



Evaluation

Mid-Term Evaluation of Austrian Development Cooperation's
Albania Country Strategy 2015–2020 (extended until 2021)

Vol I – Final Report

 Federal Ministry
Republic of Austria
European and International
Affairs

 Austrian
Development
Agency

Imprint

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September 2020

This is an independent evaluation report. Views and conclusions expressed do not necessarily represent those of the contractors.

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Executive Summary

Purpose and scope:

In 2019 the Austrian Development Cooperation (ADC) commissioned this formative, strategic mid-term evaluation of the bilateral Albania Country Strategy 2015-2020 (extended until 2021), the purpose of which is to provide evidence to contribute to “learning and steering for better strategic decision-making, programming and implementation,” with view to shaping and/or re-defining ADC’s future engagement at the bilateral level, and in particular against the background of Albania’s accession process to the European Union (EU). The four main objectives are to assess and help to sharpen:

- The relevance, coherence, complementarity of ADC’s strategic framework for Albania and synergies in its implementation;
- The effectiveness, overall impact and prospects for sustainability of ADC’s strategic orientation and its implementation in Albania;
- The efficiency and effectiveness of funding instruments, implementation modalities and partnerships and identify related good practice and challenges;
- The comparative advantage and added value of ADC’s engagement in Albania.

The evaluation analyses all three thematic priorities (good governance, integrated water resource management and vocational education and training) encompassed in the Country Strategy, together with relevant cross-cutting issues (human rights-based approaches, gender equality, social inclusion and environmental sustainability/climate change).

Background and context:

Austria has supported Albania since 1992. ADC’s work in Albania is governed by its Albania Country Strategy, which covers the period from 2015 to 2021. The focus is on capacity development as related to the three thematic priority areas with a strong emphasis on contributing to Albanian national reforms and EU accession while applying a human rights-based approach. The Country Strategy also emphasises the key cross-cutting issues noted above, anchored in ADC policies, as the basis for its work in Albania.

In June 2014 Albania became an EU accession candidate country, and as of April 2020 Albania has begun negotiations for accession. This was a major shift that occurred during the latter period of the evaluation. EU accession is the main driver of its reform programme and as such this progress frames Albanian priorities.

The period of the Country Strategy thus far has been volatile. The political climate throughout the period of the Country Strategy has been tense and polarised, characterised by a lack of a constructive dialogue between the government and opposition, which has in turn led to electoral boycotts. Over the past year other events have affected the development trajectory as well. In November 2019 Albania was affected by an earthquake that resulted in damages estimated at approximately one billion euros. On March 12, 2020, Albania officially declared an outbreak of COVID-19. The two sudden and successive devastating shocks of the earthquake and COVID-19 have frozen large parts of the Albanian economy.

Methodology:

The evaluation uses a theory-based approach to assess the implementation of the Country Strategy by first developing an understanding of how ADC perceives the overall theory of change and theories of change for the three thematic priority areas, against which the findings are analysed. This has involved efforts to understand how ADC’s interventions are perceived to have contrib-

uted to broader outcomes and impacts. Most notably, the evaluation has explored the perceptions of different stakeholders regarding how to prioritise between more technical, capacity development output/outcome level goals, and more conceptually ambitious and impact-oriented objectives related to the cross-cutting issues and underlying ADC policies.

The evaluation applied mixed methods. This included qualitative, and to a limited extent, quantitative (e-survey) data collection methods. Qualitative data collection methods included document review and semi-structured interviews with a broad variety of interlocutors. This included 105 interviews with stakeholders in Albania and Austria (both face-to-face and online) with a gender ratio of 68/37 female/male including 14 ADC staff and representatives, 2 Ministry of Foreign Affairs representatives, 27 Albanian government representatives, 26 representatives/staff of beneficiary organisations, 29 donor representatives (including EU staff), and 7 consultants. These key informant interviews constitute the core of the evaluation enquiry. Evidence has been analysed based on a triangulation of data sources and also comparison of the different “theories” embodied within the three priority themes and the views of different stakeholders.

A central limitation that the evaluation faced was that the large majority of interviewees (except for ADC staff and representatives) had only a vague awareness of ADC’s overall work in Albania. They had very little awareness or engagement in the theories of change that guide the Country Strategy objectives. In particular, there was little awareness of Country Strategy policy objectives and commitments in relation to cross-cutting issues. This was recognised as both a challenge, and also a finding in the evaluation regarding the lack of broad ownership of what was for most seen to be an “Austrian” (rather than Albanian-led) strategy. These factors, together with a somewhat fragmented portfolio, has made it difficult to “connect the dots”.

Relevance and coherence:

The evaluation has found that the Country Strategy is relevant to context and needs, but it provides an insufficient analytical framework for prioritisation among those needs. This is due to the Country Strategy being largely interpreted as a statement of the thematic priorities that can be supported. It devotes limited attention to the political and administrative factors that dictate whether policy objectives are relevant and achievable. Furthermore, the Country Strategy is relevant to the EU accession process in terms of alignment with the technical priorities, but even here the implications for prioritisation to achieve ADC cross-cutting policy objectives are unclear.

Regarding ADC policies, the evaluation has found that the Country Strategy document itself is largely coherent with ADC thematic and cross-cutting policy documents (albeit lacking in detail). Strategic coherence with policy documents is largely addressed in the design and/or implementation phases of projects that have already been selected based on their alignment with the thematic priorities. However, there are insufficient mechanisms to ensure that policy intentions are subsequently monitored. The extent to which policy compliance is monitored and enforced as part of design and implementation varies according to whether the policy is sufficiently clear and perceived as a priority. Gender equality is seen as clear and a priority, but social inclusion and human rights less so. Environmental sustainability is only seen as a concern for the integrated water resource management portfolio.

The Country Strategy has highly relevant objectives for achieving results at project level that are hypothetically aligned with ADC policies. The capacity development efforts emphasised in the Country Strategy have objectives that are potentially relevant for achieving policy objectives and building national ownership. However, in most cases these initiatives are insufficiently anchored in a realistic theory of change regarding how the capacity development that is the focus of these projects will ultimately be concretely applied so as to impact on gender equality, social inclusion, respect for human rights and adaptation to climate change.

Effectiveness:

Within good governance, the Country Strategy has enabled a flexible but rather fragmented process that has led to positive results in areas such as the introduction of gender-responsive budgeting, but with somewhat inconclusive ultimate outcomes. Within integrated water resource management, the Country Strategy is leading to significant results with regard to data collection and capacity development, but outcomes will rely on actions being taken forward by other actors in the future, particularly within the local government institutions responsible for river basin management. Efforts lack continuity and links to wider processes to ensure that intended environmental and “right to water” outcomes are achieved. The Country Strategy has provided guidance for improving the quality and inclusiveness of Vocational Education and Training according to labour market needs through the development of models that may be scaled up in the future as part of sectoral reforms. Although modest in scale and scope, the systematic nature of these initiatives and the selection of appropriate niches have led to significant results in relation to the resources invested.

With regard to the effectiveness of funding instruments, ADC strategy implementation in Albania is moving into a phase where third-party funding is taking centre stage; this raises the risk that efforts to access a greater magnitude of funds may distort strategic decision-making. Third-party financing may contribute significantly to ADC’s capacity to become a larger and more influential/effective actor in Albania, but this may be at the cost of weaker alignment with the Country Strategy and policies.

Support to civil society is essential for demonstrating commitments to supporting the voice of rights-holders and raises Austria’s visibility, but this involves high transaction costs. The Coordination Office faces a conundrum in ring-fencing human resources required to continue with civil society support, particularly when there are pressures to shift attention to administratively highly demanding third-party funded programmes.

With regard to achievements related to cross-cutting issues, the ADC approach to gender equality has been relatively rigorous and shows potential for turning outputs into outcomes as this approach is rolled out (particularly to local government). Gender mainstreaming in general, and Gender Responsive Budgeting in particular, constitute a unique and high-profile area of success for ADC in Albania. By comparison, results related to social inclusion have been modest and, although relevant, they are too small in scope and/or scale to be judged as strategically effective. Efforts to mainstream environmental and climate concerns have not yet received sufficient traction or scale to be judged to be effective. Finally, there is little evidence that a concerted approach has been mounted to apply a human rights-based approach, though elements exist in the governance portfolio.

Efficiency:

A major strength in ADC’s work has been the ability of the Coordination Office to maintain a flexible and collegial relationship with a large range of stakeholders. The Coordination Office has managed a heterogeneous portfolio with dedication and commitment. The Coordination Office constitutes a lynchpin in supporting strategic coherence between Austrian objectives and Albanian realities. However, there is currently a capacity “crunch” in the Coordination Office, and although capacities are being augmented, this will not be enough to undertake core responsibilities for Country Strategy implementation.

Austrian Development Agency (ADA) thematic advisors encourage a modicum of policy adherence, but their input is often “too little, too late” in relation to effectively responding to on-the-ground dynamics in Albania. The scope of their input is constrained due to the magnitude of their global portfolios. There is a clear logic to the design of the roles of the advisors in Vienna,

but ADA systems are insufficient to generate synergies in the work of the advisors and implementing actors, as well as the Coordination Office.

Impact:

The emphasis on capacity development has inherent disadvantages in ensuring selection of projects that can be expected to achieve clear impact due to limited attention to downstream application of the capacities being developed. The Country Strategy has not provided a strong basis for selecting projects that directly impact on a target population. Nor has there been active tracing of theories of change to see if capacity development projects indirectly contribute to impacts on the lives of target populations. An exception to this is support through small governance and vocational education initiatives, which has contributed to positive but modest impacts on lives and livelihoods.

Sustainability:

The capacity and institutional development foci in the Country Strategy are appropriate for contributing to longer-term sustainability through Albanian government ownership, with some strong trends. Sustainability of results in capacity development within government institutions depends on alignment with broader reform processes and institutional stability. Sustainability risk assessment has been given insufficient attention in the Country Strategy, perhaps due to an assumption (sometimes justified, sometimes not) that EU accession will provide a meta-solution.

Complementarities and synergies:

The Country Strategy and the ADC Three-Year Programme (3YP) emphasise the importance of a Whole of Government Approach but are not explicit regarding how this will be structured and implemented. The Whole of Government Approach has not played as strong of a role as intended in the Country Strategy, due largely to Austria not having developed these aspirational modalities more globally, and also a failure to fully unpack what this policy/approach means in relation to the in-country processes in Albania.

Conclusions:

ADC has a unique and valuable niche due to trust, technical competence, gender experience/commitment and its flexible and non-bureaucratic approach. ADC's strongest added value is in the respect and trust it maintains across a range of governmental and non-governmental actors and in the wider donor community in Albania. ADC's ability to maintain trust and engagement partially stems from the provision of high-quality technical support in selected areas. Despite being a small donor, ADC has been able to develop a reputation for continuity in investing in areas where Austria has a clear added value, both thematically as well as some cross-cutting perspectives, most notably gender equality. Results are generally perceived to be subtle but significant and have emerged over time.

However, the Country Strategy has been an insufficient tool to ensure adherence to maintaining this continuity and a manageable strategic focus. It provides some boundaries for what ADC should invest in, but not enough to guarantee the emergence of a portfolio that can generate a critical mass and consistent focus in relation to the meta-theme of "good governance" nor in how to apply a human rights-based approach. Furthermore, ADC advisory support has inevitably been insufficiently granular to provide guidance regarding what ADC policies imply when being implemented in the Albanian context.

The evaluation concludes that four issues will require particular attention going forward:

First, as third-party funding comes to overwhelmingly dominate the portfolio, the assumed benefits of becoming a major and more influential development actor may create incentives to stray

further from policy commitments and efforts to anchor efforts in Albanian ownership. The weakly defined Country Strategy is providing insufficient guidance to ensure continuity.

Second, human resource capacities are insufficient for dealing with what may become a very different portfolio and role in the future. Expectations and demands for Coordination Office leadership in designing and managing new, large and complex programmes are growing faster than capacities. The ability of ADA advisors in Vienna to encourage policy compliance is equally overstretched. In practice, the encouragement of more Austrian actors to engage in development cooperation has increased demands on the Coordination Office without generating more administrative resources. It is perhaps paradoxical that Whole of Government Approaches which were intended to encourage more and better coordinated efforts among Austrian actors may be leading to trends that may overwhelm existing coordination capacities.

Third, ADC has begun considering its exit strategy, in accordance with Albania's progress towards EU accession, just as its portfolio is likely to rapidly grow with a diminishing proportion of funds coming from ADC. It is beyond the scope of this evaluation to speculate on exactly what this means for ADC's theory of change in Albania, but there is broad awareness that these uncertainties will need to be addressed in the near future.

Fourth, the fragmented nature of the governance portfolio is evidence that ADC's pragmatic approach has created opportunities to adapt to emerging priorities but has also been an obstacle to ensuring that the different projects come together synergetically at higher strategic levels.

Recommendations:

Enhancing policy compliance through a stronger focus on social inclusion and human rights-based approaches

1. ADC should narrow its criteria for the selection of interventions within the new Albania Country Strategy, giving stronger precedence to projects that are aligned with contextually relevant application of the ADC thematic and cross-cutting policies related to the identified country needs in the Albania Country Strategy, and which reflect recognised Austrian added value.
2. ADC should continue to explore the application of some of the more specific sets of indicators coming out of the current "leave no one behind" discourse, while tailoring them to the Albanian context.
3. ADC should use participatory methods to monitor compliance of capacity development initiatives with policies of particular relevance to Albania (see recommendation 1), bringing together duty-bearers and rights-holders (particularly representatives of marginalised populations) so as to take stock of the ways that these capacities are being applied from a "leave no one behind" perspective and in relation to the perceived theory of change (in the current Albania Country Strategy) and a more explicit theory of change (in the future strategy).

Strengthening efficiency and sustainability while working towards strategic clarity and a critical mass

4. ADC should apply lessons that have been learnt thus far about Austrian added value in implementation of the Albania Country Strategy so as to select a narrower range of sub-sectors (with particular and urgent attention to the governance portfolio), ideally not more than one per thematic area, while restraining prevailing tendencies to welcome additional initiatives.

5. A robust and more realistic system should be put into place for strengthening the Coordination Office that takes into account the de facto role they play in policy dialogues, in managing complex programmes, and in staying abreast of political realities in Albania.

Promoting coherence through greater adherence to politically informed theories of change

6. The future strategy should more fundamentally integrate political and policy analyses as part of an effort to elaborate an explicit and pragmatic theory of change wherein results are more explicitly related to policy outcomes.
7. In order to align with both Austrian policy and Albanian priorities, ADC should prioritise applying a climate change lens in areas where there is broad, existing Albanian ownership (within or possibly even beyond the plans being made in the application for the Green Climate Fund).

List of abbreviations

ADA	Austrian Development Agency
ADC	Austrian Development Cooperation
ALB	Albania budget line (ADA)
AMBU	Agency of Water Resources Management
BIRN	Balkan Investigative Report Networking
EQ	Evaluation Question
EGSIM	Environmental, Gender and Social Impact Management
ERP	Economic Reform Programme
EU	European Union
GDP	Gross Domestic Product
GIZ	Gesellschaft für Internationale Zusammenarbeit – German Development Agency
HRBA	Human Rights-Based Approach
ICT	Information and Communication Technology
ILMP	Integrated Labour Market Programme
ILO	International Labour Organisation
IMC	Inter-Ministerial Council
IMF	International Monetary Fund
IMO	International Monitoring Operation
IPMG	Integrated Policy Management Group
ISDA	Integrated Service Delivery Project
IWRM	Integrated Water Resource Management
LGBTQI	Lesbian, Gay, Bisexual, Transgender, Queer and Intersex
MFA	Federal Ministry for European and International Affairs, Austria
NEE	Not in Employment, Education and Training
NESS	National Employment and Skills Strategy
NSDI	National Strategy for Development and Integration
NGO	Non-governmental Organisation
OECD	Organisation for Cooperation and Economic Development
OSCE	Organization for Security and Co-operation in Europe
RDP	Regional Development Project
SDGs	Sustainable Development Goals
SETS	Support and Expansion of the Albanian Treasury System
UNDP	United Nations Development Programme
VET	Vocational Education and Training
WB	World Bank
WGA	Whole of Government Approach
3YP	Three-Year Programme

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1 Introduction

1.1 Evaluation purpose and objectives

In 2019 the Austrian Development Cooperation Agency (ADC) commissioned this formative, strategic mid-term evaluation of the bilateral Albania Country Strategy, the purpose of which is to provide evidence to contribute to “learning and steering for better strategic decision-making, programming and implementation,”¹ with view to shaping and/or redefining ADC’s future engagement at the bilateral level, and in particular against the background of Albania’s accession process to the European Union (EU).²

The four main objectives are:

- To assess the relevance, coherence, complementarity of ADC’s strategic framework for Albania and synergies in its implementation
- Assess the effectiveness, overall impact and prospects for sustainability of ADC’s strategic orientation and its implementation in Albania and identify hindering and facilitating factors
- Assess the efficiency and effectiveness of funding instruments, implementation modalities and partnerships used by ADC for its engagement in Albania and identify related good practice and challenges
- Identify and help sharpen the comparative advantage and added value of ADC’s engagement in Albania

1.2 Scope

The object of the evaluation is the Country Strategy and its implementation. The temporal scope of the evaluation was originally intended to be second half of 2014 (when the preparations for the Country Strategy took place) through June 2019, but as data collection continued until April 2020 more recent processes related to EU accession, changes in the portfolio, as well as global events were also considered.

The evaluation is focused on Albania and specifically on ADC’s financial allocations in Albania related to the Albania Country Strategy. The regional aspect, referring to ADC’s Regional Strategy³ is only assessed to a limited extent in the context of the evaluation’s analysis of coherence, complementarity and synergy with the national programme.

The evaluation analyses all three thematic priorities⁴ (good governance, integrated water resource management and vocational education and training) encompassed in the Country Strategy, together with relevant cross-cutting issues (human rights-based approaches, gender equality, social inclusion and environmental sustainability/climate change); the evaluation includes a case study on how these cross-cutting issues have been addressed in integrated water resource management (see Appendix 3).

¹Austrian Development Cooperation, Albania Country Strategy 2015-2020 (extended until 2021), page 6.

² Ibid.

³Federal Ministry for Europe, Integration and Foreign Affairs, Directorate-General for Development (2016) *Danube Area/Western Balkans Region: Regional Strategy. Vienna, Austria.*

⁴ These “thematic priorities” are sometimes referred to as “sectors” in various documents. In the evaluation the term “theme” or “thematic priority” is used in recognition of the need to avoid misunderstanding related to the range of various (sub)sectoral issues that are subsumed under the three themes, most notably the broad umbrella of good governance, which includes issues that would tend to be perceived of as belonging to a range of different “sectors”.

2 Background and context analysis

2.1 Background and overview of the strategy

Austria has supported Albania since 1992, and ADC has had a permanent in-country presence since 1995. ADC's current work in Albania is governed by its Albania Country Strategy, which covers the period from 2015 to 2021.⁵ This bilateral strategy is explicitly anchored in the strategic process of Albania's EU accession. Its focus is "...on capacity development, know-how transfer on the thematic priority areas governance and rule of law; integrated water management; and labour market-oriented vocational education/employability, making a sustainable contribution to the implementation of Albanian national sector reforms and the EU accession process."⁶

The Country Strategy includes a basic country context analysis and further emphasises alignment with national priorities and harmonisation with other donors' support. It was drafted jointly with the Albanian government in 2014, and also involved consultations with the donor community and a broad range of governmental and non-governmental actors engaged in development cooperation in Austria.⁷ The Country Strategy specifies three thematic priority areas, i.e., good governance and rule of law, integrated water resource management and labour market oriented vocational education/employability. Within these three areas Albania has developed specific strategies, including:

- Good Governance and the Rule of Law:
 - *Cross-cutting Public Administration Reform Strategy 2015-2020*⁸ and Action Plan 2018-2020
 - *Albania Public Finance Management Strategy 2014-2020*⁹ and related Action Plan 2014-2020
 - The previously noted ERP and Macroeconomic and Fiscal Framework 2018-2020
 - *Inter-sectoral Strategy Against Corruption 2015-2020*¹⁰ and Action Plan 2018-2020
- Integrated Water Resource Management:
 - *Integrated Water Resource Management Strategy 2017-2027*
 - Investment-Masterplan Water supported by GIZ (Gesellschaft für Internationale Zusammenarbeit – German Development Agency)
 - National Sector Strategy for Water Supply and Wastewater 2019-2028 supported by GIZ
- Labour market-oriented Vocational Education/Employability:
 - National Employment and Skills Strategy 2014-2020: *Higher Skills and Better Jobs for all Women and Men*,¹¹ incorporating an Action Plan

The Country Strategy also defines four policy focus areas for the strategy period:

1. Support to Albania's EU integration
2. Promotion of regional cooperation with the Western Balkan countries and Albania's neighbouring EU countries where the EU Strategy for the Adriatic and Ionian Region and the Regional Cooperation Council play an important part

⁵ This reflects an extension of one year to the initial period of 2015 to 2020.

⁶ Austrian Development Cooperation (2015). *Albania Country Strategy 2015-2020 (extended until 2021)*, 09/2015.

⁷ Ibid, page 4.

⁸ Government of Albania, Ministry of State for Innovation and Public Administration, Albania: *Crosscutting Public Administration Reform Strategy 2015 – 2020*. Available at: http://dap.gov.al/images/DokumentaStrategjik/PAR_Strategy_2015-2020_English.pdf

⁹ Government of Albania, Ministry of Finance (2014). *Albania Public Finance Management Strategy*. 12/2014. Available at: https://www.financa.gov.al/wp-content/uploads/2017/09/Albanian_PFM_strategy_2014-2020-1.pdf

¹⁰ Regional Anti-Corruption Initiative (March 2015). *Inter-Sectoral Strategy against Corruption 2015-2020, Albania*. Available at: http://rai-see.org/wp-content/uploads/2015/08/Albania_Inter-sectoral_Strategy_against_Corruption_2015-2020_Eng.pdf

¹¹ Government of Albania, Ministry of Social Welfare and Youth (November 2014). *National Employment and Skills Strategy 2014-2020*. Available at: https://www.financa.gov.al/wp-content/uploads/2018/09/NESS-ENG-8-1-15_final-version.pdf

3. Support of the reform process in Albania through the development of institutional and human capacities and the promotion of sustainable development and social inclusion, and also strengthening the rule of law/accountability and implementation of human rights principles
4. Promotion of good governance in the framework of the ongoing decentralisation process to strengthen the planning and implementation capacities of the public administration

The Country Strategy emphasises key cross-cutting issues as being social inclusion, gender equality and environment/climate change. Additionally, the Country Strategy identifies a human rights-based approach (HRBA) as the basis for its work in Albania. In 2018 the Country Strategy was complemented with a set of ambitious results objectives and indicators tied to the Sustainable Development Goals (SDGs) and the 2030 “leave no one behind” agenda. During the course of implementing the Country Strategy Austria’s global development cooperation priorities have also increasingly emphasised issues related to climate change and migration.

Austria is a relatively small donor in Albania, with annual disbursements averaging approximately ten million euros (including third-party funding). Total Overseas Development Assistance to Albania in 2018 was approximately 300 million euros, with the EU, Germany, Switzerland and the United States being the largest donors. The EU has provided close to half of the assistance in recent years.¹²

2.2 Portfolio overview

At the time of the evaluation, 36 projects, with a total allocation of 17,088,560.80 Euros, were included in the portfolio of projects funded in Albania.¹³

Figure 1: Projects in ADC’s Albania portfolio.

Priority Area	Number of Projects	Allocation in Euros	Percentage of disbursements
Governance and the Rule of Law	17	6,953,588.00	41%
Integrated Water Resource Management	9	7,744,883.80	45%
Labour market-oriented Vocational Education/Employability	5	2,110,089.00	12%
Small project fund	5	280,000.00	2%
Total	36	17,088,560.80	100%

From the perspective of the funding source measured by contract value, between 2015 and March 2019 nearly 17 million euros came from ADA and 9.27 million euros through third-party funding, including funds from the European Union and from the Swiss Development Cooperation. Three co-funded/third-party projects since 2015 are within the Governance and Rule of Law priority area and two are within Integrated Water Resource Management.

Not all of the projects within the portfolio have been analysed within the framework of the evaluation. Please see Appendix 2 for more information. The Evaluation’s Terms of Reference specified that “two of the three priority sectors will be selected for in-depth analysis”.¹⁴ During the inception phase an initial portfolio analysis was undertaken to better understand the ways in

¹² OECD. *Aid at a Glance Charts*. Available at: <http://www.oecd.org/dac/financing-sustainable-development/development-finance-data/aid-at-a-glance.htm>

¹³ Austrian Development Agency, *Albanian and Regional Project Program Portfolio 26.4 2019* (project portfolio spreadsheet).

¹⁴ Austrian Development Cooperation (2019). *Terms of Reference, Mid-Term Evaluation of Austrian Development Cooperation’s Albania Country Strategy (2015-2020)*, 13.03.2019.

which ADC financial support is utilised. The analysis was used to determine the focus of the evaluation's more detailed field work. The portfolio analysis was intended to determine which of the two priority areas would be selected and which of the 36 funded projects would be focused on (i.e., used as "windows" on the Country Strategy). Originally it was intended that Good Governance and VET would be given priority, while IWRM would be addressed as a case study. In the course of the evaluation it was found more appropriate to include all three themes in the main evaluation, with the case study on IWRM also developed separately as a case study (see Appendix 3).

The inception phase revealed that for learning within ADC, the most important programming initiatives for the evaluation to review were the 36 country-level interventions. From this list of 36 projects, 16 were selected for a closer analysis including:

- Governance and Rule of Law – 9 projects
- Integrated Water Resource Management – 2 projects
- Labour Market Oriented Vocational Education/Employability – 5 projects

Furthermore, there was strong interest in the role of CSO interventions (both within governance and the Small Project Fund). Based on recommendations from the Coordination Office, focal group interviews were arranged with those interlocutors who were available for discussions in Tirana.

Some projects were excluded from the sample based on discussion with ADC/ADA due to the following:

- Four were feasibility studies only and were very limited in both financial and time scope.
- Nine began too early (prior to the initiation of the current Country Strategy) and most finished very early in the strategy time period.
- Two were at the time the evaluation was being carried out included in the then ongoing Governance evaluation and in discussions with the Governance evaluation and ADC/ADA it was decided to have no overlap in project selection.

In the course of the evaluation the relative depth of the analyses of projects was strongly influenced by the relative quality and quantity of documentation and the availability of interlocutors for interviews.

2.3 Context and latest developments

In June 2014 Albania became an EU accession candidate country, and as of April 2020 Albania has begun negotiations for accession. This was a major shift that occurred during the latter part of the period when the evaluation was being undertaken. EU accession is the main driver of its reform programme and as such this progress frames Albanian priorities. The European integration aim is visible across the full range of Albanian strategic documents and is a shared political priority. Albania's *National Strategy for Development and Integration (NSDI) 2014-2020* specifies that European integration is Albania's destination. The NSDI sets as its main goal "strong, sustained and environmentally-friendly economic growth in Albania"¹⁵ to be achieved through several strategic goals and related priorities. The stated vision of the NSDI incorporates three main components:

- Strong, sustained and environmentally friendly economic growth over the period to 2020 that builds on our long record of strong growth over the last two decades

¹⁵Republic of Albania, Council of Ministers. *National Strategy for Development and Integration (NSDI) 2014-2020*, page 15.

- Using enhanced wealth from this long period of growth to establish greater well-being among our citizens in an increasingly cohesive society that caters for the needs of all Albanians, irrespective of gender, ethnic background, sexual orientation or social status
- Being in a position by 2020 to demonstrate to our partners in the European Union that Albanian institutions and Albanian society are ready, for Albania to become a full member of the European Union¹⁶

To achieve its strategic objectives and priorities, the Government of Albania has structured its approach into sectors, with plans for each sector developed with four components:¹⁷

- Improving good governance and rule of law
- Growth through fiscal stability and increased competitiveness
- Sustainable growth through efficient use of resources
- Investing in people

The Government of Albania has supported development of a comprehensive strategic framework¹⁸ consisting of 75 sectoral strategies and cross-cutting sector strategies, policy documents and action plans and 59 other reform strategies such as the Economic Reform Programme (ERP)¹⁹, which includes a Macroeconomic Framework and a Fiscal Framework.

The 2019 EU Progress Report specified that Albania is “moderately prepared”²⁰ in the reform of its public administration and Albania’s judicial system has some level of preparation in the fight against corruption and states that “good progress has been made through continued implementation of the justice reform.”²¹ It further states that, “On fundamental rights, Albania complies overall with international human rights instruments and has developed its legal framework in line with European standards.”²²

Despite this progress, opposition to proceeding with Albanian accession has been strong among some EU member states. In October 2019 France threatened to veto the talks by calling for “strengthened” conditions of EU membership in order to address risks of shortcomings and backsliding. A new “methodology” was quickly put into place to respond to these concerns and on March 25, 2020 the European Council’s Foreign Affairs Committee decided that Albania could start negotiations with the European as a recognition of “the significant progress and the crucial reforms that the countries have undertaken.”²³ This is a first step towards membership. However, to qualify for opening talks Albania still must meet a number of conditions. As this report is being drafted, Albania has not fully complied with conditions related to electoral reform, the fight against organised crime and corruption, private property and media laws. Due to the Covid-19 outbreak no date has been set to start accession talks.

The political climate in Albania has been tense over the past year, as the opposition has boycotted the Parliament due lack of a constructive dialogue. As a result, key laws are being passed without seeking consensus with the opposition. Municipal elections were held in 2019 without participation of the opposition parties. The 2019 election results were contested, which led to boycotts and protests. The OSCE and all bilateral political partners, have stressed the need for

¹⁶Republic of Albania, Council of Ministers. *National Strategy for Development and Integration (NSDI) 2014-2020*, page 4.

¹⁷ Ibid, page 4.

¹⁸ Prime Minister’s Office, last updated List of approved (and on approval stage) of strategic documents, as of July 30, 2019

¹⁹ Republic of Albania, Council of Ministers. *Economic Reform Programme 2019-2021*.

²⁰European Commission (2019) *Albania 2019 Report*, Accompanying the document, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions; see also European Commission (02/03/2020) Commission Staff Working Document: Update on the Republic of Albania.

²¹ Ibid, page 14.

²² Ibid, page 4.

²³ Delegation of the European Union to Albania (25/03/2018) *HRVP Josep Borrell: Green light for EU membership talks with Albania and North Macedonia is good news for the region and the EU*. Available at: https://eeas.europa.eu/delegations/albania/76539/hrvp-josep-borrell-green-light-eu-membership-talks-albania-and-north-macedonia-good-news_en

parties to engage in a constructive dialogue in order to complete ongoing fundamental reforms, such as the electoral reform, decriminalisation laws and judicial reforms. Lack of dialogue and participation of the opposition in these discussions has put into question their follow-up and sustainability.

In November 2019 Albania was affected by an earthquake that killed 51 people and left 17,000 people homeless. Many commercial buildings, primarily tourism and manufacturing facilities, were destroyed. The damages were estimated at approximately one billion euros. As an immediate response, the European Commission awarded Albania a thirteen million euro grant. In February 2020, the European Council organised a donor conference –Together4Albania²⁴ to support the reconstruction efforts. The campaign raised 1.15 billion euros to rebuild and support victims, out of which the European Commission, the European Investment Bank and Member States together pledged 400 million euros.

On March 12, 2020, Albania officially declared an outbreak of COVID-19. The EU is supporting Albania with 50 million euros to fight COVID-19.²⁵ An additional 46.7 million euros will be provided to support social and economic recovery. At the macro-economic level, an additional amount of 180 million euros will be made available to Albania in the form of highly favourable loans aiming to contribute to enhancing macro-economic stability to allow resources to be channelled towards protecting citizens and mitigating the consequences of COVID-19.

The two sudden and successive devastating shocks of the earthquake and COVID-19 have frozen large parts of the Albanian economy. Reliance on tourism, close ties to the heavily affected Italian economy, and limited fiscal space (high public debt estimated at 68 percent of GDP), have made Albania particularly vulnerable to the COVID-19 crisis. As the crisis is unprecedented, uncertainty about the forecast is unusually high. The annual GDP growth according World Bank²⁶ and International Monetary Fund²⁷ is expected to contract by five percent in 2020. Total real exports are projected to fall by 25 percent due to reduced activity in tourism, extractives, and manufacturing. Imports are expected to decline by 9.5 percent. According to the Albanian Tourism Union, around 5 million overnight stays during the summer season have been cancelled.²⁸ Reduced economic activity and higher uncertainty are expected to reduce private investment and consumption.

²⁴ European Commission (2020). *Together for Albania: EU to host international donors' conference for Albania to help with reconstruction after earthquake*. Available at: https://ec.europa.eu/info/events/international-donors-conference-albania-earthquake_en

²⁵ Delegation of the European Union to Albania (25/04/2020). *EU donates COVID-19 testing control material to Albania*. Available at: https://eeas.europa.eu/delegations/albania_en/77937/EU%20donates%20COVID-19%20testing%20control%20material%20to%20Albania

²⁶ World Bank Group (2020). *The Economic and Social Impact of COVID-19, Western Balkans Regular Economic Report No.17*

²⁷ International Monetary Fund (IMF), *World Economic Outlook, Albania – Country Outlook*; available at:

<https://www.imf.org/en/Countries/ALB#countrydata>

²⁸ OECD (2020). *The COVID-19 Crisis in The Western Balkans: Economic impact, policy responses, and short-term sustainable solutions*. <http://www.oecd.org/south-east-europe/COVID-19-Crisis-Response-Western-Balkans.pdf>

3 Methodology

3.1 Evaluation approach: Theory-based and applying contribution analysis

The evaluation uses a theory-based approach²⁹ to assess the implementation of the Country Strategy by first developing an understanding of how ADC perceives the overall theory of change and the specific theories of change for the three thematic priority areas, against which the findings are analysed. The approach draws on various formal and informal articulations of the programme theories of change collected in the early period of the evaluation. These theories have been used as an iterative framework for understanding how a range of initiatives are expected to contribute to the overall goals set out within the Country Strategy.

In order to undertake this approach, the evaluation began by analysing the government of Albania documentation, EU documentation and ADC strategic documents including the Country Strategy, the 2013-2015; 2016-2018; and the current (2019-2021) Three-Year Programme (3YP) documents,³⁰ and the Danube Area/Western Balkans Region Regional Strategy.³¹ A portfolio review was undertaken to obtain an overview of the projects being funded through different budget lines (see Appendix 2). On the basis of this analysis, an initial iteration of the ADC Albania theory of change was constructed. A theory of change workshop was held in December 2019 which led to production of a revised overall theory of change and three more specific theories for the thematic priority areas in the Country Strategy. These were then developed further in the first two months of 2020 through an iterative process wherein ADC staff at headquarters were given an opportunity to provide additional feedback to these drafts. This was very effective in generating a more comprehensive overview and also revealed the different perceptions that exist in relation to the range of sectoral and cross-cutting priorities in the strategy. The overall theory of change is shown in figure 2 below. The specific theories of change for the three thematic priority areas can be found in Appendix 4.

The analysis against this theory of change has focused on understanding how ADC's interventions are perceived to have contributed to broader outcomes and impacts through a somewhat simplified form of contribution analysis.³² The interviews throughout the evaluation sought to record the contributions that have been achieved in relation to the very ambitious aims in the theory of change, and also potential unintended positive or negative outcomes. For example, issues related to local power dynamics and how ADC interventions influenced and were influenced by these dynamics could contribute to either positive or negative outcomes, but this was rarely explicit in how theories of change were portrayed by stakeholders in interviews and the survey. Interviewees were encouraged to explain their views about what the wider contexts of political change, progress towards EU accession and the efforts of other donors have meant for the influence of ADC initiatives. This proved highly appropriate given that the small-scale nature of most ADC projects and the concentration of programming on capacity development meant that direct attribution of impacts to ADC support was not possible to measure. Contribution analysis was also very useful for stimulating reflection on ADC's added value among informants who stressed that they were unsure of what the results were of ADC interventions.

At the outset, it is important to emphasise that the evaluation has combined an effort to synthesise the views about overall theories of change with recognition and respect for the often diverging perceptions of what the Country Strategy implies. Most notably, the evaluation has made efforts to unpack the different perceptions and how these effect prioritisations between

²⁹ See e.g., IIED (2017). *Theory-based impact evaluation, Better Evidence in Action*, 03/2017, <http://pubs.iied.org/17404IIED>

³⁰ Federal Ministry Republic of Austria Europe Integration and Foreign Affairs (2018). *Three-Year Programme for Austrian Development Policy 2019-2021*.

³¹ Federal Ministry for Europe, Integration and Foreign Affairs, Directorate-General for Development (2016). *Danube Area/Western Balkans Region: Regional Strategy*. Vienna, Austria.

³² Mayne, John (2008). *Contribution analysis: An approach to exploring cause and effect*. ILAC Brief 16, 05/2008.

more technical, capacity development output/outcome level goals, and more conceptually ambitious and impact-oriented objectives related to the cross-cutting issues and underlying ADC policies. The evaluation has noted that there are strong opinions among a range of key stakeholders about possible goal conflicts. The evaluation has made an effort to present these differences and their policy implications, but it has not been possible to triangulate the “right” stance in these debates.

Most of ADC’s interventions are relatively small, averaging under 500,000 euros.³³ It was therefore recognised at the outset that it would be inappropriate to strive for assessment of effects and impacts that can be directly attributed to these projects. Instead, the evaluation has sought to understand how ADC has contributed to wide-ranging processes, often in a relatively modest manner, while recognising that Albanian government initiatives, EU engagement and the role of other donors are often of a much larger magnitude. The emphasis has been on understanding Austria’s added value, “position” and niche in supporting Albania. Considerable attention has been given to how these contributions have evolved in relation to factors such as ongoing macro-policy reforms, changing migration trends, climate change commitments and overall economic opportunities and obstacles.

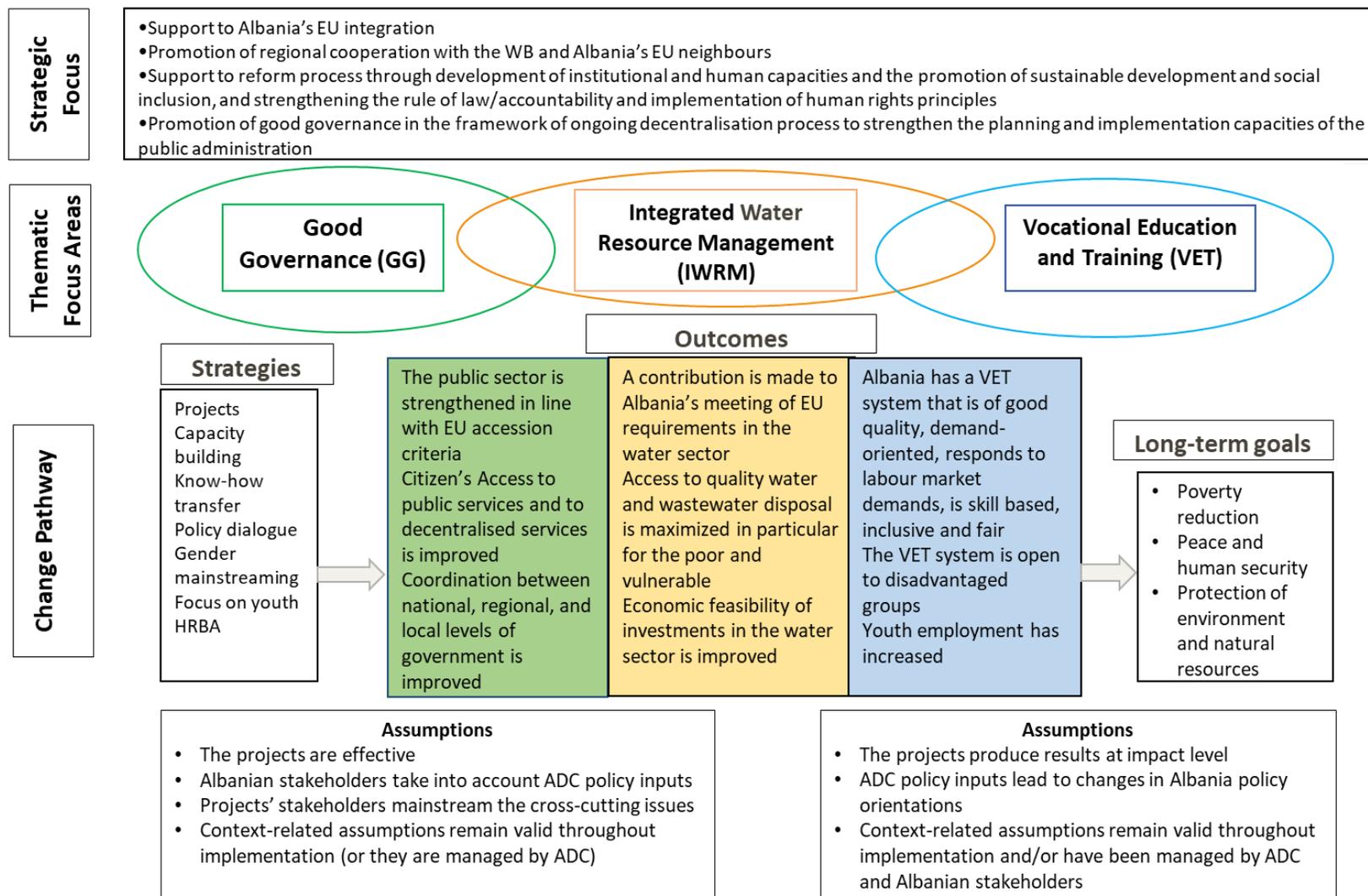
OECD/DAC Quality Standards for Development Evaluation³⁴ and related criteria were applied. These proved largely appropriate, but the very broad scope of the portfolio has meant that the evaluability of judging overall results of the many and diverse individual projects has been limited. The iterative approach to developing and applying the theories of change have resulted in a strong emphasis on policy relevance, while also revealing how these theories are contested in practice. The evaluation judges that stakeholder involvement has been strong, particularly within ADC, but the tumultuous events associated with the COVID-19 crisis have had some impact on readiness of project level stakeholders to engage. Finally, in interviews it became apparent that the evaluation questions contained a number of overlapping issues wherein responses brought out how similar issues were raised from somewhat different perspectives.

³³ This includes the small project fund; when those are not included the average increases to approximately 540,000 euros.

³⁴ OECD/DAC (2010). *Quality Standards for Development Evaluation*, OECD Publications.

Figure 2: Theory of Change ADC Albania Country Strategy 2015-2020 (extended until 2021)

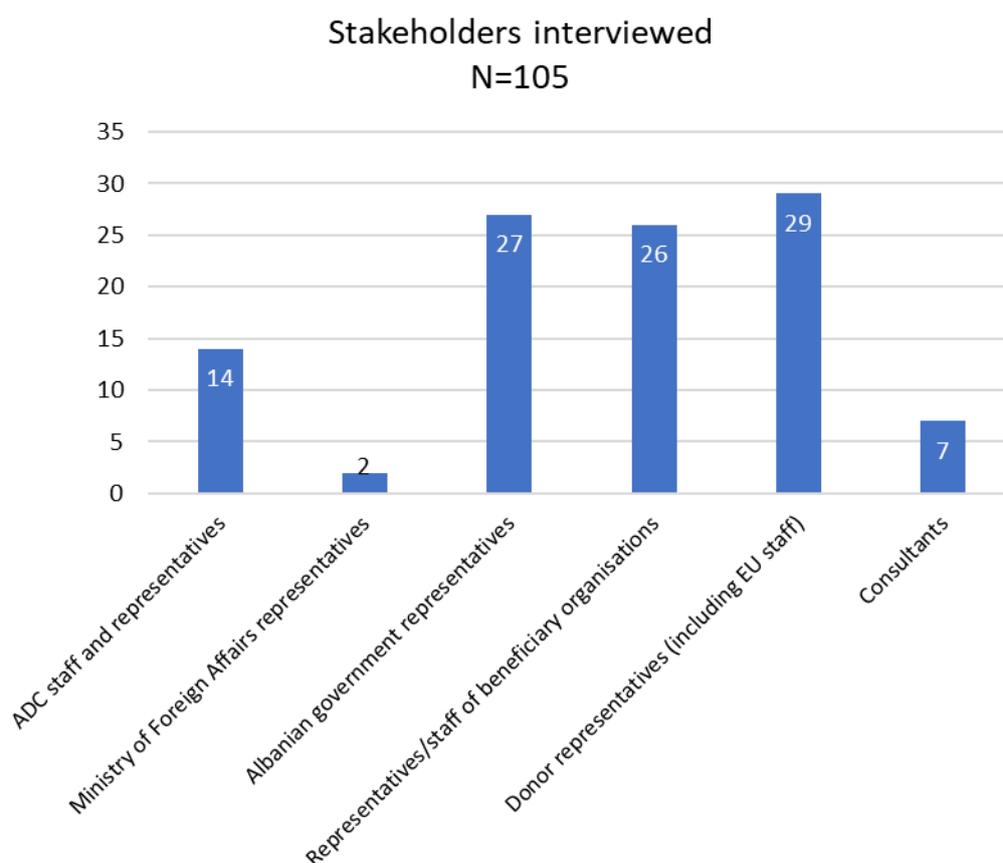
Theory of Change ADC Albania Country Strategy 2015-2020 (extended until 2021)



3.2 Data collection and data analysis

The evaluation has applied mixed methods. This included qualitative, and to a limited extent, quantitative data collection methods. Please see Appendix 1 for an overview of how the data collected has contributed to triangulated findings. During the fieldwork and subsequent online interviews, critical data and reflective details were gathered through qualitative individual interviews and group discussions. This included 105 interviews with stakeholders in Albania and Austria (both face-to-face and online) with a gender ratio of 68/37 female/male including 14 ADC staff and representatives, 2 Ministry of Foreign Affairs representatives, 27 Albanian government representatives, 26 representatives/staff of beneficiary organisations, 29 donor representatives (including EU staff), and 7 consultants. These key informant interviews constitute the core of the evaluation enquiry.

Figure 3: Stakeholders interviewed



As part of its inception processes the evaluation analysed a wide range of ADC, EU and Albania strategic documentation, as well as available project-specific documentation including a range of project fact sheets and evaluation reports and a number of project documents and other reports. The document review³⁵ included

- ADC policy documents³⁶
- ADC evaluations
- Field Office reports, providing a variety of analysis on the country context, strategic priorities and frameworks, other international donor assistance contexts and progress on implementation of national and regional strategies

³⁵ For a full overview of documents reviewed, see Appendix 6.

³⁶ This includes both thematic policies and policies related to cross-cutting issues, as well as overall development cooperation strategies such as the 3YPs.

- Project documentation, including the project document, progress and final project reports, project evaluations related to the projects within the scope of this evaluation. Project documentation was sometimes incomplete but did provide enough details for analysing the coherence to strategic documents.

In general, few project evaluations that were made available were of mixed value as most were focused on documenting outputs. They included some anecdotal evidence on impacts on beneficiaries, but this evidence was not judged to be rigorous. Strategic evaluations proved much more informative, but as their focus was largely at institutional levels, they did not address this evidence gap.

During the main phase of the evaluation evidence has been analysed based on a triangulation of data sources and also comparison of the different “theories” embodied within the three priority themes and the views of different stakeholders, e.g., between those concerned with more immediate technical objectives and those that have sought to highlight concerns related to cross-cutting issues and ADC policy objectives. Empirical findings have been comprised of the following:

- The evaluation analysed strategic and policy documents with the intention of understanding if and how these strategies and policies framed intended ADC priorities. This has been triangulated with reviews of various reports and evaluations in order to understand the processes and results that have been on-going during the strategy period.
- The views of Albanian stakeholders (governmental and non-governmental) have been collected through interviews and an online survey. Austrian Government and non-governmental stakeholders have also been interviewed, including relevant ADC personnel and project implementers.
- The evaluation has made use of projects funded during the timeframe of the Country Strategy as a window to understand the Country Strategy and its results, specifically in relation to analysis of the three priority thematic areas. Projects were analysed to understand their contribution to overall strategic results, while also assessing their relevance and strategic effectiveness in relation to the cross-cutting issues.

As noted above, a theory of change workshop was undertaken to test and revise the reconstructed ADC Albania theory of change. This workshop engaged a wide range of key Albania-focused ADC personnel. The workshop explored the details of the theory of change and the documentation from which it has been developed. During the workshop, the team focused on understanding the situation which existed during the formulation of the Country Strategy (and how these have changed); how the context at the outset influenced strategic decisions regarding the content of the portfolio and priorities. Based on this the workshop explored how the context that prevailed when the Country Strategy was being developed informed ideas about the “change pathways” and the strategic intent of the Country Strategy. ADC’s cross-cutting areas of social inclusion, gender equality, environment and climate change and the application of a human-rights-based approach were analysed regarding how they influenced project design, priorities, modality choice and overall processes.

A particular focus has been on representatives of duty bearer institutions in Albania. The choice of these stakeholders has emphasised those that have been instrumental in the Country Strategy’s formulation and are Austria’s key partners in the Country Strategy implementation. They have thus provided insights on a range of aspects of the evaluation questions, and provided inputs into strategic, forward-looking aspects of future Austrian engagement in Albania.

Other groups interviewed included:

- Representatives of relevant Austrian Government ministries and agencies with relation to the functioning of the Whole of Government Approach (WGA) and the Inter-Ministerial Council
- Representatives of relevant Austrian civil society organisations

- Implementing partners of ADC funded projects to understand the contribution of their work to the Country Strategy, the contribution of their work to Albanian priorities and reflections, as appropriate, on shifts in context and thematic priorities and on cross-cutting issues/priorities. As part of this, recipients of the Small Project Fund were invited to participate in four focus group discussions

These stakeholders provided a depth of understanding of the Country Strategy in relation to changes in the Albanian and regional context, shifts in priorities for Albania as a country and in the context of ADC’s engagement with the country. They have also described the results of ADC-funded projects against the Country Strategy based on their breadth of understanding of the relationship between the Country Strategy and the actual projects funded through and implemented as a result of the Country Strategy.

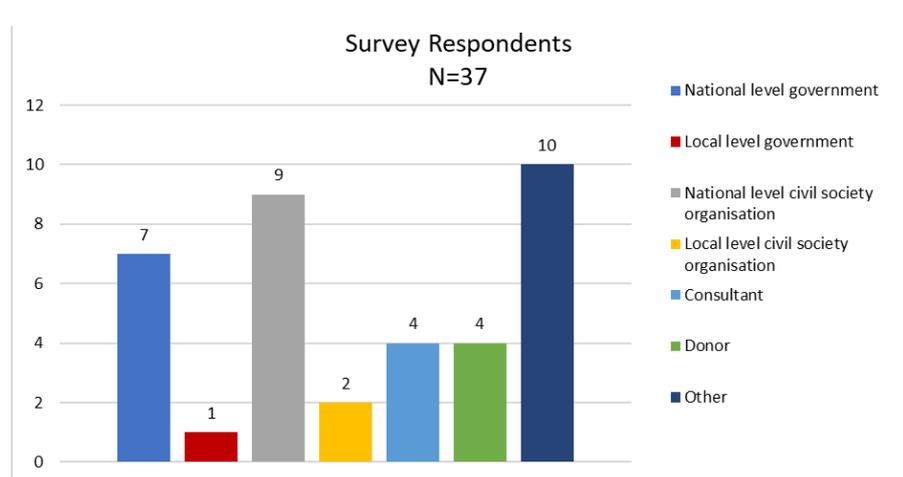
In addition, a limited number of knowledgeable outside observers were interviewed in order to provide comments on and insights to the Country Strategy. These discussions emphasised the relevance and effectiveness of funded initiatives, as well as on questions of complementarity. This group includes representatives of non-stakeholder civil society organisations and other knowledgeable Albanian actors, representatives of other donor agencies, as well as the relevant, knowledgeable representative(s) of the EU.

The scope, time and resources of the evaluation, together with the limitations related to the COVID-19 situation, prevented opportunities to interview the ultimate beneficiaries of the projects analysed. With some exceptions (the Small Project Fund, projects directly engaged in improving public services), it was also judged that the upstream nature of the capacity development initiatives that dominate the ADC portfolio has meant that impacts on rights-holders are not likely to have been achieved during the period of the Country Strategy. Efforts were undertaken to interview a number of duty-bearers who have directly benefited from projects, but even here there were some notable gaps, especially in local government where outcomes from initiatives related to e.g., gender responsive budgeting could be expected to be emerging.

An online survey (see Appendix 7) primarily using multiple choice questions was undertaken, implemented through SurveyMonkey with 37 respondents (out of 96 contacted). The survey focused on perceptions of relevance and effectiveness. A Likert scale of three points of agreement/disagreement, plus options for no opinion and not aware was used. Responses revealed what the Evaluation perceives to have been a degree of confirmation bias, as well as fairly narrow awareness of ADC’s work in Albania. The Evaluation expected that awareness would be limited, which is why the three point rating scale was deemed appropriate. The gender ratio was 57/43% female/male respondents who were all involved in project implementation. There was some overlap between the interviewees and survey respondents as 45 of those invited to participate in the survey had also been part of the interviews.

Despite three reminders, the survey response was relatively limited, presumably related to the ongoing COVID-19 crisis, but it has contributed to data triangulation and has provided a quantitative overview of perspectives related to relevance, coherence and complementarity. A number of open-ended questions provided an opportunity for respondents to contribute further feedback to the evaluation. A case

Figure 4: Survey respondents



study has been prepared on Integrated Water Resource Management (IWRM). This case study (see Appendix 3) entailed an additional deeper focus on how cross-cutting issues underpinning the Country Strategy play out in the Integrated Water Resource Management theme. The choice of IWRM for this in-depth exploration was informed by the following considerations:

- The portfolio of projects in this priority theme represents 45 percent of the overall financial envelope of ADC in Albania; it is the biggest share of the three priority areas.
- IWRM is an area of considerable technical expertise and strong cooperation track record for ADC.
- In projects with a very clear technical focus, implementing partners find it often challenging to incorporate cross-cutting issues, such as social inclusion and gender equality. The case study in the IWRM lends itself to exploring to what extent implementing partners recognise, and have capacities and skills to integrate these policy concerns into their projects; what guidance, incentives and support they receive during planning and implementation; what results have been achieved; and what can be learned from this experience.

3.3 Risks, mitigation strategies and limitations

The evaluation process was delayed due to several factors including reorganisation of the Evaluation Team. In November 2019 and March 2020, the evaluation was further delayed by the earthquake and COVID -19 which led to the cancellation of a planned second field visit by the evaluators, and subsequent need to conduct a considerable proportion of interviews online. Ultimately the range and quality of interviews that were conducted online were seen to be acceptable. Nonetheless, the response to request for interviews and to the online survey among Albanian public agencies were somewhat less than what would have been expected otherwise due to these disruptions. Also, an unfortunate effect of the cancellation of the second field visit was that the evaluation was unable to gather data from local government authorities (which was initially planned for) and therefore the data on impact among these operational beneficiaries has been very limited. It was also not possible to interview rights-holders who were expected to have benefited from ADC interventions.

Due in part to the difficulties noted above which impacted on access to interlocutors (and in part to the varied quality of the project documentation made available) the depth of analyses in the sample of projects ultimately varied considerably. This generally relates to the challenges that inevitably arise in achieving a high degree of triangulation in data collection across a large range of projects in evaluating a country strategy. Annex 1 includes explanations regarding the triangulation used and achieved.

Despite these delays and difficulties, the evaluation has been completed in time to contribute to the planning of the next Country Strategy and a possibly advantage of these delays has been the ability to better frame the analysis within current contextual changes, most notably the progress in the EU accession process, and also in relation to the rapidly evolving trajectories within the portfolio, i.e., the increasing focus on third-party financed projects.

A central challenge that the evaluation faced was that the large majority of interviewees (except for ADC staff and representatives) had only a vague awareness of ADC's overall work in Albania. They had very little awareness or engagement in the theories of change that guide the Country Strategy objectives. In particular, there was little awareness of Country Strategy policy objectives and commitments in relation to cross-cutting issues. Many were only aware of the three thematic priority areas in the Country Strategy, or even just the theme or project they were engaged in themselves. ADC's relatively small footprint and small projects made it difficult to assess relevance, effectiveness and impact in relation to ambitious theories of change.

The Evaluation recognised that this was both a challenge, and also a finding in the evaluation regarding the lack of broad ownership of what was for most seen to be an "Austrian" (rather

than Albanian-led) strategy. These factors, together with a somewhat fragmented portfolio, has made it difficult to “connect the dots”.

Another major challenge faced was that there were significant shifts in the portfolio towards third-party funding that were emerging at the end of this evaluation timeframe. This has meant that analysis of earlier experience may be no longer relevant for judging the role and added value of ADC when modalities and decision-making factors and pressures were shifting significantly. This was mitigated in the evaluation by adopting a formative approach of engaging interviewees in reflecting on lessons from the current work for the rapidly evolving *de facto* portfolio. This approach has been essential to maintain relevance for future planning.

The Evaluation encountered a moderate degree of confirmation bias, particularly in some of the survey responses. Interlocutors were generally positive in their judgements regarding ADC support, which could be interpreted as related to their desire for continued support, but they also displayed a high degree of openness and self-reflection when discussing their results and the challenges that they face in relation to the political economy of Albanian development and EU accession.

COVID-19 related constraints resulted in the cancellation of the planned second field visit. It would also appear that this may have been a contributing factor in the relatively poor survey response. Online interviews were successful though, with interlocutors displaying a constructive readiness to participate in the evaluation during a difficult period.

Finally, the Evaluation has recognised that many of the issues raised with regard to how programming has evolved in relation to gender, social inclusion and human rights objectives are inevitably framed by how these objectives are perceived within the Albanian cultural and political context. It has been beyond the scope of this evaluation to delve deeply into the implications of cultural and political factors in the analyses, but the Evaluation has striven to draw attention to these aspects in instances where appropriate and where evidence has been available.

4 Findings

The findings presented here have all been triangulated as described in section 3.2 above. Full description of the data sources used can be found in Appendix 1, and descriptions of the different theories of change applied can be found in Appendix 4.

4.1 Relevance and coherence

4.1.1 Contextual relevance in relation to needs in the context of EU accession

EQ 1

To what extent does the strategy and its intended results take into account and respond to the specific context in the partner country, particularly Albania's accession process to the European Union, and the demands of the target population, including the most vulnerable/marginalized?

Finding 1: The Country Strategy is relevant to context and needs, but it provides insufficient analyses of how policies impinge on meeting the demands of the most marginalised. This weakens its relevance for prioritisation among those needs. This is due to the Country Strategy being interpreted as being primarily a statement of the priority thematic areas that can be supported. There is a technical bias that sometimes limits attention to the factors in the political and administrative context that dictate whether approaches to reaching the most vulnerable are relevant and achievable.

An overarching finding of this evaluation has been that, among those stakeholders who are familiar with the Country Strategy (i.e., primarily ADC staff and representatives), it is primarily seen as a statement of themes to be in focus and their relevance. These thematic areas are reflected in Albanian government priorities.³⁷ However, other ADC policy objectives related to reaching the most vulnerable/marginalised are given less attention. This emphasis on themes, rather than policies, is related to the limited context analysis in the Country Strategy, which is mostly silent on underlying political economy dynamics and social norms in Albania, both of which impinge on prospects for, e.g., applying a Human Rights-Based Approach and “leaving no one behind”. The Country Strategy also provides limited guidance for understanding the nature of poverty, exclusion and vulnerability of the respective target groups, factors that particularly affect relevance of programming to target populations. The Country Strategy has provided little guidance for prioritisation based on relevance for the demands of the target population among multiple potential areas of engagement and sequencing of initiatives.

Furthermore, the Country Strategy reflects an analytical “baseline snapshot” from the period in 2014 when it was being formulated. During the implementation period the Albania political context, the accession process, and opportunities to address human rights and social inclusion have changed, as have Austrian priorities (e.g., the growing focus on migration and climate change). The evaluation finds that its objectives remain largely relevant, but that specific Austrian and Albanian priorities have shifted somewhat. An example of the response to these trends is the recent plan to pursue support from the Green Climate Fund.

Furthermore, interviews clearly indicate that the Albanian government selects projects it wants ADC to support based on alignment with the three thematic priorities, rather than on ADC thematic or cross-cutting policies. This has meant that the projects are often thematically relevant but are weak for achieving policy objectives. This approach also tends to encourage a more technical focus and approach, which appear to be out of sync with ADC good governance policies

³⁷ Republic of Albania, Council of Ministers. *National Strategy for Development and Integration (NSDI) 2014-2020*

that stress a shift from administrative efficiency to human rights-related principles of democracy, rule of law and participation.³⁸

The Country Strategy is largely interpreted by both Government of Albania and some ADC interviewees as an instruction for which themes and projects can be supported. This has resulted in less attention to policy issues. The factors related to relevance are somewhat different in the three priority thematic areas.

The Good Governance priority area poses particular challenges in terms of prioritisation for three main reasons:

First, as elaborated in considerable detail in a recent ADC commissioned Good Governance Strategic Evaluation³⁹, governance is not a single sector but rather a concept, or “meta-theme” covering a system of distinct sectors and government functions that do not necessarily intersect at even “higher” outcome levels. Lack of secondary selection criteria (i.e., ADC cross-cutting policies, and/or considerations of synergies with other interventions) has resulted in a portfolio that, while relevant to country needs and demands, does not have a clear direction. The recent governance evaluation contrasted the relatively fragmented Albania approach to the more coherent Uganda portfolio that was also analysed.

Secondly, when governance is interpreted more narrowly in terms of building formal systems, the emphasis is by definition on institutional and human capacity development of duty-bearers over support to rights-holders. ADC good governance policy calls for a shift away from a focus on institutional efficiency and towards these goals of democratic participation.⁴⁰ As will be discussed further below, such an approach has undermined other ADC policy objectives, including HRBA. The evaluation cannot verifiably confirm whether or not this emphasis on duty-bearers has had unintended negative effects on rights-holders, but a failure to enable the voice of rights-holders carries with it inevitable risks in this regard, particularly in Albania where there are increasing concerns about democratic deficits

Thirdly, the technical focus of individual projects has led to missing the (shifting) political and social context that can overshadow technical results. Various interviewees expressed concerns that “authoritarian winds are blowing” pointing to the erosion of fundamental human rights and freedoms,⁴¹ which appear to have been overlooked in implementation of the Country Strategy due to a focus on the technical “nuts and bolts” of different projects. Many of the most important or pressing issues facing Albanian governance have therefore been overlooked. One survey respondent highlighted this concern and suggested that “International development initiatives (ADA included) should identify alternative channels & vectors to bypass the captured state.”

There are differing views among various stakeholders regarding whether Integrated Water Resource Management (IWRM) is expected to be limited to being a technical/capacity development input, or if it is intended to be what one interviewee described as a “soft policy” issue, i.e., nudging the Albanian government towards greater concern for the environment, climate, and equitable access to clean water. The European Union Support to Integrated Water Management (EUSIWM) programme (IPA2016) is a clear example of this contrast, wherein some stakeholders see it as a potential entry point to mainstream concerns about gender equity in the management of water resources, whereas others see it as a very specific technical input to enable fledgling

³⁸ Federal Ministry for European and International Affairs Directorate-General for Development Cooperation (2006, reprint 2011). *Good Governance: Policy Document*

³⁹ Syspous (2020). *Strategic Evaluation of the ADC Engagement on Good Governance (2007–2017)*. 03/2020.

⁴⁰ Federal Ministry for European and International Affairs Directorate-General for Development Cooperation (2006, reprint 2011). *Good Governance: Policy Document*.

⁴¹ For instance, recent threats to freedom of expression through proposed anti-defamation legislation. Please see Council of Europe Commissioner for Human Rights statement at <https://www.coe.int/en/web/commissioner/-/commissioner-urges-albania-s-parliament-to-review-bills-which-restrict-freedom-of-expression>

Albanian institutions to align, transpose and implement the EU Acquis for the water sector⁴² in the form of river basin management plans. Consequently, some stakeholders prefer to focus on the technical and capacity development tasks *within* a given IWRM intervention, whereas others highlight plausible impacts when those capacities and institutional reforms are *utilised* in the future. It can be noted here, that even if positive future impacts are plausible, prevailing power imbalanced in Albanian society would suggest that these river basin planning processes may be “captured” by elites and thereby undermine equity and environmental sustainability.

This can be contrasted with the other, much smaller IWRM project reviewed in the evaluation for identifying the needs in so-called “white areas” relating to water supply in isolated rural areas, one survey respondent stressed its importance for the Government of Albania to have this database for stakeholders of the sector to prioritise more inclusive future investments in the sector. As such, this narrow input could be seen as relevant contribution towards broader policy aims and ultimately increased equity.

The Vocational Education and Training (VET) thematic portfolio corresponds strongly to the National Employment and Skills Strategy, 2014 - 2020 (NESS) objectives pertaining to “increasing decent work opportunities through efficient labour market policies; offering quality vocational education and training for youth and adults; promoting social inclusion and cohesion; strengthening the labour market and qualification system.”⁴³ ADC’s VET programming has focused on improvement of VET quality through supporting improvement of curricula standards and teachers’ delivery skills/capacity in VET schools. This has drawn on earlier experience in Albania. Interviews indicated that intended implementation of a “work-based” Austrian model was seen as relevant, but difficult due to limited scale of investment and difficulties anchoring these approaches within Albanian institutional norms.

VET is a positive example of how technical inputs can be related to policy change as both Austrian and Albanian actors have more consistently emphasised intentions in a way that highlights policy objectives. Interviews consistently emphasised the importance of employment, particularly as Albania has a very high proportion of youth “Not in Employment, Education and Training” (NEETs),⁴⁴ that was at 26.5% in 2018,⁴⁵ which suggests a considerable share of inactive youth.

There are tendencies to sometimes accept a disconnect between technical project objectives and overall commitments to addressing the needs and demands of target groups. This can detract from analysis of how projects can be made relevant in relation to the social, political and economic conditions Albania. Where these technical goals have a clear direct relevance for the demands of target populations, this is not necessarily a problem.

FINDING 2: The Country Strategy is relevant to the EU accession process in terms of alignment with the technical priorities, but implications for prioritisation to achieve ADC policy objectives are unclear.

An overwhelming proportion of survey respondents stated that ADC’s support to Albania is very relevant to the EU accession process (see figure 5).

Despite modest inputs, interviews consistently indicate that ADC is perceived as being well positioned to use expertise to contribute to EU accession by technical contributions to the EU roadmap for pursuing formal institutional and legislative alignment with the EU standards, with good governance programming contributing most directly in this respect, notably in connection

⁴² European Commission (2000). *Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy*

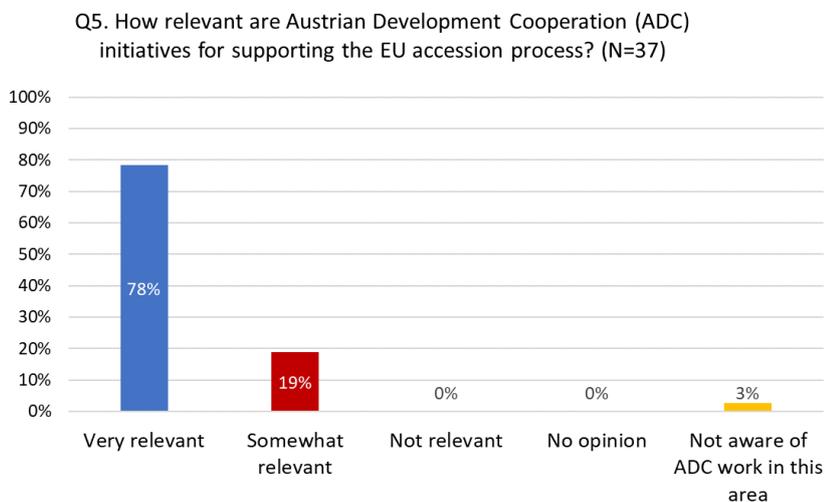
⁴³ Government of Albania, Ministry of Social Welfare and Youth (2014). *National Employment and Skills Strategy 2014-2020*. Available at: https://www.financa.gov.al/wp-content/uploads/2018/09/NESS-ENG-8-1-15_final-version.pdf p.9

⁴⁴ Republic of Albania Institute of Statistics (INSAT) (2015). *Youth in Albania: Challenges in Changing Times*

⁴⁵ Thomas, Stefan (2019). *Policies for human capital development: Albania – An ETF Torino Process Assessment*, p.36

with fostering broad commitments to the EU Gender acquis. However, the EU’s technical approach has focused on developing capacities of duty-bearers to the detriment of support to rights-holders, which distracts attention from HRBA.

Figure 5: Relevance of ADC’s initiatives for supporting the EU accessions process



Several small-scale ADC interventions are deeply appreciated by Albanian government stakeholders interviewed for filling a gap on the margins of broader governance reform processes (e.g., Support and Expansion of the Albanian Treasury System (SETS) as part of broader public financial management (PFM) reform in line with, among others, EU Acquis Chapters 32 and 33, or Justice Without Delay contribution to judicial reform in line with Chapter 23). However, the validity of the theory of change for achieving substantive results in good governance is uncertain, due to the

fact that the contributions are limited and dispersed over several unrelated sectors. For example, PFM and judicial reform have no points of intersection.

Nonetheless, Austrian expertise and respect as an independent and constructive partner positions ADC to play a very significant role. Austrian participation in judicial vetting process through the International Monitoring Operation (IMO) stands out as a contrasting example of engagement that contributes to the very essence of the judicial reform process.⁴⁶ This has been recognised and emphasised in reporting by the Coordination Office.⁴⁷

In 2020, with the EU accession methodology having shifted toward a more intense pace (with “clustering” of chapters), Albanian government interviewees were focused on the capacity challenges this implies due to the urgent need to “deliver” on even more distinct thematic issues than previously. However, the European Commission has noted that “[r]ule of law will become even more central in the accession negotiations”, as well as “[m]ore decisive measures sanctioning any serious or prolonged stagnation or even backsliding.”⁴⁸ The redesigned accession process may thereby offer further guidance on prioritisation among various governance objectives, which may in turn help to better position ADC’s relatively small, dispersed contributions within these broader reform processes.

Various informants stressed the importance (and difficulties) in the EU negotiation process related to “delivering” on the Chapter 27 standards on Environment and Climate Change. As will be described further below, the narrow technical support related to this can be perceived as problematic in relation to relevance for ADC and EU policies related to cross-cutting issues and long-range climate change adaptation processes (e.g., adaptation based on a shift in natural resource management towards the provision of ecosystem services). Nonetheless, the relevance

⁴⁶ The judicial vetting process is the first of five reforms highlighted by the European Commission in the 2020 Update on the Republic of Albania. Please see European Commission (2020). *Commission Staff Working Document. Update on the Republic of Albania. SWD (2020) 46 final. Brussels, 2.3.2020*, p. 2. Available at <https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/update-on-the-republic-of-albania.pdf>

⁴⁷ “The successful institutional framework set up with international supervision and guidance for the vetting process in Albania, could be viewed as a role model for neighbouring countries.” Austrian Development Agency, Coordination Office Tirana (2018) *Semiannual Strategic Implementation Report, Coordination Office Tirana, Reporting Period: July – December 2018*, p.4

⁴⁸ European Commission (2020). *Revised enlargement methodology: Questions and Answers*. https://ec.europa.eu/commission/presscorner/detail/en/qanda_20_182

in relation to “delivering” on the technical standards in the EU Water Directive required for EU accession is unquestioned.

ADC is a very small actor in VET, but those who were familiar with Austria’s work found it highly relevant to EU accession aims. One survey respondent stated that, “The ADA project in the tourism and hospitality sector (Al- Tour) directly supports the implementation of the National Employment and Skills Strategy / the Ministry of Finance and Economy / to reach the indicators set. The reforms in these fields (employment and VET) directly support the EU accession process and reaching of its indicators was a precondition for the EU budget support.”

Lessons learnt:

In order to ensure policy relevance, it is not sufficient to select relevant themes in a Country Strategy based on broad assumptions regarding ultimate future contributions to addressing the needs of rights-holders.

The changing EU accession process and the volatility in Albanian institutions are both signals that theories of change for achievement of policy objectives require regular reassessment.

4.1.2 Policy relevance

EQ 2

To what extent is the strategy coherent with other ADC strategic documents relevant to Albania, how is coherence being monitored and how are discrepancies being addressed?

FINDING 3: The Country Strategy document itself is largely coherent with ADC policy documents (albeit lacking in detail). Strategic coherence with policy documents is largely addressed in the design and/or implementation phases of projects that have already been selected based on their alignment with the thematic priority areas, but the coherence of the thematic portfolios with these policies is not being sufficiently monitored.

Projects, largely proposed by the Government of Albania or seen to have strong potential for generating third-party funding, are prioritised based on alignment with themes, more than whether they will make a significant and direct contribution to the objectives in ADC thematic and cross-cutting policy documents. The tendency to primarily assess strategic alignment based on relevance to the three themes is aggravated by the lack of specific policy focus in the Country Strategy. One interviewee stated that the “Strategy was the framework to be used whenever we decided on new projects. [However, it is] weak in that strategy not so focused, so [it is] hard to use as a tool for assessing alignment.” This is notably at odds with commitments to Policy Coherence for Development that were emphasised in the Country Strategy and the response to the OECD peer review conducted in 2014.⁴⁹

Attention to policy objectives in implementing the Country Strategy is largely addressed through relatively superficial “tagging”. This appears to be related to the limits of the Environmental, Gender and Social Impact Management (EGSIM) tool, wherein adherence to policy is expected to be supported by Vienna-based technical advisors and local contextual analysis.⁵⁰ This is a recognised need, but capacities for this multidimensional monitoring are inadequate. In the view of the Evaluation this tagging is thus insufficient to monitor and address strategic internal coherence between policies and the selection and design of projects, nor with regard to external coherence between the projects and the overall landscape of Albanian policy reform and other donor contributions. An interviewee stated “Social inclusion? We don’t have a system like for gender where there are OECD markers. We tag all projects with issues related to e.g., target groups, people with disabilities, working with migrant children... We use tags for reports that we prepare for EU, UN, OECD.” It is notable that the OECD Austrian Peer Review has applauded the

⁴⁹ Federal Austrian Ministry for Integration, Europe and International Affairs (2014). *Peer Review of Austria Memorandum 2014*, 04/2014.

⁵⁰ Austrian Development Cooperation (2019). *Evaluation: Environmental and Social Impact Management at ADA, Vol 1-Main Report*

introduction of gender markers, while emphasising the importance of ADC becoming better at mobilising human resources to apply these in a comprehensive manner.

There are insufficient mechanisms to ensure that policy intentions, as stated in the Country Strategy, are subsequently monitored within thematic portfolios. Attention to ensuring internal policy coherence varies according to the cross-cutting issue being addressed, with gender being given more attention than other policies since (a) it is seen as being well defined, (b) it is an area where steps can be taken to adjust (or even retrofit) project designs to be more relevant, and (c) it is recognised as a core ADC priority.

Some other policies (most notably HRBA⁵¹) are seen as too abstract to attempt to enforce compliance and are addressed in a very limited way and, as one interviewee stated, “whenever it makes sense”. Compliance with HRBA is not required. The human rights policy actually acknowledges this challenge stating “The distinction between human rights and development agendas is becoming increasingly blurred. And yet there remains a discrepancy between the rhetorical acceptance of these close links and the practical implementation and observance of human rights.”⁵² The Evaluation hypothesises (but cannot confirm) that this implementation gap is to a significant extent due to an organisational culture within ADC that places emphasis on achieving output level results, and which supersedes attention to policy relevance.

Finally, even though systems are ostensibly in place and commitments are strong, capacities to monitor and promote stronger policy alignment from the ADC Coordination Office in Tirana and ADA Vienna are extremely over-stretched. One staff member stated that “We just look at activities. When the projects are evaluated, they may look at this... We don’t evaluate at strategic level. We don’t have capacity and methodology to do that.”

The extent to which policy compliance is monitored and enforced as part of design and implementation varies according to whether the policy is sufficiently clear and perceived as a priority, but it is generally insufficient.

EQ 3

How relevant are the projects implemented to the Strategy in terms of objectives and results? And what potential options for improvement exist?

FINDING 4: The objectives of the Country Strategy are highly relevant in relation to achieving results at project level. These are hypothetically aligned with ADC policies, but the theories of change have a “missing middle” regarding how these direct results are expected to actually lead to long-term impacts.

The capacity development efforts emphasised in the Country Strategy have objectives that are potentially and hypothetically relevant for achieving policy objectives. However, in most cases they are insufficiently anchored in a realistic theory of change regarding how the capacity development efforts at project level will ultimately lead to impact at higher level on gender equality, social inclusion, respect for human rights and adaptation to climate change. An indicator of the “missing middle” has been that few if any of the highly ambitious SDG related results indicators for the Country Strategy⁵³ have been achieved. Virtually all of these indicators reflect theories of change wherein modest ADC capacity development outputs are expected to lead to large, often national-level outcomes and impacts. The

⁵¹ It can also be noted that the policy for human rights is from 2006, and it may not be prominent in the considerations of all stakeholders as a result, see Federal Ministry for European and International Affairs, Directorate-General for Development Cooperation (2006, reprint 2011). *Policy Document-Human Rights, Federal Ministry for European and International Affairs Directorate-General for Development Cooperation.*

⁵² Federal Ministry for European and International Affairs, Directorate-General for Development Cooperation (2006, reprint 2011). *Policy Document-Human Rights, Federal Ministry for European and International Affairs Directorate-General for Development Cooperation, p.2.*

⁵³ These were presented to the Prime Minister’s Office in a memo from the Coordination Office dated December 4, 2018.

evaluation finds that there has been a failure to critically assess the limits to ADC's sphere of influence in relation to these ambitions, particularly in light of the modest size of ADC support. This has in turn meant that the Country Strategy has provided little guidance for arriving at a realistic prioritisation and sequencing of intended results.

This is exemplified by a general lack of useful and realistic indicators for achievement of these policy objectives, most notably in IWRM where the EUSIWM initial project objective, expected results, target groups and activities made no explicit reference to gender disaggregated goals, environmental concerns or social inclusion.⁵⁴ These issues have been raised as the project has been implemented, but even if these issues are now more frequently acknowledged as ultimate goals, it is not yet clear (to the Evaluation Team, nor to some key project stakeholders interviewed) if or how a bridge will be found from the development of capacities to transpose the technical aspects of the EU Water Acquis to achieving ADC and EU goals related to gender equality, human rights, climate change adaptation or even a "right to water."

Generalisations need to be treated with caution, as relevance varies. Governance projects are dispersed across multiple sectors and governance functions. Although results might reinforce each other only at higher outcome levels, assumptions regarding how this might occur are insufficiently analysed. This carries with it a tendency to detract from policy objectives related to overall democratic participation.⁵⁵ As noted above, there are no immediate points of intersection between initiatives to reform public financial management systems and judicial reform, or between those and the implementation of the EU Gender Acquis or regional development goals. However, within some of those sectors connections appear clear. For instance, the two justice sector projects (Justice Without Delay, which aimed to improve efficiency of court operations, and International Monitoring Operation, which oversees the judicial vetting process), while not mutually-reinforcing, both contribute to different elements of a broader justice sector reform process. Direct support for vulnerable people on one hand, and integrated service delivery efforts that include outreach measures to marginalised communities, on the other, may each contribute to improving the conditions to those target groups over the medium term, but the pathway is not clearly outlined.

A positive example is support to Gender Responsive Budgeting, wherein relevance in bridging the "missing middle" relates to efforts having maintained a strategic focus over time and as Gender Responsive Budgeting has not been subject to the limitations of other initiatives that, in the words of one interviewee, tend to consist of "a bunch of small projects". Commitments to moving from words to action are underpinned by recognition that Gender Responsive Budgeting is enshrined in the Austrian constitution, and as such is clearly seen as a core Austrian commitment.⁵⁶ This has been further underlined by the engagement of Austrian parliamentarians in sharing their experience in Albania. Gender initiatives such as this have been perceived as very relevant for contributing to transformational change.

However, even in this example the extent to which these efforts are likely to contribute to real change at local level (in accordance with the intentions of subsidiarity stressed in the Country Strategy) is unsure given power imbalances in the micro-politics of decentralised administration. This emphasis on power relations and the accountability of duty-bearers is emphasised in the

⁵⁴ Austrian Development Agency, *Project Fact Sheet: 6532-01/2017, EUSIWM / EU Support to Integrated Water Management - OEZA Kofinanzierung*

⁵⁵ Federal Ministry for European and International Affairs Directorate-General for Development Cooperation (2006, reprint 2011) *Good Governance: Policy Document, Federal Ministry for European and International Affairs Directorate-General for Development Cooperation*.

⁵⁶ See Federal Ministry for Europe, Integration and International Affairs, Directorate-General for Development (2017) *Policy Document-Gender Equality and the Empowerment of Women and Girls: Implementing the EU Gender Action Plan II 2016-2020*, Federal Ministry for Europe, Integration and International Affairs Directorate-General for Development, page 6.

Austrian policy on human rights⁵⁷, but a dearth of measures to address these factors was described by one interviewee as a major gap, and can be seen to be a “missing middle” in the theory of change for rolling out Gender Responsive Budgeting at the local level. This is a finding that has been echoed by the European Commission analysis of the challenges ahead in operationalising commitments to Gender Responsive Budgeting.⁵⁸

The limited but “systematic” VET programming generally has a relevant design. However, the small scale and scope of these projects also raises uncertainty regarding if and how higher-level objectives of policy reform will be achieved.

At an abstract level, the strategy is relevant for the needs of the most vulnerable populations, but the selection of projects within the themes are insufficiently sharpened to best contribute to results that reflect their needs. For example, attention to the needs of the Roma and Egyptian populations is relevant in so far as it goes but has been criticised by some as reflecting a “compartmentalisation” that fails to reflect a meta perspective on the nature of power in reproducing social exclusion. There is a similar narrow/incomplete assessment of how projects might impact on the drivers of migration, which is not prompted by poverty alone.⁵⁹ There is a widespread lack of clarity amongst stakeholders in government and donors on how to address migration, which has resulted in limited support. The Inter-agency Policy Management Group (IPMG) on migration and the diaspora has not yet developed an explicit agenda that ADC can respond to. A positive (but very small) example of ADC support in this regard is funding of a study on some target areas of people emigrating based on notifications of unaccompanied minors returning after emigrating illegally. The project provided maps of children by municipalities and assessment of the capacities of municipalities to address the needs of returnees. The approach reflects a broader recognition of the drivers of migration being “the search for an enabling environment that would offer to them the chances to prepare a better future for them and their children.”⁶⁰

Lessons learnt:

The relevance of theories of change for how projects are expected to contribute to policy relevant outcomes is uncertain. In particular, greater relevance would require a shift from the current focus on target groups, to better design of initiatives around strategically important drivers of social inclusion and the power relations that need to be addressed to achieve transformational change.

Some policy documents are insufficiently concrete to ensure an active discourse on their implications for project design and implementation in the Albanian context. The role and capacity of Vienna-based advisors are inadequate to guarantee that project interlocutors are aware of ADC policies and are taking steps to ensure that these policies are reflected in project design and implementation.

⁵⁷ Federal Ministry for European and International Affairs, Directorate-General for Development Cooperation (2006, reprint 2011) *Policy Document-Human Rights, Federal Ministry for European and International Affairs Directorate-General for Development Cooperation*

⁵⁸ European Commission (2019). *Commission Staff Working Document, Albania 2019 Report*, p.28

⁵⁹ One interview highlighted an increase in middle-class migration which, research shows, is motivated more by concerns about access to good education, healthcare, and a poor perception of future prospects in Albania. See for instance, Gedeshi, Ilir & King, Russell. (2018). *New Trends in Potential Migration from Albania*. p. 63, available at: https://www.researchgate.net/publication/331571437_New_Trends_in_Potential_Migration_from_Albania ; or, Cooperation and Development Institute (2016). *Comprehending Albanian migration to Germany in the period 2014 – 2016*. Working Paper “Berlin Process Series” Migration/2/2016. Available at: <http://cdinstitute.eu/web/wp-content/uploads/2017/01/ANGLISHT.pdf>

⁶⁰ Cooperation and Development Institute (2016). *Comprehending Albanian migration to Germany in the period 2014 – 2016*. Working Paper “Berlin Process Series” Migration/2/2016. p. 7. Available at: <http://cdinstitute.eu/web/wp-content/uploads/2017/01/ANGLISHT.pdf>

4.2 Effectiveness

4.2.1 Overview of results

EQ 4

What have been the results achieved within the three priority sectors over the evaluated period? How did the Strategy enable these results? Did any unintended effects occur as a result of the Strategy and its implementation, positive or negative? Any missed opportunities?

FINDING 5: Governance: The Country Strategy has enabled a flexible but rather fragmented process that has led to a range of positive but somewhat inconclusive results.

The good governance portfolio has contributed to advancing reform processes within several distinct governance systems or functions. Interviewees describe major results related to the following:

- Increased capacities and mainstreamed attention to gender responsive budgeting and women's political participation;
- Improved citizens' access to services through one-stop-shops and diminished risks of corruption in service delivery;
- Contributions to justice sector reform, particularly through the International Monitoring Operation (IMO) established to oversee the vetting process of judiciary members;
- Implementation of a key element of an integrated public financial management system related to budget execution;
- Small-scale results from civil society-led social inclusion projects;
- Despite setbacks and delays due to institutional reorganisation, the Regional Development Project has pushed through a policy agenda for regional development.

Along with the achievements, some less-optimal outcomes have also been observed. For example, the social inclusion programmes have missed opportunities to achieve broad results as ownership from local government has been acknowledged to be mixed. One interviewee noted that local government ownership has been stronger when specific target group support benefits the broader population (e.g., Roma support reaching the general population in need).

In another example, while ADC's sustained long-term support to advancing a regional development policy has yielded results, there appear to have been insufficient safeguards to prevent political instrumentalisation of the emerging system. Some interviews revealed concerns that, through clientelistic staffing, the institutional structure for regional development is being exploited to create a patronage-based system to advance the political interests of the governing party. This assertion could not be independently confirmed, however other references to "captured institutions" (in the survey response) and other indications of political corruption lend credibility to such an assertion.

The evaluation finds that the fragmented good governance portfolio⁶¹ has resulted in a significant number of effective results, but the synergies among these outputs feeding into broader systemic outcomes have been limited, to a significant extent due to the broad definition of "governance." Survey results also suggest that ADC programming has missed opportunities to engage on some of the most important governance deficits and reversals. A plurality of survey respondents (42.86%) have indicated that "ADC addresses some important challenges, but others are missing" both in connection with decentralisation/regional development and human rights and fundamental freedoms. One survey respondent noted "less of a strategic governance

⁶¹ The Syspons Good Governance Evaluation characterizes the Albania country portfolio as "a 'potpourri' of different interventions targeting objectives in diverse areas.... [which] makes it challenging to provide an assessment of effectiveness at country level. While individual interventions were effective for the most part against their intended objectives, these objectives were diverse and contributions to GG were thus scattered". Syspons (2020). *Strategic Evaluation of the ADC Engagement on Good Governance (2007–2017)*. 03/2020, p. 50.

approach. An exception is e.g. support to BIRN (investigative journalism and media freedom).“ Indeed, the synchronised support to BIRN Albania country office, in tandem with the BIRN regional hub, stands out as good practice in creating synergies between ADC regional and bilateral investments (see also Finding 11, below).

Overall, ADC good governance programming has yielded significant results but has missed opportunities however to systematically address some important governance challenges, including responding to broader contextual dynamics that risk limiting the positive outcomes of good governance efforts.

FINDING 6: IWRM: The Country Strategy is leading to significant results at output level and contributing to capacity development, but outcomes will rely on actions being taken forward by other actors in the future.

Results in IWRM can primarily be noted in relation to capacity development, as subsequent capital investments are seen to be an area for the Government of Albania and larger donors. Based largely on interview data, the evaluation has identified major ADC financed results as including:

- Crucial support to establish the National Agency of Water Resources Management (AMBU), including enhancing basic management skills and “positioning” in relation to other actors involved in IWRM; important as AMBU may become a key actor in ecosystem services in the future;
- Created an evidence base for possible future Government of Albania efforts to provide better water and sanitation services to the marginalised rural “white areas”;⁶²
- Close institutional engagement has given ADC opportunities to provide support to Albanian institutions to enhance their work in moving towards broader reforms in the dysfunctional, complex and fragmented water sector.

The interventions have been primarily effective in relation to institutional and human resource capacity development, as well as providing a knowledge base that may in the future contribute to achieving outcomes related to strategic policy objectives. The quality of technical assistance provided has, with some exceptions, been described by interviewees as being excellent and well adapted to achieving intended results in the Albanian context.

However, both survey findings and interviews indicate that a significant number of stakeholders do not see ADC as being very effective (yet) in relation to environmental sustainability and climate change. Despite general statements of commitments to the provision of ecosystem services, the Evaluation has not found clear emphasis on results related to the “holistic” approaches linked to poverty reduction and empowerment of women called for in ADC policy.⁶³ Furthermore, there has been a failure to identify and retain a focus on specific aspects of reform in the water sector where there could be direct synergies between these reforms and commitments to achieving results related to gender equality and social inclusion. ADC policy for water programming emphasises a “right to water” perspective, but this is not explicitly apparent in the Albanian portfolio.⁶⁴ This has been aggravated by what some observers perceive to be a tendency to move on to different sub-sectors and initiatives after projects end, which has in turn limited the extent

⁶² SETEC Engineering (2018). *Final Project Report, August 2018, Consulting Services for Identification & Valuation of Water Supply & Sewerage Systems Assets in Defined Villages in Albania.*

⁶³ Federal Ministry for European and International Affairs (2009). *Strategic Guideline on Environment and Development in Austrian Development Policy.*

⁶⁴ “ADC supports a human rights approach according to which access to affordable water supply in sufficient quantity and quality is considered a human right. In practical implementation this means that special efforts must be made to secure basic supply for everyone, to give this task priority and to ensure that the affordability of access to water for all parts of the population is an indispensable criterion.” Federal Ministry for European and International Affairs Directorate-General for Development Cooperation (2009). *Policy Document: Water- Water Supply, Sanitation, Water Resources, Federal Ministry for European and International Affairs, Department for Development Cooperation and Cooperation with Eastern Europe, p.7.*

to which potentially relevant capacity development outputs lead to intended policy-relevant outcomes.

IWRM efforts are largely effective in terms of capacity development outputs, but the lack of continuity and links to wider processes means that effectiveness in relation to intended environmental and “right to water” outcomes remains uncertain.

FINDING 7: VET: The Country Strategy has provided guidance for improving the quality and inclusiveness of VET provision according to labour market needs through the development of “models” that may be scaled up in the future as part of VET reforms.

Despite the very small scale of the projects in the portfolio, ADC VET initiatives have been appreciably effective. Based largely on interview data,⁶⁵ the evaluation has identified major ADC financed results as including:

- Significant contributions to improvement of the VET policy and strengthening the capacities of several relevant VET institutions
- Improved quality and inclusiveness of VET provision in Albanian priority sub-sectors by filling the gap between sub-sector/labour market needs and the quality of the labour force, thus contributing to specific sector growth and overall economic benefits
- Limited but positive results regarding social protection and targeting of issues related to migration

ADC is a relatively small actor in VET (in comparison to larger Swiss and German, and in the future probable EU support), but can be described as “punching above its weight” in terms of results. Of the three themes, survey results indicate that ADC is perceived to be most focused and effective in its VET work, particularly as related to its adaptation to labour market demands and promotion of inclusion (see Figure 6). This is striking considering that it is the smallest theme in financial investment terms.

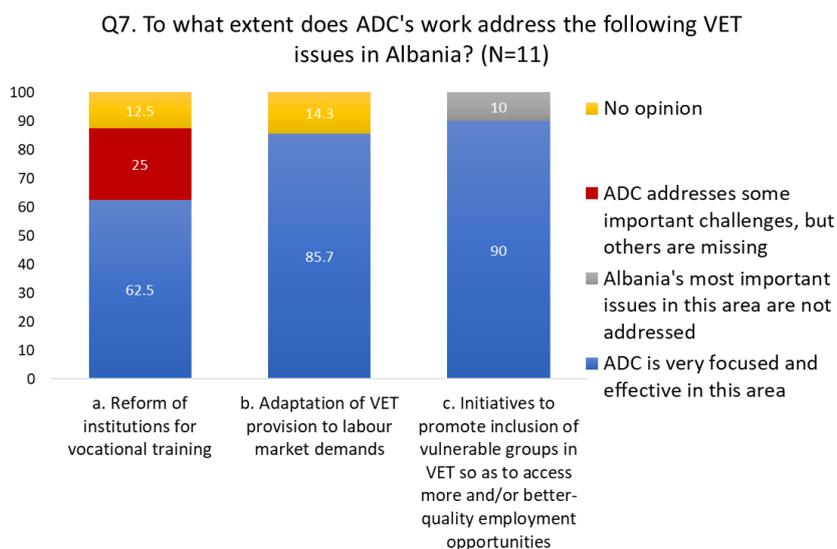
This respect for ADC’s work appears to be due to Austria’s consistent and systematic approach, as well as its reputation and skills that are seen as highly relevant. Owing to these factors, small VET outputs are described by informants as making notable contributions to institutional outcomes –even if significant impacts on target populations, employment and migration patterns are not possible to assess. Efforts by ADC and other funders have contributed to the attractiveness of VET, with twenty percent attending this training, an increase from thirteen percent six years ago.

ADC financed projects have focused on sectors of high importance for Albanian economic growth, such as agriculture (Agricultural school), tourism (AI Tour, SEED 2), textiles and manufacturing (Dual Training Projects) and business service outsourcing (ICT) by responding to the gap between increasing labour market demand and weak employment skills. The tourism sector was (until the COVID-19 crisis and the earthquake) the fastest growing sector in Albania. with 4.4 percent contribution in GDP growth in 2018. Sectoral growth is estimated to reach 28.9 percent in 2028⁶⁶ based on investments and expansion of tourist season estimations.

⁶⁵ Also see TripleMinds Consultancy Network (2019). *Final Report for “Mid-term evaluation of the project AI-Tour: Supporting Quality and Access to Tourism Education and Training*, 15.03.2019.

⁶⁶ See News Business Intelligence for Southeast Europe (04.04.2018). *Tourism direct contribution to Albania’s GDP to grow to 9.3% by 2028 – W TTC*. Available at: <https://seenews.com/news/tourism-direct-contribution-to-albanias-gdp-to-grow-to-93-by-2028-wttc-607756>

Figure 6: Extent to which ADC's work addresses following VET issues in Albania



Although the number of vulnerable people certified by VET Programme has increased, in a wider perspective the outreach to vulnerable people from rural areas is limited. The approaches may prove effective, but achievements at scale would require more in-depth contextual analysis of local socio-economic factors to identify obstacles and opportunities. Furthermore, local government is a key actor in scaling-up and sustainability of VET initiatives.

Despite being integrated in project activities, interviews suggest that the engagement of local government has received insufficient attention in the theories of change and programme design.

Although modest in scale and scope, the systematic nature of the VET initiatives and the selection of appropriate niches have led to significant results in relation to the resources invested. More comprehensive results would require larger investment and greater attention to key stakeholders in local government.

FINDING 8: Volatility and unpredictability in the structures and staffing of Albanian public institutions have constituted major obstacles to effectiveness.

Repeated restructuring within Albanian public institutions, sometimes with obscure purposes, has made many actors interviewed sceptical regarding prospects for ADC (and other donor-funded) activities to result in sustainable and transparent outputs and outcomes. This was recognised in a report from the ADA Coordination Office that stated, "Significant changes, partly still ongoing, have brought Albania's governance systems to a crucial juncture. On the one hand, these measures were clearly conceived with EU accession and good governance objectives in mind. On the other hand, the confluence of on-going horizontal (i.e., redesign and functional review of the central apparatus) and vertical (i.e., decentralization, territorial-administrative) governance reforms has introduced significant uncertainties into Albania's overall government structures..."⁶⁷ Examples of the implications of volatility and unpredictability in relation to IWRM include a high degree of uncertainty regarding the future of different government agencies involved with water and climate change. AMBU in particular is recognised as an example of a high risk "bet" in terms of sustainability as it lacks ownership from a line-ministry and as some interviewees were concerned that it may be absorbed into a different institutional structure in the near future.

⁶⁷ Austrian Development Agency, Coordination Office Tirana (2018). *Semi-annual Strategic Implementation Report, Coordination Office Tirana, Reporting Period: July – December 2018*, p.7

Volatility has been aggravated further by frequent changes in staffing of key positions and institutions. While there has been recognition of capacity deficits, there has been limited assessment of the causes of recurrent staff turnover.

ADC is too small to wield significant influence over these tendencies and therefore tends to “roll with the punches”. The evaluation has noted little evidence of reflection on the causes or possible response to these challenges.

The obstacles related to institutional volatility and unpredictability have been long apparent, but this has been treated as a “given” without clear risk mitigation strategies.

Lessons learnt:

Enhanced effectiveness across the three themes would require acceptance that some projects that are yielding results on a narrow level would need to be discontinued to arrive at a more synergetic portfolio and a critical mass of results that can in turn lead to broader outcomes.

The plausibility of much of the theories of change in the portfolio for how capacity development outputs will lead to long-term changes is questionable.

Greater support to civil society and more attention to policy dialogue may provide more viable alternatives when there are indications that institutions may be short-lived and where there are high risks that trained staff may not remain in their current positions.

4.2.2 Effectiveness of funding instruments

EQ 5

Which role have different funding instruments used in Albania played in the achievement of results and overall performance? Which associated advantages and disadvantages can be identified for future decision making in this regard?

FINDING 9: ADC strategy implementation in Albania is moving into a phase where third-party funding is taking centre stage; this raises the risk that efforts to access a greater magnitude of funds may distort decision-making in relation to Country Strategy objectives.

At the time this evaluation was undertaken a major shift was emerging towards a probable dominance of third-party funded projects in the portfolio. As this trajectory has been largely outside of the temporal scope of the evaluation and will only be confirmed in the future, the ability of the Evaluation to analyse the effectiveness of these programmes is limited. Nonetheless, in order to ensure the relevance of this evaluation for future decision-making, it has been judged as important to include a highly formative analysis of these trends.

It is uncertain how adherence to policies will prevail as third-party funding dominates. A recent institutional evaluation of ADA⁶⁸ highlighted strong concerns about the implications of third-party funding for strategic clarity and policy compliance. Interviews with ADC stakeholders about the Albania Country Strategy unequivocally stress that strategic alignment should be paramount, but descriptions of practice suggest that control over strategic direction and priorities is being diminished when other funders gain major influence over programming. This evaluation does not have evidence regarding the relative influence of ADC versus other funders in programmatic decisions, but it is obvious from interviews that this balance is generating anxiety. Recent rejection of a suggestion that ADC manage a civil protection project that was obviously not aligned

⁶⁸ Integrated Consulting (2019). *Institutionelle Evaluierung der Austrian Development Agency (ADA)*. Available at: https://www.bmeia.gv.at/fileadmin/user_upload/Zentrale/Aussenpolitik/Entwicklungszusammenarbeit/Institutionelle_Evaluierung_der_Austrian_Development_Agency_ADA_DE.pdf

with the Country Strategy indicates that it is possible to “say no” to third-party funding, but it is less clear whether there is a similar readiness to reject funding of projects that are thematically aligned, but not entirely relevant in relation to policy goals. A particular implicit concern regarding third-party funding is that it focuses attention on meeting the demands of the donor to the extent that it may distract attention to the capacities and priorities of the Albanian partners to achieve strategic aims.

There are also apprehensions that the Coordination Office is ill-equipped to assume a strong and effective, policy-informed guidance role in large, technical and complex third-party funded projects. Although capacities are being increased, this is judged by the Evaluation to be unlikely to be enough, and the overhead charged on these projects is unlikely to be sufficient to cover the real costs of providing the required in-country engagement. The Coordination Office has sometimes been unprepared for the sudden “arrival” of third-party funded proposals, which further limits their capacity to influence processes to ensure strategic alignment.

Other criticisms relate to third-party funding being difficult to integrate into ADC Country Strategy implementation processes not being “part of the DNA” of ADC (as a donor). Some concerns have been expressed that ADC was moving towards a “GIZ-like” implementor role that would require major changes in approaches and expansion of technical capacities to perform effectively. Delays in the procurement of consultants and start-up of the EUSIWM programme have been cited as evidence of this capacity gap. However, the Evaluation notes that it would be inappropriate to broadly generalise from this single example. New guidelines are being developed for third-party funding which may provide indications for how these challenges are to be addressed in the future.

Third-party financing may contribute significantly to ADC’s capacity to become a larger and more influential/effective actor in Albania, but this may be at the cost of weaker alignment with the Country Strategy and policies.

Lessons learnt:

In order to be effective, it will be important that the new third-party funding guidelines include mechanisms to ensure more proactive attention to compliance with policy objectives. This would include consideration of how to promote relevance, coherence and consistency with ADC’s role in Albanian development cooperation.

FINDING 10: Support to civil society is essential for demonstrating commitments to supporting the voice of rights-holders and raises Austria’s visibility, but there is a risk that high transaction costs may lead to deprioritising these instruments.

The Country Strategy states that “greater attention should be paid to the support of the active participation of civil society...” (p.9). Reporting from the Coordination Office consistently emphasises the importance of civil society in ensuring public accountability, for example in a report that states, “Albanian citizens and civil society organizations are playing increasingly vibrant and energetic roles as whistle blowers, in representing the needs of vulnerable populations, and in social services delivery (particularly in rural areas).”⁶⁹ The Evaluation recognises that the Coordination Office has strong commitments to this aim, but that significant levels of ADC support to active participation of civil society have been difficult to ensure in practice.

Support to civil society emphasises facilitation of modest service delivery inputs through both very small initiatives funded through the Small Project Fund, and moderate sized initiatives funded through the good governance thematic priority area. There has been very limited intentional support to strengthening the institutional capacities and sustainability of civil society organisations per se, or to creating a critical mass wherein civil society could assume a more central role in Albanian development. There is a view among some interviewees, shared by the Evaluation Team, that a more explicit emphasis on a narrower range of objectives in civil society

⁶⁹ Austrian Development Agency, Coordination Office Tirana (2018). *Semi-annual Strategic Implementation Report, Coordination Office Tirana, Reporting Period: July – December 2018*, p.8

support (including a commitment to institutional development) could be a way to regain a somewhat greater strategic focus, even though it is likely to represent a very small and perhaps even shrinking component of the portfolio.

High transaction costs in relation to the size of small grants is widely recognised as a concern for the Coordination Office. However, the Evaluation notes that this is not just a problem for ADC, but also for some recipients/project partners themselves. This is thus an unsatisfactory situation for both sides. Despite these concerns, the Coordination Office perceives that support to civil society in general and the Small Project Fund in particular are essential to maintaining an appropriate profile in Albania.

The Coordination Office faces a conundrum in ring-fencing human resources to continue with civil society support. This is being aggravated when there is large pressure to shift attention to administratively highly demanding third-party funded programmes.

FINDING 11: Regional projects have a relevant but modest role in ADC support to Albania, but with some notable exceptions are generally not perceived by stakeholders to have major importance.

For the most part, interviews indicate that the impacts of regional projects on national reform processes are questionable; also, they are vaguely understood. A key government stakeholder stated that the "Regional focus remains superficial as it is not led by country needs. They are good platforms for sharing and learning, but do not have potential for national impact".

Regional and national projects are recognised as being (potentially) complementary, but there is limited evidence on their synergies. This appears to be due to insufficient clarity regarding the intentions for how synergies are expected to be found between regional and country strategies, something that has been noted globally in the OECD Austrian Peer Review which states "In addition to country strategies, ADC has developed several regional strategies... However, the implementation of these strategies, their links with country strategies, and the extent to which they are used by other stakeholders undertaking ODA-related activities in these regions is ad hoc and does not reflect a systematic approach."⁷⁰ Different country contexts and methodologies have also affected achievement of planned results, notably in efforts to introduce the Austrian model for VET, as each country uses a different methodology.

One example where synergies are taking place is the support to investigative journalism: ADA has funded both the regional Balkan Investigative Report Network (BIRN) Hub as well as the national Albanian BIRN office. They reinforce each other in capacity development and also in terms of protection. They investigate cross-border issues, and as a regional platform, bring national issues to a wider audience. The local organisation has a role in focusing on small national issues that would otherwise go unnoticed. It is one of the few voices raising attention to breaches of human rights.

Regional/ bilateral VET efforts are connected in an effort to build a network of partners through the Education Reform Initiative of South Eastern Europe (ERI SEE). This regional project invites ministries to work together on relevant European developments and trends in education, science and research such as the promotion of "Work-Based Learning and Development of Joint Occupational Standards" in the region. The sub-regional Project "Promoting Inclusive Labour Market Solutions in the Western Balkans" (ILMP) contributed to the institutionalisation of collaborative, multi-stakeholders' practices, tools and methods. ILMP achieved noteworthy results and built a deep interest and the willingness of institutions, the private sector and the civil society to develop inclusive services.

⁷⁰ OECD (2020). *OECD Development Co-operation Peer Reviews: Austria 2020*

Apart from some success stories, regional projects are largely “in the background” in relation to the national portfolio, with insufficient attention given to building synergies between the regional and country portfolio.

4.2.3 Effectiveness in relation to cross-cutting issues

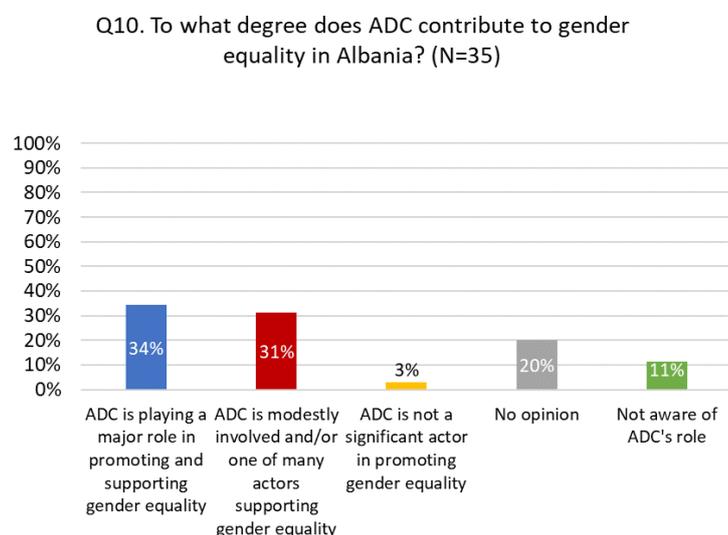
EQ 6

To which extent was ADC’s approach effective in relation to the cross-cutting issues (social inclusion, gender equality and environment/climate change) as well as the human rights-based approach?

FINDING 12: The ADC approach to gender equality has been relatively rigorous and shows potential for turning outputs into outcomes.

Survey results indicate that almost equal proportions of respondents see ADC as either playing a major or modest role in supporting gender equality (see Figure 7).

Figure 7: Degree to which ADC contributes to gender equality in Albania



This may relate to the differing levels of attention to gender equality, which is strong in most projects related to governance and VET, but weaker in IWRM, particularly in EUSIWM.

In interviews opinions were generally positive about ADC’s role in gender equality. The engagement of Austrian parliamentarians in introducing Albanian actors to the Austrian experience with Gender Responsive Budgeting was particularly noted. However, some fears were expressed that these commitments may be waning. One survey respondent stated that “ADC used to be a significant actor, and also very active and articulate in donor coordination on gender equality.

Not any longer. ADC contributed to EU GAP II drafting, supported a programmatic gender mainstreaming project. Then engagement decreased significantly, which is deplorable - statistics and surveys provide strong evidence that it would be much needed, especially in the area of governance.” Gender Responsive Budgeting, supported within the good governance thematic portfolio, is frequently described as ADC’s greatest success, but questions remain about the ultimate impacts, especially in implementation by local government and in terms of confronting issues of power. Some observers have highlighted that profound changes will be required if the outputs of ADC efforts in this area are to lead to desired transformational outcomes.

Within projects, ADC minimum standards and gender markers provide a clear and well-defined set of objectives which, combined with clear commitments from the Coordination Office, have enabled a strong focus and profile. In contrast to the quote in the previous paragraph, another survey respondent stated “ADA has been one of the greatest advocates supporting and promoting gender equality in Albania. Grant schemes designed to address development have to include clear eligibility criteria to properly address gender issues. Also, reforms such as the on in regional development has also to address specifically gender equality in all dimensions.” The VET portfolio clearly reflects mainstreamed attention to gender equality.

Despite progress, achievement of results on gender is described by some interviewees as being hindered by the low understanding amongst (especially local) government and some other stakeholders on the implications of gender mainstreaming. Furthermore, the scope of ADC initiatives has been limited with, e.g., LGBTQI-related issues only being addressed in one project.⁷¹

According to an internal analysis done by UN Women⁷² the following gender equality issues need to be considered in IWRM:

- 1) Human Resources management, with the imbalance being very dominant on the local level
- 2) Gender specific water burden
- 3) Routine and obligatory application of the “Do-no-harm” approach
- 4) Lack of gender analysis and sex-disaggregated data, including provisions for the coherent collection, analysis and use of sex- and age-disaggregated data
- 5) Lack of civic engagement in water management, including gender sensitive consultation mechanisms
- 6) Equitable service delivery
- 7) Lack of skills for gender analysis and gender mainstreaming
- 8) Application of gender responsive budgeting

This suggests a challenging roadmap, and IWRM is seen as difficult area to mainstream gender due to weak commitments among many stakeholders and a choice of projects which are perceived by some as lacking opportunities to address these concerns. One interviewee stated that there were “No real areas where gender would be addressed in the river basin management planning apart from public consultations and it is too early to even judge that as public consultations have not begun.” Reporting related to gender for EUSIWM only emphasises gender balance in staffing and participation in activities.⁷³ Some key stakeholders made clear that in their view, even if gender equality was important, it was not their responsibility to address. Most notably, the EU Water Framework Directive 2000/60/EC is acknowledged by most observers to be gender blind and thus a weak entry point for leveraging attention to gender. This in turn has meant that EU commitments to gender in water are perceived to be mixed and often weak. Furthermore, as there are many women working in IWRM related institutions (primarily in mid- and lower-level positions) this is seen as a sufficient indicator that gender equality has been achieved. There is a general lack of awareness that gendered access and use of water is a “problem”. It does not appear that this has been raised by ADC as an issue with Albanian partners and some advisors in Vienna.

Gender mainstreaming in general, and Gender Responsive Budgeting in particular, constitute a unique and high-profile area of success for ADC in Albania. It is therefore of particular importance to maintain this momentum and apply it to areas where influence has been limited.

FINDING 13: Results related to social inclusion have been modest and, although relevant, they are too small in scope and/or scale to be judged as strategically effective.

Survey results show that stakeholders view ADC initiatives as being very well targeted towards improving the lives of the most vulnerable and marginalised populations in Albania (see Figure 8).

However, the evaluation finds that even if the outputs are appropriate, the level of effectiveness is modest. One survey respondent stated, “In a way, it seems ADC has shied away from focusing

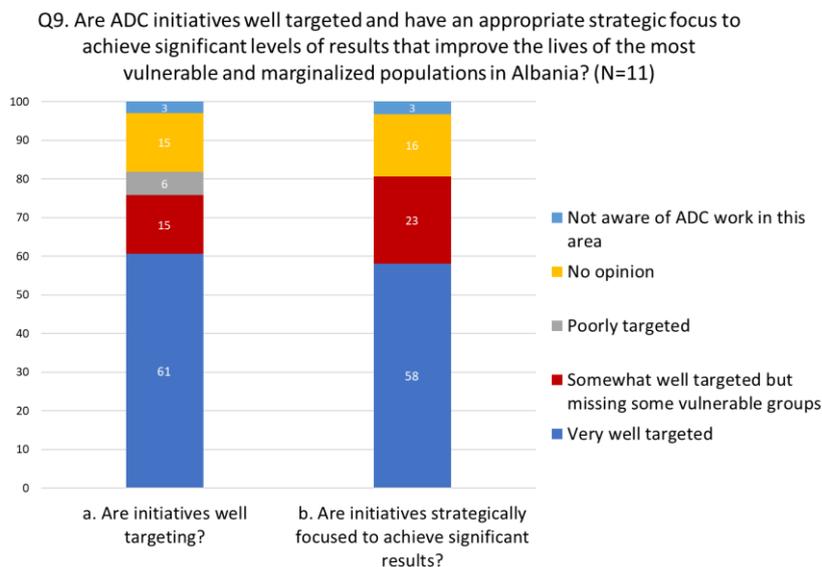
⁷¹ Despite the lack of programmes, the Coordination Office has noted stark concerns about discrimination, see Austrian Development Agency, Coordination Office Tirana (2018) *Semi-annual Strategic Implementation Report, Coordination Office Tirana, Reporting Period: January – June 2018*, p.5.

⁷² Sector Planning Document – Integrated Water Management, Version 12th of June 2015 (internal document), cited in Austrian Development Agency Mission Report, *Identification of Gender Mainstreaming Entry Points, 05/2019*

⁷³ EUSIWM (2020). *2nd Annual Progress Report 1st January – 31st December 2019: “EU Support to Integrated Water Management (EUSIWM) Albania IPA 2016.*

on the most vulnerable and marginalised populations. Focusing on these groups requires addressing power inequalities, and that's inconvenient. Now, with the post-Covid-19 challenges, it is suddenly, it has become legitimate to go back to the basic-needs-approach. But the problems, and the marginalized and disenfranchised population groups were there all the time."

Figure 8: Initiatives considered targeted towards vulnerable population in Albania



Civil society initiatives, together with some components of VET projects⁷⁴ and the integrated service delivery project (ISDA) are described by informants as providing positive contributions to social inclusion. Their scope remains rather limited though, and ADC lacks a clear and substantial role in these areas. Social inclusion largely consists of targeting Roma and Egyptian populations and isolated rural areas, with a modest measure of effectiveness.

The IWRM portfolio is seen by all relevant interviewees as contributing to capacities that may, in the future, lead to equitable access to water for all, but this is only a hypothesis/assumption at this moment and would depend on engagements and commitments from a range of other actors in applying a "no one left behind" lens when rolling out and applying the institutional reforms. Reporting from the EUSIWM programming pays virtually no attention to concerns related to ensuring access to clean water by marginalised or vulnerable populations (apart from passing reference to SDG Goal 6: Ensure access to water and sanitation for all).⁷⁵ The ADC water policy states that ADC should "Ensure that all user groups, including in particular the economically and socially marginalized groups of the population, have adequate and affordable access to drinking water and basic sanitation."⁷⁶ This is reflected in some of the portfolio, but not in the largest programme, EUSIWM.

Despite being referred to as a priority in the Country Strategy, with a few exceptions disability has been almost entirely ignored in the country portfolio. Some interviewees recognised this as a deficiency related to the large scale of investment needed and uncertainties regarding institutional responsibilities that would be required for a meaningful engagement. UNDP and some civil society organisations are taking a lead on greater promotion of disability-related social inclusion, which suggests potential future entry points, particularly in relation to linking social protection and VET for people with disabilities.

FINDING 14: Efforts to mainstream environmental and climate concerns have not yet received sufficient traction or scale to be judged to be effective.

Along with gender equality, ADC has made strong commitments to mainstreaming environmental and climate protection with one policy stating that, "The two cross-cutting issues are **Gender**

⁷⁴ TripleMinds Consultancy Network (2019). *Final Report for "Mid-term evaluation of the project AI-Tour: Supporting Quality and Access to Tourism Education and Training, 03/2019.*
⁷⁵ EUSIWM (2020). *2nd Annual Progress Report 1st January – 31st December 2019: "EU Support to Integrated Water Management (EUSIWM) Albania IPA 2016.*
⁷⁶ Austrian Development Cooperation (2009). *Policy Document: Water- Water Supply, Sanitation, Water Resources, Federal Ministry for European and International Affairs, Department for Development Cooperation and Cooperation with Eastern Europe, p. 11.*

Equality and Environmental and Climate Protection. They must be considered at the strategic level and adhered to by all actors in all programmes and projects over the full project cycle.⁷⁷ This is not yet apparent in the implementation of the Country Strategy.

Environmental sustainability and climate change are treated as a set of thematic/sectoral (rather than cross-cutting) concerns as IWRM is effectively seen as the sole entry point for these initiatives. Central to this, interviewees described their assumptions that IWRM programming will lead to climate adaptation through ecosystem services (perhaps in the future), which also builds on ADC's well respected experiences and commitments in this thematic area. Nonetheless, enhanced ecosystem services are not being directly pursued in current programming and are seen as (at best) an aspirational but indirect outcome that may emerge from river basin planning. Goals related to environment protection and climate change, as stated in the Country Strategy, are recognised by most stakeholders as relevant for Albania, but these goals are somewhat removed from the foci of the current initiatives within IWRM and are therefore likely only be directly addressed in the future (e.g., through plans related to expected support from the Green Climate Fund).

Of notable concern, perceptions vary about the potential to mobilise greater Albanian government commitment and capacity to scale up climate efforts in general. Most interviewees are sceptical of government readiness to invest national resources in the institutional infrastructure required to meet climate change related commitments and lead internationally financed programmes due to institutional dysfunctions and lack of political ownership.

In one exception to this, climate and flood-related disaster risks may receive greater attention by the government in conjunction with renewed overall focus on disaster risk reduction after the earthquake. One survey respondent noted such a potential role "There could be a stronger focus on adaptation to climate change, preparing Albania to better absorb and implement successful adaptation projects and make use of instruments provided by the EU and Global Climate Funds. A strong element should be better preparation in the field of early warning and assessment as well as the use of nature-based solution and the protection or restoration of essential ecosystems (forests) and their role in the provision of ecosystem services (such as the protection of hazards and natural disasters, the protection of forest-fires, the prevention of droughts and floods, reduction of erosion, and the contributions of protected areas to sustainable local and regional development)." In the interplay of humanitarian aid and development cooperation ADC places special emphasis on disaster prevention and risk management, stating "The goal of prevention is to minimize the risk for the affected groups, i.e., their vulnerability towards extreme events. ADC thus seeks to systematically incorporate the idea of prevention in programming. It supports the development of disaster prevention strategies and mitigation plans, preparedness at the institutional level, the development of early-warning systems for disaster-prone areas as well as applied research in this area (for instance, research regarding the consequences of climate change on the ground)."⁷⁸

Within IWRM effectiveness in climate and environmental issues remains a "working hypothesis"; results are plausible but not yet achieved. Austrian and Albanian priorities appear to overlap with regard to responding to climate and flood-related disaster risks. Little attention has been given to mainstreaming these concerns elsewhere in the portfolio.

⁷⁷ Federal Ministry for Europe, Integration and International Affairs, Directorate-General for Development (2017). *Policy Document-Gender Equality and the Empowerment of Women and Girls: Implementing the EU Gender Action Plan II 2016–2020*, p.11, emphasis in original. This "holistic" approach is also reflected in Federal Ministry for European and International Affairs (2009). *Strategic Guideline on Environment and Development in Austrian Development Policy*.

⁷⁸ Federal Ministry for European and International Affairs, Department for Development Cooperation and Cooperation with Eastern Europe (2009). *Policy Document: Water- Water Supply, Sanitation, Water Resources*, p.23. This is further emphasised in the current 3YP, Federal Ministry, Republic of Austria, Europe, Integration and Foreign Affairs, *Working Together. For our World. Three-Year Programme on Austrian Development Policy 2019-2021*. p.12.

FINDING 15: There is little evidence that a concerted approach has been mounted to apply a human rights-based approach, though elements exist in the governance portfolio.

The ADC policy on human rights states that human rights should be addressed at three levels:

- “Human rights as an ADC principle (integration of a human rights perspective): as a normative principle, as a programming principle and as an instrument for evaluating interventions;
- Promotion and protection of human rights as an intervention area: to support programmes or projects focusing on human rights whose main aim is to promote one or more human rights or disadvantaged groups;
- Human rights as a component of political dialogue as part of the programming process and in a multilateral context.”⁷⁹

The evaluation finds that some modest efforts are made to apply HRBA as a normative principle, e.g., in the relatively small proportion of the portfolio directed at disadvantaged groups. From Coordination Office reporting and interviews it also appears (but cannot be confirmed) that it has sometimes been raised in political dialogue, e.g., within the Integrated Policy Management Groups (IPMGs). Where HRBA appears most strongly, it is as part of the integration of gender equality as stressed in the gender equality policy.⁸⁰ The limitations related to HRBA are most notable with regard to supporting the voice of rights-holders (via civil society) to ensure the accountability of duty-bearers and respond to erosion of fundamental freedoms.⁸¹ One survey respondent describes this as follows, “Limited funding dedicated to these issues; remains a bit on the level of supporting civil society organisations on the assumption that civil society in the country ‘will solve the problems’, less of a strategic governance approach...”

VET related social inclusion efforts are small but more implicitly HRBA motivated due to at least modest attention to inclusion, with explicit project goals related to overcoming discrimination in rural areas.⁸² IWRM efforts are less in this respect due to a focus on water supply, economic impact and efficiency of water supply, rather than applying a right to clean water lens.

The Coordination Office is committed to ensuring attention to HRBA but lacks capacities to ensure attention within programming; the Country Strategy provides limited guidance to stakeholders due to the document being seen as too vague.

EGSIM is applied, but apart from ensuring that there is some brief reference to cross-cutting issues in project documents, in interviews it was not referred to as a factor in encouraging overall compliance with HRBA objectives. Time and analytical resources are insufficient for using this tool to leverage greater attention to cross-cutting issues.⁸³

⁷⁹ Federal Ministry for European and International Affairs, Directorate-General for Development Cooperation (2006, reprint 2011). *Policy Document-Human Rights*, Federal Ministry for European and International Affairs Directorate-General for Development Cooperation, p.3

⁸⁰ Federal Ministry for Europe, Integration and International Affairs, Directorate-General for Development (2017). *Policy Document-Gender Equality and the Empowerment of Women and Girls: Implementing the EU Gender Action Plan II 2016–2020*, Federal Ministry for Europe, Integration and International Affairs Directorate-General for Development.

⁸¹ Such as threats to media freedom through proposed anti-defamation legislation. Please see Council of Europe Commissioner for Human Rights Statement (17.12.2019) at <https://www.coe.int/en/web/commissioner/-/commissioner-urges-albania-s-parliament-to-review-bills-which-restrict-freedom-of-expression>.

⁸² TripleMinds Consultancy Network (2019). *Final Report for “Mid-term evaluation of the project AI-Tour: Supporting Quality and Access to Tourism Education and Training*, 15.03.2019.

⁸³ A point noted in a recent evaluation of EGSIM, see Austrian Development Cooperation (May 2015). *Evaluation of Environmental and Social Impact Management at ADA, Evaluation Brief #5*.

Furthermore, partners often perceive that there are “too many things to mainstream.” This is aggravated by varied levels of clarity in intentions and indicators for achieving cross-cutting objectives. One informant stated that “We know what quota to reach on gender. 85% of projects must meet gender marker 1 or 2. With others it depends on the context ‘whenever it makes sense’... It isn’t a must.”

HRBA is needed in Albania, particularly due to the prevailing political situation. ADC has a potential to play a larger role in raising attention to human rights perspectives, but this has yet to be realised.

Lessons learnt:

Greater effectiveness in addressing cross-cutting issues would require (a) follow-up to ensure that progress is maintained as the skills and commitments in gender responsive budgeting are translated into actual budgetary processes at scale, and (b) selection of third-party financed initiatives wherein gender mainstreaming, social inclusion and environmental sustainability constitute a defining feature (not just an “add-on”). Lessons from successful gender mainstreaming efforts could inform adaptation and sharpening of ADC tools and markers for social inclusion, environmental sustainability and HRBA in the Albanian context and perhaps elsewhere.

4.3 Efficiency

4.3.1 Efficiency of ADC institutional structures

EQ 7

How efficiently has the Country Strategy been implemented? Which enabling and hindering factors can be identified in the context? How can related challenges best be addressed in future?

FINDING 16: A major strength in ADC’s work has been the ability of the Coordination Office to maintain a flexible, close and collegial relationship with a large range of stakeholders. The Coordination Office has managed a heterogeneous portfolio with dedication and commitment but is severely overstretched and will need to make difficult prioritisations.

The recent institutional evaluation⁸⁴ describes ADA’s strengths as related to factors including its highly motivated staff, competencies, proximity to partners, established quality assurance routines and good relations with other parts of the Austrian government, private sector and civil society. The evaluation finds that all of those qualities are reflected in ADC’s work in Albania.

Despite these qualities, the staff of the Coordination Office are challenged by a lack of prioritisation in the Country Strategy that has resulted in a large number of thematically distinct and unconnected projects that multiply the relationships with counterparts that the Coordination Office has to maintain to achieve results. The need to manage an overwhelming number and variety of projects limits capacity to promote policy priorities. As a result of these factors there is insufficient capacity to monitor beyond output level. Project evaluations and semi-annual reports are also output focused and are judged by the Evaluation as rather weak with respect to in-depth analyses of outcomes or strategic adherence of impacts.

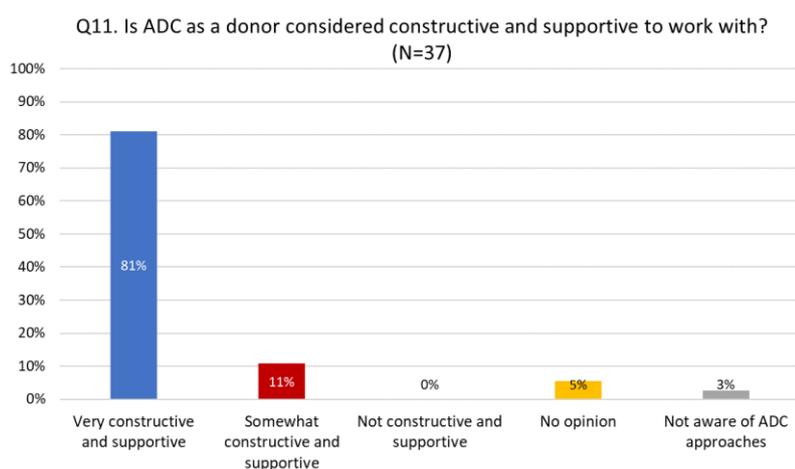
The demands of planning, managing and coordinating current and future third-party funded projects are likely to further overwhelm the capacity of the Coordination Office in the very near future. There is a risk that their role may be reduced to basic administrative tasks at a time

⁸⁴ Integrated Consulting (2019). *Institutionelle Evaluierung der Austrian Development Agency (ADA)*

when their contextual knowledge, strategic relationships and bridging function between Austrian policy formation and Albanian political processes is most essential. It is noted that these challenges are particularly acute due to the rather sudden scale-up of third-party funding in Albania, but that this is a global concern as well, with the institutional evaluation of ADA recommending a major increase in funding to address what appears to be a precipitous decline in staff retention and capacities.⁸⁵

Despite these challenges, and thanks largely to the efforts of the Coordination Office, ADC engagements with partners are seen as flexible and non-bureaucratic. Survey results demonstrate overwhelming respect for ADC’s role as a donor (see figure 9).

Figure 9: ADC as constructive and supportive donor



Collegial relations, together with Austria’s long-standing commitments to Albania and systematic approaches, have meant that Austria is very welcome to “be at the table” in a range of discussions (despite the small size of the portfolio).

The Coordination Office uses its ongoing dialogue in Albania as a lynchpin in supporting strategic external coherence between Austrian objectives and Albanian realities. However,

the current capacity “crunch” in the Coordination Office is untenable, and although these capacities are being augmented, this will not be enough to undertake core responsibilities for supporting and monitoring Country Strategy implementation.

FINDING 17: Policy dialogue is essential in light of challenges in Albanian governance and commitments to HRBA, but such engagement is not consistent. At the same time, ADC has a significant and positive role in supporting Albanian government inter-agency cooperation and coordination through the IPMGs.

Austria’s strong foreign policy support for Albanian EU accession and the respect this generates for Austrian views in Albania is a clear enabling factor for policy dialogue. However, limited capacities of the Austrian political representation in Albania have reduced ADC’s ability to engage in policy dialogue. Furthermore, ADA is perceived as a technical actor, thus needing political support from the MFA for advancing agendas when ultimate policy outcomes are reliant on overall commitment to reform. Capacities within the Austrian Embassy in Tirana are also said to be limited.

The effectiveness of the Albanian government-led Integrated Policy Management Groups (IPMGs) is widely perceived by interviewees to be varied, but the Coordination Office is seen to be constructive and supportive, which reflects the continued strength of Austria’s commitments to the Paris Declaration on aid effectiveness.⁸⁶ The Coordination Office and its partners are recognised as having a significant but gentle role in engaging expertise and promoting attention to cross-cutting issues in IPMG discussions.

⁸⁵ Integrated Consulting (2019). *Institutionelle Evaluierung der Austrian Development Agency (ADA)*

⁸⁶ OECD (2020). *OECD Development Co-operation Peer Reviews: Austria 2020*

However, the Austrian OECD Peer Review stresses that this commitment to country ownership should be further emphasised: "Austria places strong emphasis on country ownership and is seen as a consistent and effective partner in its priority partner countries and territories. The quality and commitment of staff and representatives in Vienna and co-ordination offices boost Austria's reputation as a reliable development partner. Including all Austrian contributions in country strategies would help ensure a more coherent and co-ordinated approach and enhance predictability and transparency for partners. Austria also places value on mutual accountability and inclusion in its development partnerships."⁸⁷

The approach taken by the Coordination Office supporting and engaging with IPMGs constitutes a modest, low-key but effective way to realise the intentions applying the Paris Declaration related objectives of the Country Strategy in practice.

FINDING 18: ADC thematic advisors encourage a modicum of policy adherence, but input is often (and inevitably) "too little, too late" in relation to dynamics on-the-ground in Albania. The scope of their inputs is constrained due to the magnitude of their global portfolios.

Systems for providing support for projects are appropriate "in principle", and advisors' inputs are largely seen by the evaluation as very useful for encouraging attention to cross-cutting issues. However, despite impressive skills and commitment, the capacity of Vienna-based advisors to provide this support is severely under-dimensioned. Interviews clearly indicate that the workload of these advisors has meant that consistent and timely monitoring and follow-up is not consistently possible.⁸⁸

The broad nature of the Country Strategy –relative to human and financial resources for monitoring and implementation– has aggravated challenges of guidance for decision-making. Interviewees repeatedly stressed that, "everything fits in the Country Strategy"; leading to unmanageable diversity in programming. One interviewee reflected on the lack of consensus regarding how Country Strategies should be used, "Discussions on how to align, a constant issue in all of our strategies. This relates to what the purpose is of the strategy. Should it allow us to be 'responsive' or 'proactive'? Is it just a broad direction or a tool to track, manage and report? Not clear and different views."

EGSIM has been designed as a tool to guide project stakeholders and support the work of the ADA advisors as they seek to encourage attention to cross-cutting policy objectives. It is an important component in these efforts, along with other tools. However, the evaluation finds that EGSIM (together with other tools) has not been effectively applied to support astute and context relevant dialogue and analysis to avoid risks that cross-cutting issues may be overlooked. One ADA interviewee noted that, "EGSIM is insufficient. Better than nothing... Not a driver when the counterpart isn't skilled or interested."

⁸⁷ OECD (2020). *OECD Development Co-operation Peer Reviews: Austria 2020*

⁸⁸ This is an endemic challenge for ADC, as noted in a recent evaluation: Austrian Development Cooperation, *Evaluation: Environmental and Social Impact Management at ADA, Vol 1-Main Report*

FINDING 19: Civil society projects contribute to important policy objectives and facilitate communicating results in Austria, but the administrative burden is a huge disincentive to pursuing them. Small civil society projects are essential for providing visibility, and grantees are proud of the relations that these projects generate with Austrian stakeholders. Despite small budgets, there are concrete results and high recognition by communities in remote areas with limited alternative funding opportunities.

For example, bringing Austrian civil society expertise to support efforts in alpine tourism has generated significant motivation among Albanian partners who would otherwise have no opportunities to access visibility and new perspectives. As such, these projects could be an important avenue to pursue HRBA and social inclusion in particular. However, the administrative requirements severely limit the Coordination Office support for Albanian civil society and discourage the application of this modality.

Mid-sized civil society projects led by international civil society organisations generate somewhat larger outcomes, but even with these, the transaction costs in relation to the size of the programmes are perceived to be imbalanced.

There is a discussion within ADC about the efficiency of support to civil society based on transaction costs relative to budgetary size; this is understandable but misleading in terms of the need to consider the values of these small projects in ADC's positioning and profile in Austrian and Albanian development cooperation.

Lessons learnt:

Despite a considerable formal concentration of policy monitoring responsibilities among ADA advisors in Vienna, there are gaps in Country Strategy policy implementation due to understaffing in the Coordination Office. It is at the country level that policy adherence needs to be monitored in order to remain focused.

ADA policy advisors play an important and impressive role. Nonetheless, there is unexploited potential for a more pluralistic approach bringing together external/regional analysts with ADC staff to reflect on policy issues. This would require a shift away from emphasis on the "standard operating procedures" embodied in EGSIM to focus more on how to generate synergies in the work of the ADA advisors, Coordination Offices and diverse policy analysts.

Greater efficiencies could be found if small projects and other civil society were better linked to the the Country Strategy objectives and results, thereby narrowing the areas where small projects and civil society support are focused in order to attain a greater critical mass.

4.4 Impact

4.4.1 Impact on target populations

EQ 8:

What has demonstrably changed for the target population and groups as a result of the strategy (positive/negative, intended/unintended) – both with a view to the thematic

EQ 9:

What have been the key enabling and hindering factors for these changes? How have related challenges been managed and how can they be mitigated in future?

FINDING 20: The emphasis on capacity development has inherent disadvantages in ensuring selection of projects that can be expected to achieve clear impact due to limited attention to downstream application of the capacities being developed in ways that change the lives of target populations.

Overall, the Country Strategy is addressing capacity development and institutional reform *outcomes*, which hinders attention to

the achievement of *impacts* on target populations per se. A majority of the projects in the Albania portfolio are designed within a theory of change –originating in the Country Strategy– wherein strengthening of public institutions is explicitly expected to create conditions that will eventually contribute to impacts. As such, impact is part of the “sphere of interest” of these projects, but only to a limited extent within their “sphere of influence”. This makes it difficult to specify what positive, negative, intended or unintended effects can be traced to ADC projects. This is also related to how the selection of projects has reflected underlying (and sometimes questionable) assumptions that “somebody else” will ultimately scale-up these initiatives or make appropriate investments to apply the knowledge or institutional models in practice (see Section 4.5.1 below).

The main exceptions to this are the service delivery reform, civil society and some VET projects,⁸⁹ but even these are largely seen to be about developing models that will have impacts on a very small target group, and where impacts at strategic scale will rely on the models being replicated. The exception with most apparent impact is the ISDA Support Project that is “re-engineering” the delivery of administrative services in the country. With this reform process more advanced than in most other ADC-supported projects, data is available to indicate impacts on citizens’ lives. For instance, a 2019 national survey has tracked that 23.9 percent of the Albanian population visited an ADISA service window [project output] during that year, with nearly 70 percent of users reporting being “satisfied” or “very satisfied” with the service delivery.⁹⁰ Even so, the November 2019 independent project evaluation noted that the sustainability of results is not yet certain.⁹¹

By contrast, with virtually all other projects analysed by the Evaluation, actual impact at scale could not be verified. This was despite the existence of plausible theories of change for how capacity development, institutional reform and the models developed with ADC support may eventually contribute to impacts. For example, the Country Strategy describes how it will work through “the promotion of good governance in the framework of the ongoing decentralization process in order to strengthen the planning and implementation capacities in the public administration and the integration of socially vulnerable and marginalised groups, and economically disadvantaged regions...”⁹² There is evidence of progress in these aspects of governance, but systems are not fully developed and there is limited evidence of the extent to which these nascent institutional structures are impacting on the lives of the most vulnerable and marginalised populations, even with more advanced reforms such as under the ISDA project noted above.

The Regional Development Project (RDP) Phase III illustrates this “delay”: while it may significantly contribute to improving the socio-economic conditions in the country’s less developed regions and its vulnerable populations over time, at its current stage of policy and institutional development, there are few outputs that cascade down to benefit even local governments (a Pilot Grant Scheme being the exception). It is even less evident how citizens will directly benefit in future.

In line with this example, when public sector capacity development is in focus, target groups are usually only indirect beneficiaries. The Country Strategy prioritises the development of institutional and human capacities in the government, with the expectations and underlying assump-

⁸⁹ TripleMinds Consultancy Network (2019). *Final Report for “Mid-term evaluation of the project AI-Tour: Supporting Quality and Access to Tourism Education and Training*, 15.03.2019.

⁹⁰ Institute for Democracy and Mediation (2020). *Opinion Poll 2019: Trust in Governance Survey Report*. Tirana, 2020. p. 11. Available at: <https://idmalbania.org/download/7379/>.

⁹¹ UNDP (2019). *External Evaluation*. Project title: “Support for Innovation against Corruption: Building a Citizen Centric Service Delivery Model in Albania” (ISDA Support Project). 11/2019. pp. 5, 16, 18. Available at: https://www.google.com/url?sa=t&rct=i&q=&esrc=s&source=web&cd=&cad=rja&uact=8&ved=2ahUKewifo7Gw7IPrAhXQyqQKHRJ4CJMqFjAAegQIARAB&url=https%3A%2F%2Ferc.undp.org%2Fevaluation%2Fdocuments%2Fdownload%2F15527&usq=AOvVaw3GUBrpePE_O6vn00KSezQo.

⁹² Austrian Development Cooperation (2015). *Albania Country Strategy 2015-2020 (extended until 2021)*, p.4.

tions that human rights and social inclusion impact will be achieved *through* public sector institutions, many of which are often only partially in place, e.g., decentralised functions and even more upstream institutions such as AMBU.

But reform of complex governance and governmental systems implies a long-time horizon, filtered through a potentially highly politicised process, before it reaches indirect and ultimate beneficiaries. This is exemplified by the IWRM portfolio. The Country Strategy explicitly focuses on a long-term perspective of contributing to overall water governance, but projects are time-bound and acknowledged by all interviewees as focused on a limited range of pieces of the water governance puzzle. Some IWRM projects have yielded promising capacity development outcomes that are anchored in relevant and plausible theories of change, but ADC has been criticised by some observers for moving on to the next project before impacts can be achieved. For example, the mapping of water and sanitation services in the isolated and marginalised “white areas” provided useful information, but it was left to other actors to use this information to determine and target investment priorities to achieve impacts.

Interviewees consistently report stronger continuity in VET initiatives. The theory of change for VET contributions assumes that these initiatives will have a direct contribution to impact on the living conditions of marginalised groups of society, including youth and people with disabilities. But again, the emphasis is firmly on capacity development that may contribute to intended reduction of youth unemployment, as stated in the Country Strategy, but this cannot be confirmed. Senior government officials stated that these inputs are relevant for achieving impacts, but data is lacking to confirm whether this has happened.

The Country Strategy has not provided a strong basis for selecting projects that directly focus and present envisaged impacts on target groups. It is also not possible to confirm whether these capacity development projects will contribute to impacts since many of the elements of the theories of change are not in place.

FINDING 21: Support through small governance and VET initiatives has contributed to positive but modest impacts on lives and livelihoods, with some attention to target populations.

VET initiatives are anchored in comparatively short results chains wherein some of the intended capacity development outputs and outcomes, such as more effective training models, are likely to lead to impacts in a shorter-term (relative to governance and IWRM programming). However, these are just one piece of the employability puzzle⁹³ and impacts are rarely and not systematically monitored.

The VET-related objectives in the Country Strategy do not explicitly call for direct impact on the lives and livelihoods of target populations. The main purpose of VET programme is “enhancing the quality of vocational education in schools and entrepreneurship learning, supporting work based learning, providing advice on strategic issues of reform”⁹⁴ with the focus on “capacity development measures, especially in the training and qualification of teachers, the modernisation of curricula, strengthening the private sector in the economy involving and building public-private partnerships (PPP), social inclusion and gender equality, making occupations more professional and promoting entrepreneurship to achieve the objective of sustainable employment.”⁹⁵

Efforts to improve service delivery, such as ISDA, include extension of frontline services to target groups, particularly outside major towns and cities, have resulted in high satisfaction rates by

⁹³ Coordination Office reporting refers to this as the “employment/education/migration/social protection/services/rural development nexus”, see Austrian Development Agency, Coordination Office Tirana (2018) *Semi annual Strategic Implementation Report, Coordination Office Tirana, Reporting Period: July - December 2018*, p.4-5.

⁹⁴ Austrian Development Cooperation (2015). *Albania Country Strategy 2015-2020 (extended until 2021)*, p.4.

⁹⁵ Ibid.

citizens accessing these services.⁹⁶ The service centres are also reported to have incorporated infrastructure modifications (ramps) for improving physical access and are developing audio-based materials for visually impaired service users. Other measures have been noted to also improve the access to public services by members of the Roma and Egyptian community. Nevertheless, the 2019 independent project evaluation noted the need for “further assistance to the vulnerable groups such as Roma community and people with disabilities.”⁹⁷

FINDING 22: Currently there seem to be missed opportunities for emphasising impact through widespread application of a the HRBA and social inclusion lens.

The Country Strategy has provided limited guidance on how to overcome discrimination and promote social inclusion among target groups. Although addressed by some project components, these goals have not been mainstreamed. The Country Strategy states, for example, that “Austria shall exchange its knowledge in vocational education and social inclusion through concrete projects and measures, such as ‘integrative vocational education’, ‘on the job assistance’, ‘youth counselling’, as well as ‘individual assistance at the workplace’, in order that Albania can benefit in the best possible way from the Austrian experience in professional inclusion and integration of marginalised and disabled young men and women.”⁹⁸ However, the Evaluation has not encountered evidence that these aims have been actively pursued.

The lack of a consolidated Albanian social inclusion and social protection policy framework has hindered attention to this agenda in the past. Recently government policies have been promulgated that link VET and social protection. The new Law on Promotion of Employment⁹⁹ establishes a Social Fund of Employment aiming to foster employment promotion, integration and social inclusion of people with disabilities. The law has extended the categories of special groups, which have faced major obstacles in integrating into the labour market. The Law provides penalties on businesses not adhering to requirements for employing people with disabilities. A new social protection reform of economic aid schemes is being implemented as a result. Vulnerable populations such as Roma, Egyptians and people with disabilities are expected to benefit. This is notable as an area where ADC has a relevant VET track record and experience but has not been involved.

The Country Strategy provides limited guidance and emphasis on social inclusion among target groups; although inclusion is being addressed by some project components, this has not been mainstreamed so as to achieve wider impacts.

Lessons learnt:

ADC faces a choice. If impacts on the lives and livelihoods of target populations are to be given priority, this would require a different focus, including a shift of emphasis to applying the capacities currently being developed and scaling-up the models being tested. Given that ADC is a small donor, it is particularly important to carefully select niches where modest investment can make significant contributions. The opportunity of working “with the grain” of new government social protection initiatives is an example of such a potential niche.

The Evaluation has not observed direct negative effects on human rights and social inclusion from ADC initiatives. However, it could be presumed that a lack of explicit attention to these priorities may have made it “easier” for exclusionary path dependencies to continue. For example, those programmes that have not had an explicit aim to highlight and confront discrimination

⁹⁶ In line with evidence presented in support of Finding 20 above, a national survey has found near 70% satisfaction rate. See Institute for Democracy and Mediation (2020). *Opinion Poll 2019: Trust in Governance Survey Report*. Tirana, 2020. p. 11. Available at: <https://idmalbania.org/download/7379/>.

⁹⁷ UNDP (2019). *External Evaluation*. Project title: “Support for Innovation against Corruption: Building a Citizen Centric Service Delivery Model in Albania” (ISDA Support Project). 11/2019. p. 5.

⁹⁸ Austrian Development Cooperation (2015). *Albania Country Strategy 2015-2020 (extended until 2021)*, p.8.

⁹⁹ Government of Albania, Law no. 15/2019 on Promotion of Employment entered into force on 18 April 2019, see <https://as-sets.kpmg/content/dam/kpmg/al/pdf/al-LN-19-4.pdf.pdf>

may have inadvertently encouraged continued acceptance of norms and procedures that reproduce inequality in Albanian society.

4.5 Sustainability

Sustainability in the design and implementation of the Country Strategy

EQ 10:

To what extent has the Country Strategy and its implementation built-in strategies and measures for sustaining positive effects and change, especially regarding changes of context?

FINDING 23: The capacity and institutional development foci in the Country Strategy are appropriate for contributing to longer-term sustainability, with some strong trends. However, with many timebound projects sustainability is less certain. Sustainability of results in capacity development within government institutions depends on alignment with broader reform processes and institutional stability.

EQ 11:

To what extent have results brought about lasting change and/or can be expected to continue beyond the duration of the Strategy? What have been the main enabling and hindering factors for sustainability of results and how can they be built on/addressed?

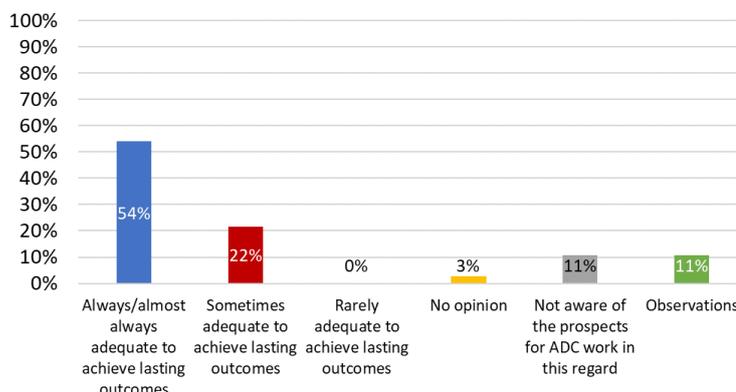
Perceptions of the sustainability of ADC initiatives suggest a contrast between views of the “glass being half full versus glass being half

empty”. On the one hand, ADC is respected for its long-term commitments to Albania, systematic approaches and focus on developing the capacities of key Albanian institutions that will need to move initiatives forward in the future. On the other hand, ADC initiatives are generally seen as being too small to generate a critical mass for systemic transformation, are often limited to timebound project modalities, and in IWRM have not been sufficiently systematic, particularly in relation to achieving lasting impact on the lives of marginalised and vulnerable people.

Figure 10: ADC projects generating lasting outcomes

The Country Strategy emphasis on the EU accession process and alignment with reform strategies represents an appropriate model for sustainability. These processes constitute a long-term vision for Albanian development anchored in strong national ownership and incentives. The survey found strong respect for ADC’s capacity to contribute to lasting outcomes (see Figure 10), which the Evaluation interprets as being related to this overall strategic focus.

Q12. Have ADC financed or implemented projects been selected and designed in such a way as to generate lasting outcomes in Albania? (N=37)



The good governance portfolio has examples where support and institutionalisation of policies and practices in relation to EU accession have leveraged these advantages and created a strong potential for sustainability. The point is most vivid in relation to ADC’s contribution to judiciary reform, which is fully embedded in a clearly defined EU-mandated reform process. Austrian leadership of International Monitoring Operation can even be interpreted as a cornerstone of these reforms. Yet even smaller initiatives

may contribute to sustainable change, such as the Justice Without Delay project which has contributed valuable baseline data that will serve as a point of reference for the broader process. Service delivery improvements delivered through the ISDA project, anchored in the Albanian Cross-Cutting Public Administration Reform Strategy 2015-2020 and others, or the expansion of the Albanian Treasury System arising from the Albania Public Financial Management Strategy 2014 -2020 supported through the SETS project both are seen to have strong prospects for sustainability despite some identified challenges. In both cases, financial constraints have been identified as a factor in expanding the Treasury system as intended.¹⁰⁰ However neither the policy objectives nor the implementation mechanism are in question.

By contrast, ADC's long-term engagement on regional development, where Austria (and Switzerland) have been assisting Albania in elaborating (rather than simply implementing) a regional development policy was slowed down by protracted decision-making by government partners and institutional restructuring. In these highly ambitious and potentially very long-range reform processes, sustained impact is uncertain.

With regard to IWRM, ADC has been seen to have shifted priorities before capacity development efforts have been consolidated (either due to ADC programming shifts or Albanian institutional restructuring), which raises concerns about if and how the sum of these initiatives constitutes a trajectory towards sustainability. The portfolio has examples where projects have provided potentially useful outputs that will only generate a sustainable outcome if "somebody else" (e.g., the Government of Albania or other development partners) engages in scaling them up or out. This is rarely monitored, but there is some anecdotal evidence of potential sustainability as "somebody else" is stepping in. The support to AMBU, for example, is recognised as having a limited scope in some respects but is likely to be complemented by further support from Sweden, with a stronger gender element, in the near future.

With various projects in all three priority areas, queries about impact and sustainability yielded responses about it being "too early" to judge, but as ADC engagement is timebound and sustainability will rely on quick engagement by others to build on ADC outcomes. This leads to concerns about projects being completed "too early".

Factors such as these relate to complex domestic political processes which are central to the ownership and institutional stability that are the pillars of sustainability. These processes impinge on crucial trends such as staff retention, government commitments to covering recurrent costs, and (perhaps above all else) government readiness to carry on with difficult political institutional reforms. Consideration of context and how the underlying political economy will affect sustainability is conspicuously weak in the Country Strategy itself, but ADC interviewees showed strong tacit awareness of these factors.

Institutional development is not a set-piece process as it requires careful, ongoing political economy analyses to determine which institutional reforms and which capacities are required to attain sustainability over time.

Lessons learnt:

A sustainability lens on the Country Strategy requires more in-depth and regular "checkpoints" on the alignment of institutional reforms and capacity development processes with sustained support from government. Theories of change would need to be anchored in realistic and regularly updated analyses, including assessing the prospects for follow-ups building on ADC-financed achievements from "somebody else" in the Albania government, civil society and/or development partners.

¹⁰⁰ UNDP (2019). *External Evaluation. Project title: "Support for Innovation against Corruption: Building a Citizen Centric Service Delivery Model in Albania" (ISDA Support Project)*. 11/2019. Available at: https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&cad=rja&uact=8&ved=2ahUKewiWqNDnoOXpA-hUJ08AKHdA8ASIQFjADegQIAXAB&url=https%3A%2F%2Ferc.undp.org%2Fevaluation%2Fdocuments%2Fdownload%2F15527&usq=AOvVaw3GUBrncPE_O6vn00KSezQo.

Sustainability risk assessment has been given insufficient attention in the Country Strategy, perhaps due to an assumption that EU accession will provide a meta-solution.

4.6 Complementarities and synergies

4.6.1 Whole of government approach in practice

EQ 12:

How is Austria's Whole of Government Approach (WGA) reflected in the development, implementation and coordination of the Strategy? What have been enabling and hindering factors for WGA operationalization?

FINDING 24: The WGA is aspirational, with systems for achieving coordination and broader ownership of the Austrian development agenda remaining underdeveloped.

The Country Strategy emphasises the importance of a Whole of Government Approach (WGA), but is not explicit regarding how this will be structured and implemented. This objective

has been underlined within the most recent 3YP.¹⁰¹ However, the results of these intentions are not yet appreciably evident in the implementation of the Albania Country Strategy. In the current 3YP on Austrian Development Policy 2019-2021¹⁰² the intentions of the WGA are described as acting "coherently" in relation to "...the five priority issues for implementing the SDGs: poverty reduction, sustainable management, environmental and climate protection, peace and security and equal rights for all members of society.", which furthermore emphasises "...the rights of women, children, older people and persons with disabilities. At the same time, we focus on particularly disadvantaged population groups, such as religious and ethnic minorities, indigenous peoples, refugees and migrants." The programme "calls for interministerial strategies and their joint implementation." Interviews indicate that this has not yet been initiated. The Evaluation notes that WGA was raised as an intention in the two preceding three-year programmes, but these goals are more explicit in the current 3YP.¹⁰³

The need for a clearer roadmap towards a joined Austrian approach was highlighted in the recent OECD Austria Peer Review which states "...there is no clear policy guidance for country-level decisions on channels and engagements by other actors, and how these relate to the activities of ADC. ...While country strategies frequently recognise the importance of a whole-of-government approach, specifying the activities of each Austrian stakeholder engaged in the partner country would help to identify areas of convergence and support greater coherence." The report also states that "Austria lacks a coherent rationale for engaging with these actors across its system, particularly where other ODA-contributing stakeholders apply their own strategies and have different objectives for country level engagement."¹⁰⁴ The OECD points out that failures to prioritise and specify responsible actors and budgetary frameworks for implementing the three-year programmes have meant that this document does not provide a tool for clearer WGA processes.

The Austrian Ministry of European and International Affairs coordinates the Country Strategy but lacks the mandate or systems to direct other Austrian actors. It is also important to recognise that ADA manages a minority of Austrian development cooperation resources, and therefore has limited leverage in promoting results across the WGA. Even though ADC provides guidance for addressing cross-cutting issues to other Austrian actors, the OECD Peer Review notes that cross-

¹⁰¹ Federal Ministry for Europe, Integration and Foreign Affairs (2019), *Working Together. For our World. Three-Year Programme on Austrian Development Policy 2019-2021*, Vienna, 05/2019.

¹⁰² Ibid, p.4-5, 8

¹⁰³ The Evaluation also notes that the concept of Policy Coherence for Development, which was a central justification for the emphasis on WGA in the Country Strategy, is no longer explicitly mentioned in the current Three-Year Programme wherein policy coherence is in some respects subsumed under a focus on achieving commitments to "leave no one behind" and SDG related 2030 agenda.

¹⁰⁴ OECD (2020). *OECD Development Co-operation Peer Reviews: Austria 2020*

cutting objectives are not well known outside a few ministries. Compliance and coordination are voluntary. The Inter-Ministerial Committee appears to be a forum for encouraging joint policy compliance, but it is primarily an information-exchange mechanism and no interviewees perceived it as playing a coordination function.

The Coordination Office is the centre of WGA in many respects, as the Country Strategy states, "The Coordination Office in Tirana has an important function in coordinating Austrian stakeholders during project implementation, in establishing and strengthening contacts with government institutions, local and regional authorities of the partner country, and coordination with other bilateral and multilateral donors."¹⁰⁵ Most Austrian actors would approach the Coordination Office if they want to engage. However, their role in relation to such initiatives is more reactive. The recent institutional evaluation of ADA noted that "...the coordination offices have a dual function and also take on diplomatic tasks, such as participating in political dialogue on site, preparing and accompanying visits by Austrian authorities and the Austrian Chamber of Commerce, participating in regional conferences, etc. This opens scope for adaptation, which, however, can only be used to a limited extent in view of the increasing administrative requirements."¹⁰⁶

These weaknesses are particularly unfortunate since respect for Austria's expertise, particularly in issues related to gender equality and the engagement of Austrian parliamentarians, has led to an especially strong voice that could contribute to coordination. Furthermore, respect for Austria's expertise in issues related to VET, regional development, judicial reform, alpine tourism, etc., has also led to a capacity to pull together significant influence in key areas.

The WGA has not played as strong of a role as intended in the Country Strategy, due largely to Austria not having developed these modalities more globally, and also a failure to fully unpack what this policy/approach means in relation to the in-country processes in Albania.

4.6.2 Added value and comparative advantage

EQ 13:

What has been and still is ADC's added value and comparative advantage vis-à-vis other development actors engaged in the country, if any?

FINDING 25: ADC has a unique and valuable niche due to perceptions of trust, technical competence, gender experience/commitment, recognition of the importance of the long-term engagement and its flexible and non-bureaucratic approach.

As described further in the conclusions below, the overarching finding of this evaluation has been that, despite being a small low-profile donor with a largely fragmented portfolio, the qualities of ADC's "way of working" have created an important and valued niche. However, there are significant risks that this perceived added value could be lost if steps are not taken to ensure policy alignment as the implementation of the current Country Strategy proceeds and the next Country Strategy is developed in the near future.

¹⁰⁵ Austrian Development Cooperation (2015), *Albania Country Strategy 2015-2020 (extended until 2021)*, p.10

¹⁰⁶Integrated Consulting (2019). *Institutionelle Evaluierung der Austrian Development Agency (ADA)*. (own translation from the Executive Summary). Also, a recent Swedish evaluation looking at the pressures to reduce "administrative costs" has concurred with this finding with regards to the Swedish experience, see Tarschys, D, (2020), *Biståndets förvaltningskostnader För stora? Eller kanske för sma?*, Rapport 2020:03, Expertgruppen för biståndsanalys (EBA) Sverige.

Drawing on examples of specific projects, the following table summarises the Evaluation’s findings regarding ADC’s added value and comparative advantages in relation to the various “sub-sectors” within the three thematic areas. It also notes obstacles that have been encountered and lessons that can be applied in future planning.

Theme and thematic sub-sector (selected projects)	ADC added value	Obstacles to effectiveness	Lessons
Theme: Good governance			
<i>Sub-sector: Social inclusion</i>			
Improving the living conditions and reintegrating migrant children in Albania	<ul style="list-style-type: none"> Strong HRBA within the scope and scale of the project Focus on most marginalized groups 	<ul style="list-style-type: none"> Small scale Uncertain paths to replication and wider policy influence High transaction costs relative to scale 	<ul style="list-style-type: none"> Small civil society led projects that are highly relevant but have modest ultimate effectiveness
<i>Sub-sector: Gender equality</i>			
Support to the Government of Albania for implementing the EU Gender Equality acquis	<ul style="list-style-type: none"> Strong HRBA Focus on ADC cross-cutting priority Recognised Austrian niche Significant Albanian ownership 	<ul style="list-style-type: none"> Scaling-up dependent on addressing power inequalities and potential weaker ownership in local government Further outcomes reliant on broad engagement of government, civil society and other funders 	<ul style="list-style-type: none"> Exemplifies how even an “upstream” initiative anchored in strong ownership and clear policy focus over time can yield significant results
<i>Sub-sector: Public administration reform</i>			
ISDA Support Project - Innovation against Corruption: Building a Citizen Centric Service Delivery Model in Albania	<ul style="list-style-type: none"> Some attention to marginalized groups (service delivery to underserved communities) Future opportunities to strengthen attention to most vulnerable populations and/or rights-holders 	<ul style="list-style-type: none"> Currently, only marginal attention most vulnerable groups 	<ul style="list-style-type: none"> Demonstrable short-term results and good prospects for strengthening HRBA and/or creating synergies with other ADC cross-cutting objectives (gender, social inclusion)
<i>Sub-sector: Regional development</i>			
Regional Development Programme in Albania (RDP 3)	<ul style="list-style-type: none"> Long-term, sustained ADC investment that has yielded a regional development policy and institutional structure 	<ul style="list-style-type: none"> Institutional development leaves benefits to most vulnerable groups far downstream Requires substantial additional capacity development Potential misuse for patronage 	<ul style="list-style-type: none"> Illustrates additional risks and challenges that accompany the development of high-level policies, particularly those that involve redistribution of power and resources
<i>Sub-sector: Judiciary reform</i>			
IOM	<ul style="list-style-type: none"> Leveraged third-party funding High profile role for ADC Involves a priority governance reform process 	<ul style="list-style-type: none"> Focus on institutional development leaves benefits to most vulnerable populations far downstream Administrative burden in implementation role 	<ul style="list-style-type: none"> Trade-offs between undertaking a central role in a key governance reform process vs. limited short-term results relating to most vulnerable populations
Theme: Vocational education and training			
<i>Sub-sector: Strengthen the labour market relevance, quality and inclusiveness of VET</i>			
AL-Tour: Supporting Quality and Access to Tourism Education and Training	<ul style="list-style-type: none"> Systematic focus through national institution Highly plausible policy influence -Targets the needs of tourism, the fastest 	<ul style="list-style-type: none"> Very weak school infrastructure and teacher capacities may limit potential to scale-up Tradition and cultural factors limiting ability to reach target group (girls from remote areas) 	<ul style="list-style-type: none"> ADA interventions should reflect detailed contextual analysis, including culture Systematic support enhances the potential for achievement of results

Theme and thematic sub-sector (selected projects)	ADC added value	Obstacles to effectiveness	Lessons
WP-ALB-Naber, strengthening dual training in Albanian Clothing industry	<ul style="list-style-type: none"> growing sector in Albania, suffering from lack of a qualified workforce Potential for scaling-up with support from other donors Targets building skills for improving competitiveness and productivity of Albanian companies – business partners of Austrian firms Introduces best practice from German speaking countries' dual training model 	<ul style="list-style-type: none"> Narrow approach in addressing gender and social inclusion Unclear approach in project design to address gender and social inclusion Sustainability threatened by lack of a consolidated national education framework Unclear government mechanisms to assure implementation of practical training sessions to private companies 	<ul style="list-style-type: none"> Dual training recognised for its benefits to the Albanian vocational education sector
Theme: Integrated water resource management			
<i>Sub-sector: Water and sanitation</i>			
Identification and valuation of water supply and sewerage system assets in Albania	<ul style="list-style-type: none"> Strong focus on targeting to vulnerable communities and their needs Gender disaggregated analysis 	<ul style="list-style-type: none"> Uncertain application of data collected in actual programming No clear environmental focus 	<ul style="list-style-type: none"> -While highly relevant, objectives will only be achieved if "someone else" invests significantly to use ADC outputs
<i>Sub-sector: River basin management</i>			
EUSIWM/EU Support to Integrated Water Management	<ul style="list-style-type: none"> Leveraged third-party funding Strong EU accession relevance Strong capacity development relevance Potential impact on environmental services Potential influence on local popular participation 	<ul style="list-style-type: none"> Upstream focus makes ultimate application of capacities and systems uncertain Weak attention to gender and social inclusion and limited ownership of policy objectives Environmental impacts "plausible" but very uncertain due to weak ownership and limited practical focus 	<ul style="list-style-type: none"> Illustrates trade-off between technical relevance in relation to EU accession and concerted attentions to ADC thematic and cross-cutting policy objectives

5 Conclusions

Ensuring that ADC added value is pursued through a relevant theory of change

Conclusion 1: ADC's strongest added value is in the respect and trust it maintains across a range of governmental and non-governmental actors and in the wider donor community in Albania. Trust has been difficult to foster in the highly polarised Albanian political environment. In reviewing the sum of evidence across this evaluation (finding 25) it becomes clear that ADC's ability to maintain trust and engagement partially stems from the provision of high-quality technical support in selected areas (findings 6, 12, 16, see also Appendix 3). Despite being a small donor, ADC has been able to develop a reputation for continuity in investing where Austria has a clear added value, particularly with VET, some aspects of governance and IWRM, as well as some cross-cutting perspectives, most notably gender equality (finding 12). Results are generally perceived to be subtle but significant and have emerged over time. They have been underpinned by stable commitments to coordination and cooperation, including faith that the IPMGs can play a growing role over time (finding 17). However, these aspects surrounding ownership are notably weaker in relation to regional programming (finding 11).

Conclusion 2: The Country Strategy has been an insufficient tool to ensure policy adherence and maintain a manageable strategic focus. It provides some boundaries for ADC's work but not enough to guarantee a portfolio that can generate a critical mass and consistent focus in relation to good governance and HRBA (findings 1, 22). The "downside" of ADC's constructive, flexible and supportive approach is that it has been hard to leverage the strategic results due to fragmentation (finding 5). This is also partly related to the tendency to focus on technical aspects of the EU accession process, at the cost of broader strategic relevance and effectiveness, which is particularly apparent in efforts to emphasise environmental sustainability (findings 2, 14, 25).

Conclusion 3: It is not only the Country Strategy itself that has been insufficient for addressing policy compliance related to cross-cutting issues, as tools such as EGSIM and various ADC policy documents have not provided adequately concrete and granular guidance. With the notable exception of guidance related to gender equality, stakeholders are generally uncertain about what ADC policies mean for their projects, especially with regard to adapting policies to Albanian political, cultural and administrative realities. Further attention is needed to mobilise and utilise local research and policy analysis capacities so as to better contextualise more "generic" global advice coming from ADC (findings 3, 4, 12, 15).

Conclusion 4: The structure of the Country Strategy and the emphasis on capacity development create certain sustainability risks and have led to a downgrading of efforts to generate direct impacts on the lives and livelihoods of the most marginalised. This has been a strategic choice, and relates in some respects to the technical capacity development needs of the EU accession process. However, it puts into question the plausibility of key aspects of the theories of change of the three thematic priorities, particularly as related to goals of contributing to social inclusion and environmental sustainability. This is partly related to the tools for maintaining a focus on these concerns being perceived of as diffuse. The plausibility of assumptions within the theories of change regarding how capacity development contributes to institutional sustainability is also uncertain given the repeated governmental restructuring and changes in staffing (findings 3, 4, 8, 13, 15, 20, 22, 23, 25).

Towards a more efficient approach to policy compliance and coherence

Conclusion 5: Much of the credit for managing the balance between the policy principles that ADC has committed itself to, and the need to foster ownership by responding to the immediate needs and expectations of its (primarily governmental) interlocutors lies with *constructiveness of the Coordination Office and the soft yet clear and well-informed guidance from advisors at ADA in Vienna*. Gentle, flexible nudging and an emphasis on areas where ADC has the ability to mobilise added value, together with active engagement in IPMGs and other conversations about Albanian strategic priorities have been largely relevant and effective (findings 3, 16, 17, 18). This has been combined with a broad recognition of the value of ADC having been in Albania for a long time and by focusing on areas where it has competence and experience. Active engagement of Austrian parliamentarians and Austria's strong foreign policy stance in the region have underpinned this trust (finding 12).

Conclusion 6: As third-party funding comes to overwhelmingly dominate the portfolio, the assumed benefits of becoming a major and more influential development actor (amid stagnant Austrian financial commitments¹⁰⁷) may create incentives to stray further from policy commitments and efforts to anchor efforts in Albanian ownership. This is perhaps the *greatest emerging risk to future relevance, effectiveness and sustainability*. ADC is making efforts to ensure that it is able to work with Albanian partners in selection and design of these initiatives, but a weakly defined Country Strategy is providing insufficient guidance for determining how to ensure continuity (finding 9).

Conclusion 7: Human resource capacities are insufficient for dealing with what may become a very different portfolio and role in the future. ADA will never have the capacities needed to undertake a comprehensive technical assistance and management role (i.e., similar to GIZ) in managing third-party funding. Although new guidelines are being prepared that should provide greater clarity about what an alternative model might be, ADA structures remain in a grey zone in this regard (finding 9). Expectations and demands for Coordination Office leadership in designing and managing new, large and complex programmes are growing faster than capacities. The ability to advisors in Vienna to encourage policy compliance is equally overstretched (finding 16). Ideally, and in accordance with the Country Strategy and the current 3YP, ADC should share this administrative burden across more Austrian governmental and civil society institutions that are engaging in Albania (finding 24). In practice, the encouragement of more Austrian actors to engage in development cooperation has increased demands on the Coordination Office without generating more administrative resources. It is perhaps paradoxical that WGA policies that were intended to encourage more and better coordinated efforts among Austrian actors may be leading to trends that may overwhelm existing coordination capacities, and also reduce resources to engage with small civil society initiatives (findings 16, 24).

Refining the thematic focus

Conclusion 8: The fragmented nature of the governance portfolio is evident, and ADC's "pragmatic" approach has created opportunities to adapt to emerging priorities; but it has also been an obstacle to ensuring that different projects create synergies at higher strategic levels. New requests for filling small gaps are appearing in conjunction with pressures to "deliver results" in relation to transposing and implementing EU directives as part of the recently intensified accession process (finding 5). This leads the Evaluation to conclude that there are significant risks that fragmentation could continue and should be urgently addressed (finding 25).

Conclusion 9: The experience with IWRM, wherein EUSIWM is by far the largest third-party funding initiative within the scope of the evaluation, exemplifies how difficult it is to ensure policy compliance when third-party funders and national partners do not

¹⁰⁷ OECD (2020). *OECD Development Co-operation Peer Reviews: Austria 2020*

share immediate priorities related to climate change, HRBA, gender equality and social inclusion. Delivering specific technical results for EU accession comes first for many stakeholders. This highlights the importance of using a Country Strategy to retain focus on higher level policy objectives (findings 6, 12, 14, see also Appendix 3).

Conclusion 10: By contrast, the experience with VET and small civil society projects illustrates how initiatives that are anchored in micro-level collaboration between ADC and Albanian actors can leverage ADC added value while retaining attention to policy objectives. It will be important to find ways to retain and foster this strength, despite high transaction costs relative to financial investments (findings 7, 10, 19, 21).

Conclusion 11: The Country Strategy remains largely relevant but is a weak tool for ensuring policy adherence, particularly where policies are evolving and uncertainty prevails. ADC has begun considering its exit strategy, in accordance with Albania's progress towards EU accession, but this is problematic since its portfolio is likely to rapidly grow with a diminishing proportion of funds coming from Austrian Official Development Assistance. It is beyond the scope of this evaluation to speculate on exactly what this means for ADC's theory of change in Albania, but key stakeholders interviewed in the course of the evaluation stressed the ambiguities that will need to be addressed in the near future (finding 25).

Conclusion 12: Overall, a far more "strategic" approach to implementing the Country Strategy would be needed if ADC is to strengthen commitments to policy objectives. It is recognised that these policies include some significant goal conflicts. For example, a commitment to ownership by duty-bearers and the resulting focus on capacity development is not ideal for ensuring that the voice of rights-holders is amplified and direct impacts on the lives of vulnerable people are to be achieved. Difficult choices need to be made. Furthermore, in some respects these choices have already been made. The *growth of focus on third party funding suggests that a significant degree of path dependency is ingrained* in ADC's process towards a future Country Strategy. The Evaluation suggests that efforts be urgently taken to take a step back and reflect over the implications of the portfolio that appears to be in the pipeline, and consider the implications of this for ADC's overarching commitments to a human rights-based approach (findings 1, 2, 3, 4, 9, 10, 11, 12, 13, 14, 15, 25).

Furthermore, it is too early to assess how the triple crises of the earthquake, COVID-19 and the emerging economic downturn will affect Albanian needs and priorities, but these factors are likely to be considerable and will greatly increase the magnitude of challenges to social inclusion. Austria's current 3YP highlights newly emphasised policy areas related to migration and climate change. The Evaluation recognises that the Country Strategy contains appropriate entry points for contributing to these areas, while drawing on Austrian added-value, comparative advantage and trust. The theories of change within the Country Strategy also suggest clues for how greater attention to HRBA and other long-standing policy commitments could provide guidance for how to select, design and implement a more strategic portfolio that is aligned with Austria's evolving policies in the future. The challenge is in refocusing attention on past and present core policy commitments and ensuring that these commitments come to fore in decision-making.

6 Recommendations

Enhancing policy compliance through a stronger focus on social inclusion and human rights-based approaches

- 1. ADC should narrow its criteria for the selection of interventions within the new Albania Country Strategy, giving stronger precedence to projects that are aligned with contextually relevant application of the ADC thematic and cross-cutting policies related to the identified country needs in the Albania Country Strategy, and which reflect recognised Austrian added value.**¹⁰⁸ Current practice in the implementation of the Country Strategy leans too heavily towards thematic priority areas, rather than policy relevance. This is a notable concern with third-party funded projects. As elaborated in recommendations 5 and 6 below, undertaking this role will require enhanced and different forms of support to the ADA advisors in Vienna and the Coordination Office in Tirana. Some reinforcement can be accomplished during the current strategy and more concerted attention should be given to alignment with an explicit theory of change in the future strategy. See conclusions 2, 3, 11.
- 2. ADC should continue to explore the application of some of the more specific sets of indicators coming out of the current “leave no one behind” discourse, while tailoring them to the Albanian context.** The use of gender markers has proven largely successful for promoting compliance with gender policy¹⁰⁹ and disability indicators are starting to be used. Additional tools¹¹⁰ may prove useful in providing more depth and specificity in the Albanian context to enhance compliance with ADC’s human rights-based approach, most notably in relation to social inclusion with regard to overcoming ethnic discrimination and marginalisation of rural communities, as emphasised in the current Albania Country Strategy. See conclusion 3.
- 3. ADC should use participatory methods to monitor compliance of capacity development initiatives with policies of particular relevance to Albania (see recommendation 1), bringing together duty-bearers and rights-holders (particularly representatives of marginalised populations) so as to take stock of the ways that these capacities are being applied from a “leave no one behind” perspective and in relation to the perceived theory of change (in the current Albania Country Strategy) and a more explicit theory of change (in the future strategy).** The capacity development focus of the Country Strategy is well established, and it would not be appropriate to change at this point in its implementation. Nonetheless, to better emphasise impact and relevance, it is recommended to reinforce efforts to support civil society to provide this voice for rights-holders. This further implies that civil society initiatives remain an integral part of the portfolio composition (in the current and future Country

¹⁰⁸ Relevant policies include: Federal Ministry for European and International Affairs Directorate-General for Development Cooperation (2006, reprint 2011) *Good Governance: Policy Document*.; Federal Ministry for European and International Affairs, Directorate-General for Development Cooperation (2006, reprint 2011) *Policy Document-Human Rights, Federal Ministry for European and International Affairs Directorate-General for Development Cooperation*. Federal Ministry for Europe, Integration and International Affairs, Directorate-General for Development (2017) *Policy Document-Gender Equality and the Empowerment of Women and Girls: Implementing the EU Gender Action Plan II 2016–2020*, Federal Ministry for Europe, Integration and International Affairs Directorate-General for Development; Federal Ministry for European and International Affairs (2009) *Strategic Guideline on Environment and Development in Austrian Development Policy*; Austrian Development Cooperation (2009) *Policy Document: Water- Water Supply, Sanitation, Water Resources*, Federal Ministry for European and International Affairs, Department for Development Cooperation and Cooperation with Eastern Europe.

¹⁰⁹Federal Ministry for Europe, Integration and International Affairs, Directorate-General for Development (2017) *Policy Document-Gender Equality and the Empowerment of Women and Girls: Implementing the EU Gender Action Plan II 2016–2020*, Federal Ministry for Europe, Integration and International Affairs Directorate-General for Development.

¹¹⁰ See, e.g., Dugarova, E., Slay, B., Papa, J., & Marnie, S., (2017). Leaving No One Behind in Implementing the 2030 Agenda for Sustainable Development: Roma Inclusion in Europe; Minority Rights Group International (2017) Disaggregation by ethnicity: Protecting the commitment to Leave No One Behind, Briefing, May 31, 2017.

Strategies), as the qualities of these initiatives are key to balancing a portfolio that is otherwise heavily weighted towards support to duty-bearers. See conclusions 4, 10, 12.

Strengthening efficiency and sustainability while working towards strategic clarity and a critical mass

- 4. ADC should apply lessons that have been learnt thus far about Austrian added value in implementation of the Albania Country Strategy so as to select a narrower range of sub-sectors (with particular and urgent attention to the governance portfolio), ideally not more than one per thematic area, while restraining prevailing tendencies to welcome additional initiatives.** This should be informed by the political and policy analyses described in recommendation 6, and be pursued in such a way that projects are not only judged on their individual merits, but also on based on how they contribute to the coherence and higher level strategic synergies within the overall portfolio, i.e., both within the three themes and across the portfolio. This should be accompanied by frank analyses of risks of any proposed new intervention leading to greater fragmentation and loss of potential to achieve a critical mass. See conclusions 1, 2, 8, 12. The project portfolio within the "meta-theme" of good governance currently comprises five distinct and insufficiently integrated thematic sub-sectors. ADC should focus particular efforts on consolidating these investments.
- 5. A robust and more realistic system should be put into place for strengthening the Coordination Office that takes into account the de facto role they play in policy dialogues, in managing complex programmes, and in staying abreast of political realities in Albania.** The existing human resource levels at the Coordination Office are inadequate for managing an expansion of the ADC country portfolio, particularly in view of the large and complex third-party funded projects. Expanding capacities can include additional ADA staffing and also contracting outside expertise to assess opportunities to more effectively apply a human rights-based approach (and cross-cutting policy priorities) within the Albanian context, as well as to monitor policy compliance and implementation. As noted in recommendation 3 above, this added capacity can be derived through cooperation with national CSOs, which carries the added value in further strengthening a human rights-based approach. An expansion of capacities nevertheless carries its own administrative and management burdens, which any review of Coordination Office capacity development need should integrate in its assessment. See conclusions 1, 5, 7.

Promoting coherence through greater adherence to politically informed theories of change

- 6. The future strategy should more fundamentally integrate political and policy analyses as part of an effort to elaborate an explicit and pragmatic theory of change wherein results are more explicitly related to policy outcomes.** Such analyses should interrogate assumptions about drivers of Albanian political and social dynamics (including internal government processes and other relevant contextual factors) that affect the prospects of achieving ADC policy objectives within the broader EU accession process, and assist in adapting the portfolio to contribute more directly to ensuring social inclusion and environmental sustainability. As part of this, when implementing the Albania Country Strategy consideration may be given to piloting the use of brief regular political economy reviews to complement existing systems that reflect on the theory of change and monitor levels of ADC policy compliance. This could also inform efforts to strengthen the content of discussions related to the Whole of Government Approach. See conclusions 2, 7, 11, 12.
- 7. In order to align with both Austrian policy and Albanian priorities, ADC should prioritise applying a climate change lens in areas where there is broad, existing Albanian ownership (within or possibly even beyond the plans being made in the application for the Green Climate Fund).** This could, for example, include consideration of initiatives related to floods and environmental degradation within the area

of climate resilient water management. This would appear to be a way to achieve measurable impacts on climate vulnerable populations while capitalising on what appears to be an area of climate action where there is relatively strong political ownership in Albania. See conclusion 9.