

## Mid-Term Review of the Austrian Development Cooperation Country Strategies for Georgia and Armenia, 2012-2020

### BACKGROUND AND PURPOSE

Austria has been active in the South Caucasus since 1988. In 2011, after having worked on the basis of a regional strategy, the Austrian Development Cooperation (ADC) developed two country strategies (CS) for Armenia and Georgia, both covering the period 2012-2020. By evaluating Austria's development engagement in both countries during the first 6 years of strategy implementation, the present Mid-Term Review (MTR) aims at supporting strategic and operational advancements of its cooperation in the remaining strategy period. It also aims at informing evidence-based decision-making with regards to ADC's future approach and engagement in Georgia, Armenia, and the region beyond 2020.

Austria's cooperation with Georgia focusses on agriculture and forestry; that with Armenia on agriculture. Both strategies have governance as a cross-cutting issue. In 2017, a Strategic Framework *light* was elaborated for the Black Sea area/Southern Caucasus Region, covering the period 2017-2020.

### METHODOLOGY

The review followed a theory-based approach and used a mixed-methods design as a basis for triangulation.

Besides the review of strategic programme documents and secondary data which served as a basis for reconstructing Theories of Change for the respective country engagements, semi-structured key informant interviews in Austria and focus group discussions and semi-structured individual interviews in Georgia and Armenia were conducted. In total, 25 Austrian experts and 69 Georgian and Armenian stakeholders were interviewed. Furthermore, two projects were selected for in-depth analysis and a comparison with non-

project contexts. These case/comparison studies were analysed using qualitative interviews obtained from 67 informants, as well as participatory observation on-site.

These qualitative methods were preceded and complemented by a quantitative online survey implemented among 149 project related stakeholders, with a response rate of 54% (80 replies).

### FINDINGS AND CONCLUSIONS

**Relevance** – both Country Strategies are found to be of *satisfactory relevance*.

ADC's projects address themes and sectors that are both relevant and well-aligned with national development priorities and policies. The overall portfolio is largely consistent and aligned with ADC's priorities and principles as stated in the Three-Year Programme (3YP). In Armenia, one project did not fit into the results frameworks of the 3YP (2013-2015 and 2016-2018) and in Georgia forestry projects only showed some overlaps with the 3YP.

While the results frameworks of different ADC strategies (3YP, regional Strategic Framework, CS) are largely consistent in terms of sectors and themes, there is room to further improve the consistency of results and indicators by clearly defining responsibilities and contributions of the various Austrian stakeholders.

**Effectiveness** – the effectiveness of ADA's support to Georgia as well as to Armenia is *largely satisfactory*.

ADC applies various modalities including co-financing grants, NGO support, research cooperation and Business Partnerships. Other Austrian actors, public and private, complement these efforts. The ADC effectiveness at project level is good overall. Most single country projects perform *very satisfactory* or *satisfactory*.

Besides the relevance of projects and the Government support thereof, the main contributing factors to this positive result are strong coherence of sector portfolios, ADC's flexibility and timeliness in cooperating with partners, active coordination from ADC with relevant Austrian stakeholders and its partners, and good technical backstopping.

Only two projects – implemented by the same international organisation – could not fully achieve their goals and one regional project showed little effectiveness. The main hindering factors include unforeseen contextual changes such as changing governments with subsequent staff fluctuations or delayed reform processes, as well as short project cycles.

**Efficiency** – The efficiency of ADC's activities is *very satisfactory*.

Notwithstanding the lean staffing structure in the Georgia and Armenia Country Offices, a good and frequent interaction between Austrian actors in Vienna, Tbilisi and Yerevan contributes to an efficient portfolio implementation. Strategic and operational monitoring, reporting and documentation at country level is adequate and pragmatic although indicator-based reporting could be strengthened.

Closer monitoring of activities could add value and policy dialogue could be further strengthened with additional staff.

**Impact Prospects** – impact prospects are *satisfactory* in both countries.

There are numerous examples of positive impacts regarding changes in the lives of farmers as well as institutional changes achieved with the support of ADC. The institutional growth of the Georgian Farmer Association is a notable example of Austria's contribution to the promotion of not only value chains but also to the strengthening of advocacy for farmer's rights as well as local policy dialogue.

**Sustainability Prospects** – overall, sustainability is *satisfactory* and project ownership is high, although it is difficult to gauge sustainability prospects at this point in time for most projects are relatively young.

Some limitations and deficits emerge in terms of financial sustainability and sustainability challenges including weak business plans and underestimation of context risks in the case of value chain interventions.

**Coordination and Coherence** – Although ADC is by far the biggest Austrian donor in both, Georgia and Armenia, various other Austrian actors are actively engaged in both countries, including the Ministry of Finance, the Chamber of Commerce, and the Development Bank. Despite a general willingness to share information and to cooperate, coordination and joint programming even of the largest actors is hampered by legal and administrative procedures. This limits the deepening of Austria's Whole-of-Government-approach.

## RECOMMENDATIONS

Short-term recommendations (2018-2020):

1. The coherence & outcome orientation of results frameworks need to be improved
2. The staffing should be reviewed.
3. The purpose and number of cross-cutting issues and sectors need to be clarified.

Long-term recommendations (2021-2024):

4. The length of policy and project cycles should be reconsidered.
5. The establishment of a regional umbrella programme including Armenia, Georgia, and Azerbaijan should be considered.
6. The purpose and added value of regional projects should be reviewed.
7. A more systematic thematic exchange on experiences and best practices among Austrian projects should be promoted.
8. The coordination among Austrian actors should be improved beyond ADC.
9. The current parallel reporting to Vienna should be reconsidered and combined.
10. Instruments to support the access of local producers to the Austrian markets should be developed.
11. The agriculture and forestry sectors in Georgia should be merged.
12. Governance issues should be addressed via small strategically placed projects.
13. Austria should consider supporting broader innovative socio-economic initiatives in selected thematic clusters relevant for rural development.
14. The thematic focus on agriculture in Armenia should be maintained.

The full report can be accessed at:

<http://www.entwicklung.at/en/ada/evaluation>