €8 million grant from the EU under the Instrument for Pre-accession Assistance. Capacity development activities under this programme are

¹ This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.
aligned with the six beneficiaries' respective Economic Reform Programs and continued commitment to strengthening public financial management and revenue administration systems will be crucial for sustained progress in implementing national reforms.

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