



Framework Strategy of the Austrian Development Cooperation with the EU Eastern Partner Countries

The Republic of Armenia
Georgia
The Republic of Moldova

 Austrian
Development
Cooperation

Imprint

Federal Ministry for European and International Affairs
Directorate General for Development Cooperation
Minoritenplatz 8, 1014 Vienna, Austria
Phone: +43 (0)501150-4454
Fax: +43 (0)501159-4454
abtvi4@bmeia.gv.at
www.entwicklung.at

This Strategy was written by:

- Federal Ministry for European and International Affairs, Directorate General for Development Cooperation
- Austrian Development Agency, the operational unit of the Austrian Development Cooperation

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Austrian Development Agency (ADA),
the operational unit of the Austrian Development Cooperation
Zelinkagasse 2, 1010 Vienna, Austria
oeza.info@ada.gv.at, www.entwicklung.at

Cover: ADA

Abbreviations

3YP	Three Year Programme on Austrian Development Policy
ADA	Austrian Development Agency
ADC	Austrian Development Cooperation
CBM	Confidence Building Measure
CEPA	Comprehensive and Enhanced Partnership Agreement
CSO	Civil Society Organization
DAC (OECD)	Development Assistance Committee (Organisation for Economic Co-operation and Development)
DCFTA	Deep and Comprehensive Free Trade Agreements
EAA	Environment Agency Austria
EaP	Eastern Partnership
EC	European Commission
EU	European Union
EUSDR	EU Danube Strategy
ESDC	European Security and Defence College
FDI	Foreign Direct Investment
FMLSACP	Federal Ministry of Labour, Social Affairs and Consumer Protection (until 2019)
FMLFJ	Federal Ministry of Labour, Family and Youth (since 2020)
FMSAHCCP	Federal Ministry of Social Affairs, Health, Care and Consumer Protection (since 2020)
FMEW	Federal Ministry of Education and Women (until 2017)
FMESR	Federal Ministry of Education, Science and Research (since 2018)
FMEIA	Federal Ministry for Europe, Integration and Foreign Affairs (until 2019)
FMEIA	Federal Ministry for European and International Affairs (since 2020)
FMF	Federal Ministry of Finances
FMI	Federal Ministry of Interior
FMJ	Federal Ministry of Justice
FMAFEWM	Federal Ministry of Agriculture, Forestry, Environment, Water Management (until 2017)
FMART	Federal Ministry of Agriculture, Regions and Tourism (since 2020)
FMTIT	Federal Ministry of Transport, Innovation and Technology (until 2019)
BMK	Federal Ministry for Climate Action, Environment, Energy, Mobility, Innovation and Technology (since 2020)

FMSRE	Federal Ministry of Science, Research and Economy (until 2017)
FMDEA	Federal Ministry for Digital and Economic Affairs (since 2018)
GoA	Government of the Republic of Armenia
GoG	Government of Georgia
GoM	Government of the Republic of Moldova
HRBA	Human Rights based approach
IFI	International Financial Institutions
IWM	Integrated Water Management
LLL	Life Long Learning
MoU	Memorandum of Understanding
MDBs	Multilateral Development Banks
NDICI-GE	Neighbourhood, Development and International Cooperation Instrument – Global Europe
ODA	Official Development Assistance
OeAD	Österreichischer Austauschdienst (Austrian Exchange Service)
OeEB	Österreichische Entwicklungsbank (Austrian Development Bank)
OeKB	Österreichische Kontrollbank (Austrian Export Credit Agency)
OSCE	Organisation for Security and Co-operation in Europe
PAR	Public Administration Reform
PMO	Prime Minister's Office
PPP	Public Private Partnership
RPL	Recognition of Prior Learning
SDGs	Sustainable Development Goals
SSR	Security Sector Reform
TAR	Territorial Administration Reform
UBA	Umweltbundesamt (Environment Agency Austria)
UNDP	United Nations Development Programme
UNICEF	United Nations International Children's Emergency Fund
TVET	Technical and Vocational Education and Training
WKÖ/WKO	Wirtschaftskammer Österreich (Austrian Economic Chambers)

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I. Introduction & Summary

The European Union Eastern Partnership (EaP) provides the framework for the political association and economic integration of the EU's Eastern neighbourhood (**The Republic of Armenia, Azerbaijan, Belarus¹, Georgia, The Republic of Moldova, Ukraine**). To support the aims of the EU Eastern Partnership in the Republic of Armenia, Georgia and the Republic of Moldova and in particular the objectives as defined in Austria's Federal Act on Development Cooperation as effectively and coherently as possible, this new strategy provides the framework for the work of the **Austrian Development Cooperation** (ADC) in the three partner countries.

Austria is committed to continue to support its partner countries, **the Republic of Armenia, Georgia and the Republic of Moldova** in their efforts to achieve the Sustainable Development Goals (SDGs). The three countries face specific challenges and transformation processes with the aim of enhancing the resilience of the population, especially of women and vulnerable groups. Support to gender equality and women's and girls' empowerment will be emphasised throughout the implementation of programmes.

The strategy and its objectives are based on the Austrian Federal Act on Development Cooperation (DCA), the Three-Year Programme (3YP) on Austrian Development Policy 2022-2024, and in particular on the respective partner countries' national development plans.

The European Union, its Eastern Partnership and individual agreements as well as programming frameworks provide a further reference for the Austrian Development Cooperation's intervention. The ADC's objectives and thematic focus areas in each partner country are embedded within the EU joint programming approach. The timeframe of this strategy aligns itself to the Three-Year-Programme on Austrian Development Policy 2022-2024.

¹ BY suspended its participation in the EaP in June 2021

II. Context and general approach

II.1 Context of the Austrian Development Cooperation within the EU Eastern Neighbourhood region

The **EU Eastern Neighbourhood region** continues to be a priority in Austria's foreign policy agenda.

Austria's **foreign policy**, including its **development cooperation**, is based on **values**, such as fundamental freedoms, human rights, democracy, the rule of law, gender equality and women's and girls' empowerment, social inclusion, as well as economic and social cohesion and environmental and climate protection. Austria also promotes effective multilateralism and international law, peace and human security, as well as the implementation of the Agenda 2030 with the 17 Sustainable Development Goals (SDGs). The importance of civil society as actors and partners in achieving the SDGs is well acknowledged. Austria supports these values in its neighbourhood.

As members and participating States of the United Nations, the OSCE, WHO and the Council of Europe Austria as well as the Republic of Armenia, Georgia and the Republic of Moldova work in close cooperation with these key international organizations in the region, which actively support the countries' and the region's development. This includes the implementation of key global policy goals set by the Agenda 2030 and the SDGs as well as the Paris Agreement on Climate Change.

The European Union is a key actor in the region. As an EU Member State, Austria is committed to an active European Common Foreign and Security Policy (CFSP). The EU's Global Strategy and the European Neighbourhood Policy underline the need to enhance stability as well as state and societal resilience in our neighbourhood. The three ADC partner countries in the Eastern Partnership belong to a wider group of six countries – which also includes Azerbaijan, Belarus² and Ukraine – enjoying special relations with the **European Union in the framework of the Eastern Partnership**, established in 2009. This joint policy framework aims to deepen relations between the EU, its Member States and its Eastern partner countries in political and economic terms, based on European values, standards and regulations. The strategic orientations of the “European Green Deal Policy” will also serve as guiding principles in the co-operation with European Neighbourhood countries.

In 2017, the Eastern Partnership had identified ‘**20 key deliverables for 2020**’ in the fields of stronger economy, stronger governance, stronger connectivity and stronger society as well as engagement with civil society organizations, increasing gender equality and non-discrimination, and strengthening strategic communication and supporting plurality and independence of media.

While some of the 2017 commitments were not completely implemented, in particular in the fields of rule of law, good governance, anti-corruption, gender equality, anti-discrimination and inclusion, the future EaP focus will be laid, according to decisions taken at the sixth EaP Summit held on 15 December 2021, on ‘Recovery, Resilience and Reform’. Values, joint ownership and solidarity were especially highlighted in this respect. In future, the scope and depth of cooperation will be shaped in particular by the ambitions and needs of the EU and the partners, by the pace and quality of reforms, and by EU's conditionality and incentive-based approach of “more-for-more” and “less-for-less”.

Future EaP action will be structured around the two pillars of ‘Governance’ and ‘Investments’ (to be supported by the economic and investment plan with country specific flagship initiatives), with five long-term objectives:

- together for accountable institutions, the rule of law and security;
- together for resilient, gender-equal, fair and inclusive societies;
- together for resilient, sustainable and integrated economies;
- together towards environmental and climate resilience; and
- together for a resilient digital transformation.

The European Union signed **Association Agreements** including Deep and Comprehensive Free Trade Agreements (DCFTA) with Georgia, the Republic of Moldova and Ukraine and a Comprehensive and Enhanced Partnership Agreement (CEPA) with the Republic of Armenia. The

² BY suspended its participation in the EaP in June 2021

European Neighbourhood Instrument (ENI) has been the key EU financial instrument for cooperation with the EaP countries from 2014 to 2020. For the period 2021 – 2027, measures for the EU Neighbourhood will be implemented under the **Neighbourhood, Development and International Cooperation Instrument – Global Europe** (NDICI-GE).

Austrian Development Cooperation complements Austrian foreign policy, building **respect for European values** in and by our partner countries, as enshrined in joint Eastern Partnership documents and commitments as well as reflected in the EaP conditionality.

II.2 Austrian Development Cooperation partner countries: The Republic of Armenia, Georgia, The Republic of Moldova – Common Challenges

The three ADC partner countries, the Republic of Armenia, Georgia and the Republic of Moldova, face certain similar challenges on their path towards sustainable development. Since their independence almost 30 years ago, all three countries have been involved in unresolved conflicts, which have escalated into armed conflicts from time to time and generate massive destabilizing effects on the entire region. Challenges in relation to migration, economic perspectives, unemployment, brain drain and poverty, especially for youth, as well as gender equality and women's empowerment are exacerbated through conflict situations and pose severe obstacles to sustainable stability and economic prosperity. Labour market oriented education and training – including dual education schemes - as well as employment creation can contribute to economic empowerment and are an essential dimension of development and resilience in the region.

Moreover, **special relations to the EU** bring certain advantages and opportunities for the partner countries. As the Eastern Partnership aims to create the necessary conditions to accelerate political association and deepen economic integration between the EU and the partner countries, the EU supports political and socio-economic reforms, which facilitate the approximation to European standards and norms.

Although achievements regarding poverty reduction have already been made, **poverty** continues to be a problem in all three ADC partner countries in the Eastern Neighbourhood region as poverty rates still reach 26.4% in the Republic of Armenia (2019)³, about 21.3% in Georgia (2019)⁴ and 26.8% in the Republic of Moldova (2020)⁵. The overall objective to end poverty according to the Development Cooperation Act guides ADC programmes and projects in the thematic focus areas.

Since the first half year 2020, the Eastern Neighbourhood region and the ADC partner countries have been hit hard by the **COVID-19-pandemic**. This crisis has substantial negative economic and socio-economic effects in the region. As part of the EU joint COVID-19 response a support and recovery package up to 1 billion euros for short and medium term consequences has been provided to the Eastern Neighbourhood region.⁶

Urbanisation is a global trend also valid for ADC partner countries with many advantages for people, especially in finding services, education and jobs, but also encompasses big challenges. While a substantial part of the population in the Republic of Armenia, Georgia, the Republic of Moldova still lives in rural areas, these areas often remain disadvantaged. **Agriculture** remains a central source of income and employment, but unfortunately is not always very efficient or profitable. Challenges regarding the environment and use of environmental resources, especially water resources, persist. The EU Eastern partner countries are highly dependent upon their natural assets for growth and employment. However, the Republic of Armenia and the Republic of Moldova tend to over-exploit renewable freshwater resources for agriculture and public water supply and thus become water-scarce countries. Groundwater abstraction is increasing while water productivity remains low. Furthermore, untreated or poorly treated wastewater and agricultural runoff reduce water quality and availability to sustain human health, ecosystems, and economies. Water policies and governance need further reform for tackling scarcity and degradation of water ecosystems, reducing risks of natural disasters, and strengthening the resilience of economies.

³ [Poverty headcount ratio at national poverty lines \(% of population\) - Armenia | Data \(worldbank.org\)](https://data.worldbank.org/SD/SH.UV.CDVS.CV?locations=EU)

⁴ [Poverty headcount ratio at national poverty lines \(% of population\) - Georgia | Data \(worldbank.org\)](https://data.worldbank.org/SD/SH.UV.CDVS.CV?locations=EU)

⁵ [Poverty headcount ratio at national poverty lines \(% of population\) - Moldova | Data \(worldbank.org\)](https://data.worldbank.org/SD/SH.UV.CDVS.CV?locations=EU)

⁶ https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/coronavirus_support_eap.pdf

In addition, high quality, inclusive education, vocational training or dual education increase opportunities and perspectives for the population and boosts the competitiveness of the economies in the region.

Overall, **adequate institutional capacity**, well-functioning and effective institutions at national, regional and local levels are important elements to support the sustainable and equitable development and especially encourage sustainable rural development. Effective decentralisation (devolution) empowers stakeholders, promotes good governance as well as efficient provision of public services and accountability in order to fight corruption. Capacity development efforts will thus focus on strengthening weak institutions through either targeted measures or mainstreamed approaches. Hence, Austria will put in its intervention in all three partner countries a strong focus on rural development, as key for reducing poverty, increasing employment and improving livelihoods especially for different groups of women and vulnerable groups. Individual priorities are outlined with a specific eye on the challenges in the individual partner country in the following chapters.

Migration is a concern for Europe as well as the Eastern Neighbourhood region. Whereas the EU member states face challenges as host countries, the ADC partner countries suffer from brain drain and the demographic impacts of severe emigration. Remittances have a strong impact on all three countries, but with high emigration, there remain negative implications on the economy as well as the society, as foremost well-educated and young parts of the population leave their countries. However, due to the COVID-19 pandemic both aspects have changed. While migration has come to a halt, with many people even returning to their countries of origin, remittances have decreased due to economic crises in host countries. The challenges of returning migrants may hence be addressed in projects supported by the ADC.

All three ADC partner countries are facing **unresolved conflicts, which have an impact on their development and prosperity**. The United Nations, the European Union and in particular the OSCE play a significant role in the entire Eastern Neighbourhood region, and are implicated in **confidence building and conflict prevention and resolution measures**. They are also involved as active mediators and part of **international conflict resolution mechanisms**, such as the Geneva International Discussions, the OSCE's Minsk Group, the Trilateral Contact Group or the 5+2 negotiations and actively promote the implementation of UN SC Resolution 1325 on Women, Peace and Security.

Given the challenges in conflict-affected areas, contributing to **confidence building, conflict prevention, peace building and human security** is a driver of ADC assistance in the three partner countries and Eastern Neighbourhood region. Austria is committed to **collaborate with relevant international organisations** (in particular UN, OSCE, EU) **with the aim of supporting and complementing their efforts**. Mainly within the framework of the defined focus areas in each partner country, possibilities to support conflict prevention, the creation of an **enabling environment** for a peaceful conflict resolution, **resilience** and **people-to-people contacts** should be examined.

II.3 Overall approach and general principles of the Austrian Development Cooperation

For Austria, the following **principles** are essential with regard to the planning, financing and implementation of projects and programmes:

- The 4 principles of effective cooperation (ownership, result-orientation, partnership, transparency and accountability);
- Focus on the poorest in society, in order to curb inequalities, strengthen the resilience of vulnerable groups including people with disabilities and to leave no one behind (SDG principle 'Leave no one behind');
- Gender equality as essential approach for the promotion of development;
- Strengthening of democratic principles, human rights and good governance;
- Political dialogue, confidence building, civic education;
- Promotion of peace, human security and resilience ('human rights based' and 'conflict and gender sensitive') with a special focus on conflict prevention and assistance to the

implementation of UN-SC Resolution 1325 on Women, Peace and Security and subsequent resolutions⁷;

- Promote climate change mitigation and adaptation, environmental protection as well as sustainable management of natural resources through a low greenhouse gas emission and climate resilient water – energy – food security nexus approach;

Achieving gender equality is, as mentioned, an essential approach for the promotion of development and therefore plays a particular role in ADC interventions. Recognising strong patriarchal structures and high levels of domestic or gender-based violence rates, women and girls continue to widely face serious challenges and inequalities in the ADC partner countries. Thus, within the framework of all focus areas and in line with the ADC policy on gender⁸ and the EU Gender Action Plan, **explicit attention will be paid to the situation of women and girls.**

II.4 Strategic Objectives

Austria is committed to continue to support the ADC partner countries - the Republic of Armenia, Georgia, the Republic of Moldova - in their overall efforts to address their challenges according to their own priorities and within the framework of their relations to the EU. The overall objective is to enhance the resilience of the population and to promote local economic development, especially in rural areas. Strengthening of inclusive, accountable, transparent and effective institutions especially at decentralised level is an important aspect in this regard.

All three ADC partner countries in the EU Eastern Neighbourhood region face unresolved conflicts, which constitute obstacles to development. Austria thus applies a conflict sensitive approach to minimize potential negative effects ensuring that programmes and projects do not exacerbate tensions as well as to maximize any potential positive impact that could indirectly or directly contribute to conflict prevention and peacebuilding. In addition, if windows of opportunities arise, Austria could support confidence-building measures (CBMs). Confidence building measures are actions or processes undertaken in conflict situations and across the economic, environmental, social or cultural sectors with the aim of increasing transparency and the level of trust between conflict parties in order to reduce tensions or the risk of escalation.⁹ This framework strategy for the EU Eastern Neighbourhood region provides the basis for contribution to such measures. Due to the benefits of effective CBMs, ADC support is mainstreamed, but in exceptional cases also possible in areas other than the defined thematic focus areas for each country described in the following chapters.

II.5 Whole-of-Government approach and instruments

Policy coherence and the Whole-of-Government approach shall guide Austrian policies towards and interventions in our partner countries. Wherever possible, Austrian Ministries, institutions cooperating with and active in the Republic of Armenia, Georgia and the Republic of Moldova are encouraged to cooperate through their instruments in joint analyses, sharing lessons and ensure coherent and complementary coordination, programming and using synergies between existing instruments.¹⁰ In cooperation with Austrian stakeholders and with local partners the relevant Austrian Embassy and Coordination Office for Technical Cooperation will strive to build synergies, coherence and support exchange and networking among relevant stakeholders.

Financing Modalities and Support Programmes by the Austrian Development Cooperation:

Various ADC instruments will complement and reinforce the objectives of this Framework Strategy:

- **Bilateral programming** according to the results matrix of respective parts under this framework strategy is the main tool to achieve the objectives outlined in this strategy.
- **Business Partnership Programmes**¹¹ support European Economic Area (EEA) and Swiss companies and local partner companies who jointly invest in activities, which are economically viable and at the same time offer a developmental benefit for the Eastern Neighbourhood

⁷ In particular UN-SC Resolutions 1820, 1888, 1889, 1960, 2106, 2122, 2467

⁸ [PD_Gender_2017_EN.pdf \(entwicklung.at\)](#), p. 12

⁹ <https://www.osce.org/files/f/documents/6/0/91082.pdf>

¹⁰ See for example the Strategic Guideline for Security and Development

(https://www.entwicklung.at/fileadmin/user_upload/Dokumente/Publikationen/Strategien/Englisch/EN_Guideline_Security_and_Development.pdf) and the DAC Recommendations on the Humanitarian-Development-Peace Nexus([643.en.pdf \(oecd.org\)](#))

¹¹ <https://www.entwicklung.at/en/actors/businesses/business-partnerships>

region and especially the ADC partner countries. This benefit includes employment effects, skills development, improved environmental and climate protection, wider social benefits etc. The private sector is a key partner in achieving sustainable development in partner countries, e.g. through establishing new enterprises and strengthening value chains for local value added, creating jobs and providing income opportunities, and contributing to public revenues and savings on foreign exchange respectively, which are critical to increasing the country's self-reliance and sustainable growth. These measures create long-term perspectives for the partner country and are particularly relevant in economically difficult situations, as expected in the post-COVID situation.

- The Austrian Partnership Programme in **Higher Education and Research** for Development (APPEAR)¹² funds cooperation between academic institutions in Austria and ADC partner countries in order to strengthen institutional capacities in research, training and management. Eligible projects have to be thematically oriented towards development challenges in the partner country and designed to contribute to achieving the SDGs. Moreover, the APPEAR programme is funding Master's and PhD scholarships at Austrian higher education institutions in fields which are supported in the respective ADC partner countries.
- **Cooperation with Austrian Civil Society Organisations (CSOs)**¹³ has a long-standing tradition within ADC's engagement in the Eastern Neighbourhood region and especially in the ADC partner countries. Projects are based on CSO's own initiatives and directed at specific requirements and demands of vulnerable groups. Activities should ideally complement and support the ADC focus areas in the partner countries. Activities include strengthening of synergies, knowledge management and transfer of expertise, capacity development and advocacy of partner CSOs. Furthermore, ADC aims to consult CSOs in view of the development of its interventions to reflect their needs in the best possible way and support them in conflict and gender responsive ways. Austria will continue to focus on strengthening capacity development, promoting participation in policy dialogue, decision-making, and developing professional involvement of CSO actors in development and decision-making processes at the central/regional policy and local levels. Special attention will be paid to the organisation of and participation in joint learning mechanisms, as well as assistance to the development and strengthening of CSO networks.
- **Multilateral cooperation** is essential in development cooperation and humanitarian aid. ADC proactively contributes to multilateral fora and efficiently leverages its voice on policy dialogue and advocacy platforms, as well as on possible earmarking of Austrian mandatory and voluntary contributions in favour of the priority countries', regions and thematic focus. Furthermore, multilateral organisations are key partners of ADC in ADC's priority countries in the Eastern Neighbourhood region in the implementation of this Framework Strategy, together with governmental institutions, CSOs and academia.
- **Humanitarian Assistance:** Applying a gender sensitive **Humanitarian – Development – Peace Nexus** will be at the core of any Humanitarian Assistance to the Eastern Neighbourhood region if needed. The nexus approach¹⁴ strengthens coherence between different measures in order to reduce people's needs, risks and vulnerabilities, to support prevention efforts and thus to shift from humanitarian assistance to ending need.¹⁵ In the Eastern Neighbourhood region (as elsewhere), humanitarian assistance is provided according to the actual situation, recently foremost in Ukraine.¹⁶
- The **EU and the EU member states** work together as Team Europe in a complementary manner through a joint programming approach in partner countries. Within this approach, ways of increased cooperation are for example through joint financing mechanisms, trilateral cooperation or the delegation of funds (so-called EU delegated cooperation). Austrian Development Cooperation is committed to continue working within the EU family in a constructive and complementary way, including through the implementation of EU projects through indirect management, according to the ADA strategy on third party financing.
- The **Green Climate Fund (GCF)** is a unique global platform to support developing countries responding to climate change implications by investing in low-emission and climate-resilient

¹² <https://appear.at/en/>

¹³ <https://www.entwicklung.at/en/actors/civil-society>

¹⁴ [643.en.pdf \(oecd.org\)](https://www.oecd.org/dac/conflict-fragility-resilience/infographic-humanitarian-development-peace-nexus.htm)

¹⁵ <http://www.oecd.org/dac/conflict-fragility-resilience/infographic-humanitarian-development-peace-nexus.htm>

¹⁶ <https://www.entwicklung.at/themen/humanitaere-hilfe/auslandskatastrophenfonds-akf#c3045>

measures. The Austrian Development Agency (ADA) as accredited entity is eligible to implement GCF funds and can support the Republic of Armenia, Georgia and the Republic of Moldova in their endeavour to mitigate the implications of climate change in a long term.

Cooperation by other Austrian actors through their respective instruments:

Regarding readmission the **Federal Ministry of the Interior** supports voluntary return by offering specific support. Voluntary returnees can make use of the national return assistance programme. For example for nationals of the Republic of Armenia, additional support is granted through the reintegration project IRMA Plus II¹⁷.

The engagement by the **Austrian Federal Ministry of Defense** in the Republic of Armenia, Georgia and the Republic of Moldova is guided by the Security & Development Nexus as well as the resulting whole-of-government approach in terms of operationalization.

Especially with the formulation of SDG 16 on "Peace, Justice and Strong Institutions", this nexus was institutionalized in the context of international development policy and its implementation. The Ministry's focus in its cooperation with the regional partner states is therefore on security sector reform and capacity development measures to support the establishment of **effective and accountable** national armed forces, as a basis for sustainable peace and development.

Under the **Federal Ministry of Climate Action, Environment, Energy, Mobility, Innovation and Technology** Austria provides climate financing to developing countries to help support them in the area of climate protection. Currently, the strategy for climate financing is under review and will be finished next year.

II.6 Implementation, Monitoring and Evaluation

Policy dialogue involving all relevant stakeholders and with regard to the principle of ownership (of partners) is an excellent tool and important part of development policy and development cooperation. Policy dialogue will therefore be pursued with stakeholders in partner countries at the different levels. For this purpose, ADC actively participates in the relevant fora among development partners and with the partner countries.

ADC monitors projects and programmes in close collaboration with governments, its partners and development partners in the Eastern Neighbourhood region according to the established and agreed-upon monitoring procedures and mechanisms whenever possible. Effective monitoring of development processes and progress for results requires collaboration on the identification of baselines and reference values and the quality of data available.

Result orientation and an evidence-based approach are at the core of Austria's strategic approach. Taking account of the principles of ownership and partner orientation, ADC primarily focuses on the results and monitoring mechanisms applied by the partner countries in their strategies and programmes. Therefore, the results frameworks in the following chapters are aligned to the strategies, plans and programmes of the partner countries, as indicated. Development results of interventions implemented by non-governmental or international organizations will be monitored based on jointly agreed outcomes.

To underline the importance of the region, Austria has enhanced its presence by establishing a Coordination Office for Technical Cooperation in Yerevan. The Austrian Development Agency (ADA) as well as the Coordination Offices for Technical Cooperation in Chisinau, Tiflis and Yerevan take the overall responsibility for the implementation of its country programmes according to the objectives defined within this strategy and the results frameworks. Reporting to the MFA follows the respective reporting formats and is based on the results matrix.

An **evaluation** of this Framework Strategy **shall be foreseen in 2024**. It should include consultation of different stakeholders, incl. CSOs in the partner countries. This will help assess the implemented activities also from the viewpoint of the partners and CSOs. Results and recommendations of the evaluation will feed into a possible extension of this Framework Strategy and its result frameworks.

¹⁷ <https://www.caritas.at/hilfe-beratung/migrantinnen-fluechtlinge/beratung-vertretung/rueckkehrhilfe-reintegration/irma-plus-reintegration/>

Due to the COVID-19 pandemic and its implications the targets of the result matrix might have to be reassessed.

III. Austrian Development Cooperation with the Republic of Armenia

III.1 Introduction and Background

Austria's bilateral cooperation is based on the Agreement between the Government of the Republic of Austria and the Government of the Republic of Armenia (GoA) on Development Cooperation of 2012, since when it has been priority country for the Austrian Development Cooperation. In 2021, the Austrian Development Cooperation upgraded its presence in Armenia and established the Coordination Office for Technical Cooperation in Yerevan.

Armenia has been witnessing a profound political transition after the Armenian Velvet Revolution in April/May 2018, with early Parliamentary Elections (December 2018) and the transition from a semi-presidential system to a Parliamentary Republic.

The Government and its Five-Year Government Programme (2019-2023) set a focus on good governance, including anti-corruption efforts, transparency and accountability, poverty eradication and the development of *a competitive and inclusive economy meeting high technological, industrial and environmental standards*. The Republic of Armenia is also committed to green economy and to ensuring long-term development by integrating climate change mitigation and adaptation. The Republic of Armenia's national strategies, in particular the 'Transformation Strategy 2050' provide the basis for Austrian support along with 'The Strategy of the Main Directions Ensuring Economic Development in Agricultural Sector of the Republic of Armenia for 2020-2030' and the 'Armenian Regional Development Strategy 2016-2025'.

According to the 2020 Human Development Index, the Republic of Armenia ranks 81st out of 189 countries with a value of 0.776.¹⁸ Since 2015, years of solid growth¹⁹ and low inflation²⁰ contributed to an improvement in living conditions. However, although the national poverty rate declined from 29.4% in 2016 to 23.5% in 2018²¹, the Republic of Armenia has not managed to end poverty so far. Emigration is a consequence of the challenges for people in the Republic of Armenia, at the same time making the country one of the leading countries in Europe and Central Asia with regard to remittances (10.5% of GDP in 2020).²²

Despite the economic growth, especially from 2016 to 2019, challenges persist regarding sustainable economic development and perspectives especially in rural areas and for women and youth. One key sector in rural Armenia is agriculture and the production of agricultural goods, with almost 36% of the population involved in agriculture, which counts for about 15% of the Armenian GDP.²³ Perspectives for rural areas need to include economic development and diversification complemented with effective and citizens-oriented local governments. Skills development is key in this regard.

The **Nagorno-Karabakh conflict** has been ongoing for almost three decades and has again flared up with great intensity September – November 2020. In addition to the tragic loss of lives, the conflict hampers economic development, negatively affects the living standards and has deteriorated the humanitarian situation of displaced people. The conflict will affect the development prospective for the next years and has an impact on the entire region.

The **EU-Armenia Comprehensive and Enhanced Partnership Agreement** of November 2017 aims at strengthening the Armenian economy and citizens. Within the EU-framework ADC supports the country's further integration into the regional and global economies and closer cooperation with the EU.

¹⁸ <http://hdr.undp.org/en/content/latest-human-development-index-ranking>

¹⁹ [Armenia Overview: Development news, research, data | World Bank](#)

²⁰ [lp-armenien.pdf \(wko.at\)](#)

²¹ <https://data.worldbank.org/country/armenia?view=chart>

²² <https://www.worldbank.org/en/topic/labormarkets/brief/migration-and-remittances>

²³ [LI_Armenien_Mai2021.pdf \(entwicklung.at\)](#)

Within the framework of **Joint Programming**, EU institutions (foremost the European Commission) and member states coordinate their activities in line with the respective national development plans. To lower transaction costs and strengthen coherence and efficiency, the development partners design a joint strategy in close cooperation with national authorities. Joint Programming in the Republic of Armenia started in 2014 when the Government of the Republic of Armenia adopted its development strategy 2014 to 2025. In 2016, the European partners involved in the JP process developed a joint analysis. The financial and technical assistance of the EU partners thus is in line with the Republic of Armenia's development priorities. Currently eight EU member states (AT, CZ, FR, DE, GR, LT, PL, RO) and the UK are participating donors in Joint Programming.²⁴

III.2. Thematic focus areas

The Austrian Development Cooperation will focus on the following areas:

- **Sustainable rural development and improved livelihood opportunities**
- **Inclusive local development and effective institutions**

Within the Republic of Armenia, the geographic focus will be placed on the poorest regions and disadvantaged areas.

Considering the protracted Nagorno-Karabakh conflict, this framework strategy also provides the basis for engagement in confidence building measures if windows of opportunity open up. In exceptional cases, support is possible beyond the specific thematic focus areas.

III. 2.1. Thematic Focus Area 1 – Sustainable rural development and improved livelihood opportunities

In order to improve the livelihoods and opportunities for the rural population in the Republic of Armenia, especially women, youth and vulnerable people, ADC will focus its support on rural development in the Republic of Armenia. Effective rural development results in employment and income opportunities in sustainable agriculture and beyond. Furthermore, it reduces pressure with regard to urbanisation and migration to the capital and abroad.

Sustainable and climate smart agricultural production (e.g. organic agriculture), effective and competitive agribusinesses and processing facilities, effective service provision (e.g. extension, certification, information/ICT etc.), as well as access to local, regional and international markets and innovations are key for rural development. Equal access to resources, assets and services need to be ensured to enable participation and benefit for women and vulnerable people. Equally, environmental protection, sustainable natural resource management (e.g. restoring soil fertility, combating land degradation and erosion, sustainable water resource management) as well as climate change adaptation and mitigation will be addressed in ADC interventions to reduce the pressure on natural resources and ecosystems.

Strategic Goal 1

Improved livelihoods and increased resilience to post-COVID implications of the rural population, especially women, youth and vulnerable people in the disadvantaged regions

- Enhanced local value added through improved access of farmers and agribusinesses and SMEs to inputs, services, knowledge, innovations and markets,
- Increased agricultural productivity and improved local food security based on sustainable, climate resilient and climate smart production methods, with a focus on organic agriculture; this also encompasses livestock sector development, including animal health management and livestock identification systems,
- Increased resilience of rural population through sustainable natural resource management and climate action with a focus on improved water resource management.

III.2.2 Thematic Focus Area 2 - Inclusive local development and effective institutions

Effective democratic institutions at all levels are key in fostering inclusive and sustainable local development, regional cohesion, inclusive, gender responsive and demand-driven service provision,

²⁴ <https://europa.eu/capacity4dev/joint-programming-tracker/armenia>

and enhancing socio-economic opportunities for the population such as supporting local business development. Enabling inclusive participation in planning and decision-making processes, especially for women and vulnerable people is key. The local population must be empowered to participate in these processes and to hold local institutions that affect their lives, accountable.

Strategic Goal 2

Inclusive local development and improved local governance in disadvantaged regions

- Improved public service provision for local economic development and participatory processes in place including the area of environmental governance
- Increased civil society participation in the local governance processes

III.3 Other Austrian actors and instruments

In April 2014, a Memorandum of Understanding between the **Federal Ministry for Education and Women's Affairs** of the Republic of Austria and the **Ministry of Education and Science of the Republic of Armenia** on cooperation in the Field of Education (2015 – 2021) was signed.

In 2015, a Memorandum of Understanding on the cooperation between the **Republic of Armenia's Ministry of Agriculture** and the **Austrian Federal Ministry of Agriculture, Forestry, Environment and Water Management** was signed.

A MoU on cooperation in the field of Environment Protection between the **Austrian Federal Ministry for Sustainability and Tourism** and the Ministry of Environment of the Republic of Armenia was signed in December 2019.

The **Federal Ministry of Defence** provides advice, training and knowledge transfer to support the Republic of Armenia's efforts with regard to security sector governance and reform (SSG/R). Project implementation is within the framework of the OSCE and based on the OSCE Armenia Cooperation Programme (ACP). Furthermore, the Republic of Armenia is invited to participate in the various ESDC activities, which are implemented under Austrian leadership (e.g. Orientation Course, Reflection Seminar, training courses on various security political subjects).

The **Austrian Federal Ministry of Finance** represents Austria as member and shareholder in most Multilateral Development Banks (MDBs) active in the country. These are notably the World Bank Group, the European Bank for Reconstruction and Development, the European Investment Bank, the Asian Development Bank and the Asian Infrastructure Investment Bank. These supranational institutions are key partners in providing financial assistance to Georgia and the Republic of Armenia in particular for large infrastructure projects, climate finance, and private sector development as well as for health and education initiatives. In complementarity to its engagement as shareholder of these MDBs, Austria supports several untied Trust Funds managed by these MDBs. These Trust Funds provide technical assistance and capacity building funds for projects financed by the MDBs especially in the following sectors: renewable energy, climate change, water and sanitation, private sector development and urbanisation.

The **Austrian Development Bank (OeEB)** provides ongoing loans to the Republic of Armenia and the **Austrian Federal Economic Chamber** is active via a local representative.

The **Federal Ministry for Digital and Economic Affairs** conducts joint economic commissions with the Republic of Armenia with the aim to strengthen bilateral economic relations by setting priorities for future cooperation, identifying promising projects and providing support in bilateral economic issues. Trade missions, organized by the Federal Economic Chamber, typically accompany the joint economic commissions.

On December 11, 2019, a memorandum of understanding was signed between the **Ministry of Environment of the Republic of Armenia** and **Federal Ministry on Sustainability and Tourism of the Republic of Austria**. The aim of the memorandum is to promote joint implementation of cooperation projects and actions in the field of environmental protection, according to the requirements of national legislation of both countries and basic principles and norms of international law.

The memorandum of understanding sets a pathway of cooperation in the following fields:

- Climate change

- Biodiversity conservation
- Water resources management
- Improvement of the systems of environmental monitoring and of environmental impact assessment
- Management of hazardous materials and waste
- Sustainable use of natural resources
- Ecotourism.

The **Environment Agency Austria (EAA)** is part of the consortium implementing the European Union Water Initiative Plus for the Eastern Partnership (EUWI+), covering also the Republic of Armenia, notably in the pilot areas of the Lake Sevan and the Hrazdan river basins. UBA is acting on behalf of the Austrian Ministry (BMLRT) and EUWI+ is co-financed by ADA.

III.4: Financial envelope

ADA will tentatively earmark an annual budget* for the implementation through its country budget. This is notwithstanding any possible other decision on budget allocation taken by the Federal Government. This indicative amount will be complemented by funding through other ADA modalities, which are based on initiatives and therefore not predictable (for example business partnerships, NGO co-funding and education programmes) and third-party funding.

Other Austrian actors like other Ministries, Universities, Agencies, Development and Investment Banks and of course, non-state actors will be called to contribute to the implementation through their funding instruments.

Indicative budget allocation for the Republic of Armenia*:

Indicative budget allocation 2022 to 2024 annually, minimum of 3 Mio EUR, total sum of 9 Mio EUR for the period 2022-2024	Budget allocation per thematic focus		In per cent
	Sustainable rural development		55%
	Promotion of local development and governance		45%
			100 %

*Final allocation of funds will depend on the identification of suitable interventions, the absorption capacity, as well as the efficiency and effectiveness of the cooperation with the relevant partners. Accordingly, the information on indicative budget allocation cannot be considered a firm commitment or claimed as such by the partner country. The indication serves as a basis for the Annual Work Programme of ADA, reviewed and confirmed by Austria's Federal Ministry for European and International Affairs each year. In case of a serious and lasting violation or suspension of the readmission agreement or if no effective returns take place, financial support can be reduced.

III.5 Results Matrix Austrian Development Cooperation in THE REPUBLIC OF ARMENIA²⁵

Objectives	Indicators	Baselines (year 2019)	Targets (at end year of Country Strategy)	SDG reference	Partner country data and policy reference	Responsible Austrian ODA institutions
Overall goal Contribute to poverty reduction in Armenia, increased resilience of the population, inclusive economic development and better governance	Indicator 0.1. National rural poverty rate	Baseline 0.1. 21.3% rural poverty (2018)	Target 0.1. 17.3%	1, 2, 5, 8, 9, 12, 13, 16	National Statistics ²⁶ GoA Programme (February 2019) (World Bank data ²⁷)	ADA (contribute)
	Indicator 0.2. GDP per capita growth rate	Baseline 0.2. + 7.4% (2019)	Target 0.2. + 8%			
Thematic focus 1 Sustainable rural development and improved livelihood opportunities						
Strategic Goal 1. Improved livelihoods of the rural population, especially women, youth and vulnerable people in the disadvantaged regions	Indicator 1.1. % of enhanced incomes of rural households (men/women/vulnerable people)	Baseline 1.1. 0	Target 1.1. 15%	1, 2, 5	National statistics ²⁸	ADA

²⁵ The timeframe of this strategy aligns itself to the EU programming period under the new multiannual financial framework 2021-2027. Indicators are based on the partner countries own references and will be revised according to new policy documents, as appropriate.

²⁶ [Social Snapshot and Poverty in Armenia, 2019 / Statistical Committee of the Republic of Armenia \(armstat.am\)](#)

²⁷ <https://data.worldbank.org/indicator/NY.GDP.PCAP.KD.ZG?view=chart>

²⁸ <https://armstat.am/en/?nid=82&id=2217>

<p>Outcome 1.1. Enhanced local value added through improved and equal access of farms, agribusiness and SMEs to inputs, services, knowledge, innovations and markets</p>	<p>Indicator 1.1.1. # of farms and agribusinesses integrated into value chains and markets</p> <p>Indicator 1.1.2. # of men/women/youth/vulnerable people with improved knowledge and skills</p>	<p>Baseline 1.1.1. 0</p> <p>Baseline 1.1.2. 0</p>	<p>Target 1.1.1. 1,000</p> <p>Target 1.1.2. 5,000</p>	<p>2, 3, 9</p>	<p>Sustainable Agriculture Development Strategy 2020-2030</p>	<p>ADA</p>
<p>Outcome 1.2. Increased agricultural productivity and improved local food security based on sustainable, climate-resilient production methods with a focus on organic agriculture</p>	<p>Indicator 1.2.1. # of farm households with increased crop and livestock productivity</p> <p>Indicator 1.2.2. # of farmers / agribusinesses applying sustainable, and climate-resilient production methods</p>	<p>Baseline 1.2.1. 0</p> <p>Baseline 1.2.2. 0</p>	<p>Target 1.2.1. 8,000</p> <p>Target 1.2.2. 1,000</p>	<p>2, 5</p>	<p>Project level data</p> <p>Project level data</p>	<p>ADA</p>
<p>Outcome 1.3. Increased resilience of rural population through sustainable natural resources management and climate action with a focus on improved water resource management</p>	<p>Indicator 1.3.1. # of population benefitting from the improved management of natural resources</p>	<p>Baseline 1.3.1. 0</p>	<p>Target 1.3.1. 30,000</p>	<p>1, 2, 12, 13, 15, 6</p>	<p>Project level data</p>	<p>ADA</p>

Thematic focus 2 Inclusive local development and effective institutions							
Strategic Goal 2. Inclusive local development and improved local governance in disadvantaged regions	Indicator 2.1. # of inclusive, gender-responsive and sustainable local development plans introduced/updated	Baseline 2.1. 0	Target 2.1. 5	11, 16	Project data	level	ADA
	Indicator 2.2. % of men/women/youth/vulnerable groups satisfied with public service provision	Baseline 2.2. tbd	Target 2.2. 65%		Project data	level	
Outcome 2.1. Improved public service provision for local economic development and participatory processes in place including the area of environmental governance	Indicator 2.1.1. # of communities with access to more effective services	Baseline 2.1.1. 0	Target 2.1.1. 80	16	Project data	level	ADA
	Indicator 2.1.2. # of local governments with improved transparency and accountability mechanism in place	Baseline 2.1.2. 0	Target 2.1.2. 80		Project data	level	
	Indicator 2.1.3. # of local SME's supported	Baseline 2.1.3. 0	Target 2.1.3. 200		Project data	level	
Outcome 2.2 Increased civil society participation in the local governance processes	Indicator 2.2.1. # of legal and/or policy documents developed/updated in a participatory manner	Baseline 2.2.1. 0	Target 2.2.1. 5	16	Project data	level	ADA
	Indicator 2.2.2. % of women/vulnerable groups participating in the	Baseline 2.2.2. 10%	Target 2.2.2. 30%		UNDP data ⁱ		

	local governance processes					
Cross-cutting issue: Confidence building measures						
Outcome 3.1. Indications of enhanced or continued cooperation of stakeholders/people on both sides of the border	Indicator 3.1.1. # of projects including efforts to support cooperation of stakeholders/people on both sides of the border especially within thematic areas	Baseline 3.1.1. 1	Target 3.1.1. 1 ²⁹	SDG 16, 10, 17		ADA
Monitoring and Evaluation				SDG 17		
Outcome 4.1. Enhanced Policy and Operational Coherence in the context of implementing the strategy, with a particular focus on gender						MFA Austria (BMEIA/VII.5) ADA Coordination Office
Output 4.1.1: Regular exchanges and coordination in the implementation of the strategy between different Austrian actors and stakeholders working in Armenia, both in Austria and in Armenia	Indicator 4.1.1.1. Number of inter-ministerial meetings held in VIE Indicator 4.1.1.2. Number of joint monitoring missions undertaken involving different Austrian actors Indicator 4.1.1.3.	Baseline 4.1.1.1. 1 meeting / year (2020) Baseline 4.1.1.2. 0	Target 4.1.1.1. 1 meeting per year (until 2027) Target 4.1.1.2. 1 per year			MFA Austria (BMEIA/VII.5) ADA Coordination Office All AT actors including CSOs

²⁹ Depending on the political situation and related restrictions of operation

	Number of joint programmes developed under the strategy involving different Austrian actors	Baseline 4.1.1.3. 0	Target 4.1.1.3. 1			
Output 4.1.2: Strengthened thematic focus in the projects and programs implemented under the strategy	Indicator 4.1.2.1. % of projects and programs contributing to the defined outcomes	Baseline 4.1.2.1. 90%	Target 4.1.2.1. 90%			ADA

IV. Austrian Development Cooperation with Georgia

IV.1. Introduction and Background

Austria's bilateral cooperation is based on the Agreement between the Government of the Republic of Austria and the Government of Georgia (GoG) on Development Cooperation of 2013. Georgia has been an ADC priority country since 2011, when the Coordination Office for Technical Cooperation was established in Tbilisi.

Georgia's national strategies, such as the 'Social-economic Development Strategy Georgia 2020' and other sector strategies, such as the 'Mountain Development Strategy 2019-2023', the 'Strategy on Agriculture and Rural Development 2021-2027' and the 'Decentralization Strategy 2020-2025', elaborated in cooperation with ADC, provide the basis for Austrian support. Georgia is also committed to low-carbon and long-term development by integrating climate change mitigation and adaptation.

In the course of the last decade, Georgia's economy has grown robustly at an average annual rate of 4.5%, despite numerous shocks. Poverty declined from 36.9% to 19.5% between 2006 and 2019³⁰ and the inflation rate was relatively low in 2018, at 2.6%, but since then increased to 5.2% in 2020.³¹ Although the poor have benefited considerably from the government's social policies, as well as from new economic opportunities, 2020 was marked by a backslide into higher poverty levels. Most affected thereof are the population in rural mountainous areas and vulnerable groups.³² According to the 2020 Human Development Index, Georgia ranks 61st out of 189 countries with a value of 0.812³³.

Moreover, the situation of the conflict-affected population continues to pose challenges. Lack of economic opportunities especially for the rural population leads to a high level of unemployment (about 18.5% in 2020³⁴), emigration and remittances to Georgia (9.9% of GDP³⁵). Moreover, Georgia faces **inadequate human capital development** where 36% of the population is unemployed or inactive and about 37% of the employed share work as subsistence farmers with very low income.

This is especially the case in mountainous areas, where the income of the population is even lower than in the rest of the country and access to public and private services is more complicated due to the condition of infrastructure and natural-climate conditions. The population in these areas is also more vulnerable to the risks caused by natural disasters.

Having acknowledged substantive results made by Georgia in combating corruption and in order to maintain this progress and further consolidate the institutional democracy (a system of functional institutions free of corruption), efforts are being continued to address challenges in the area of **governance**, the legal system, the fight against corruption and lack of institutional capacities³⁶.

Agriculture remains a key sector for rural development in Georgia. Unfortunately, the agricultural sector is not very productive due to challenges in terms of access to adequate inputs and services. 38% of the workforce are engaged in the agriculture sector yet it contributes to less than 10% of the Georgian GDP.³⁷ Thus, in order to enhance economic benefits for the rural population, agricultural productivity, processing and market opportunities need to be increased. This includes outdated irrigation schemes that need rehabilitation and observation of ecological flows and rivers.

The **EU-Georgia Association Agreement** and the **Deep and Comprehensive Free Trade Area Agreement** with the European Union of July 2016 aims at strengthening the Georgian economy. In

³⁰ <https://data.worldbank.org/country/georgia>

³¹ [Inflation, consumer prices \(annual %\) - Georgia | Data \(worldbank.org\)](https://data.worldbank.org/indicator/SL.UEM.TOTL.NE.ZS?locations=GE)

³² [L_Georgien_Aug2021.pdf \(entwicklung.at\)](https://www.entwicklung.at/L_Georgien_Aug2021.pdf)

³³ [Latest Human Development Index Ranking | Human Development Reports \(undp.org\)](https://data.worldbank.org/indicator/SL.UEM.TOTL.NE.ZS?locations=GE)

³⁴ <https://data.worldbank.org/indicator/SL.UEM.TOTL.NE.ZS?locations=GE>

³⁵ <https://www.worldbank.org/en/topic/labormarkets/brief/migration-and-remittances>

³⁶ Corruption Perceptions Index 2020 by Transparency International: rank 45 (2010: 68); Worldbank Doing Business survey 2020: rank 7 (of 190) and in "Starting Business" rank 2 (2010: 11); Worldwide Governance Indicators 2020 by the Worldbank: rank 41 in World Governance; rank 45 in Control of Corruption component (2012: 62; of 189); World Justice Project Rule of Law Index 2020 in component of Absence of Corruption: rank 27 (of 128 states; 2012: 21); Economic Freedom Index 2021 by Heritage Foundation: rank 12 (among 180 countries) with historic high 77.2 points (region's average is 69.8 and world's average is 61.6).

³⁷ <http://www.fao.org/georgia/fao-in-georgia/georgia-at-a-glance/en/>

the framework of joint programming, and with EU financial instruments, ADC supports the country's further integration into the regional and global economies in close cooperation with the EU.

Within the framework of **Joint Programming**, EU institutions (foremost the European Commission and EU Delegations) and member states coordinate their activities in line with the respective national development plans. To lower transaction costs and strengthen coherence and efficiency, the development partners design a joint strategy in close cooperation with national authorities. Joint Programming in Georgia started in 2014 with the preparation of a JP roadmap. It was agreed upon to conduct a joint analysis for the period 2017 to 2020. For future interventions, governance, rule of law and justice, sustainable and inclusive economic growth, human capital development, social welfare and sustainable use of natural resources were identified as key sectors. Currently seven EU member states (CZ, DK, FR, DE, LTU, NL, SE) and Switzerland are participating donors in the Joint Programming.³⁸

IV.2. Thematic focus areas

The Austrian Development Cooperation will focus its interventions on the following areas:

- **Sustainable rural development and improved livelihood opportunities**
- **Inclusive local development and effective institutions**

Within Georgia and upon request by the Government, the geographic focus will be placed on mountainous areas³⁹ to address the most severe problems the inhabitants of these regions face, which are food insecurity, low income and unemployment.

As Georgia has to deal with the unresolved conflict concerning Abkhazia and Tskhinvali region/South Ossetia, this framework strategy also provides the basis for engagement in confidence building measures if windows of opportunities open up. Regarding the benefits of effective CBMs, support is possible beyond the specific thematic focus areas and in regions adjacent to the administrative boundary lines.

IV.2.1. Thematic Focus Area 1 – Sustainable rural development and improved livelihood opportunities

Austrian Development Cooperation aims at promoting rural development in Georgia, through enhanced economic and employment opportunities particularly in high mountain areas and with a focus on women, youth and vulnerable people. In order to create perspectives on-site, improved productivity through sustainable and climate-smart agricultural production, processing, marketing as well as diversification of the rural economy (i.e. development of hospitality institutions and tourism) will be promoted. This will be complemented by capacity development to enable effective service provision and food safety (e.g. certification), as well as environmental protection, sustainable natural resource management (e.g. restoring soil fertility, combating degradation, providing access to clean water, developing sustainable water allocation regulation), waste management, climate change adaptation and mitigation.

The new Georgian Mountain Development Strategy 2019-2023, elaborated in cooperation with ADC, will focus on the sustainable development of Georgia's highland settlements, thus supporting SMEs, sustainable farming and the promotion and production of agricultural produce, thus also supporting tourism as a source of income.

Strategic Goal 1

Improved livelihoods and increased resilience to post-COVID implications of the rural population, in particular women, youth and vulnerable people

- Increased agricultural productivity and incomes based on sustainable and climate-resilient production methods with a focus on organic agriculture
- Enhanced local value added through rural economic diversification and improved access to efficient infrastructures, services and markets

³⁸ <https://europa.eu/capacity4dev/joint-programming-tracker/georgia>

³⁹ Definition of mountainous areas based on Georgian Law on Development of Mountainous Regions

- Increased employment opportunities, in particular for women and youth, effective businesses and inclusive market systems
- Improved quality and inclusiveness of vocational education and training

IV.2.2. Thematic Focus Area 2 - Inclusive local development and effective institutions

Decentralised institutions need to be efficient in order to provide inclusive and accountable services to the population, and to promote inclusive participation in planning and decision-making, especially for women and vulnerable people. The local population must be empowered to participate in these processes and to hold local institutions that affect their lives accountable.

Strategic Goal 2

Improved local governance and sustainable natural resource management especially in mountainous regions.⁴⁰

- Increased capacity of local government for effective and quality services, inclusive participation of the civil society and the private sector, and high standards of transparency and accountability
- Empowered civil society that is capable to participate in transparent and gender responsive budgeting and decision-making processes holding local institutions accountable and strengthened participation of civil society in local development
- Increased capacity of public institutions and civil society at local level to plan for and manage natural resources in a sustainable manner and respond to climate risks and natural disasters with a special focus on water resource management

IV.3. Other Austrian actors and instruments

Memorandum of Understanding between the **Federal Ministry for Education and Women's Affairs of the Republic of Austria** and the **Ministry of Education and Science of Georgia** on cooperation in the Field of Education (2014 – 2017; renewed for the following periods of two years).

Memorandum of Understanding on Cooperation in the Field of Infrastructure and Technology between the **Federal Ministry of Transport, Innovation and Technology of the Republic of Austria** and the **Ministry of Regional Development and Infrastructure** of May 2015.

Memorandum of Understanding between the **Ministry of Environment and Natural Resources Protection of Georgia**⁴¹ and the **Federal Ministry of Agriculture, Forestry, Environment and Water Management of the Republic of Austria** on Cooperation in the Field of Environmental Protection of May 2015

Memorandum of Understanding between the **Ministry of Environmental Protection and Agriculture of Georgia** and the **Provincial Government of Upper Austria** on cooperation in the field of agriculture of October 2019

Memorandum of Understanding on Cooperation in the Field of Transport, Information and Communication Technologies and Innovation between the **Ministry of Economy and Sustainable Development of Georgia** and the **Federal Ministry for Transport, Innovation and Technology of the Republic of Austria**, December 2019.

Letter of Intent on the Establishment and Development of Cooperation between **Land Tirol** and **Samegrelo/Zemo Svaneti**, October 2021.

The **Austrian Federal Ministry of the Interior** has opened an office in Tbilisi in 2007 and developed close contacts with the Georgian authorities in the field of police cooperation, facilitating and

⁴⁰ In line with the Decentralization Strategy 2020 – 2025 – Strategic Goal 3.

⁴¹ Merged with ministry of Agriculture from 2017, now – Ministry Environmental Protection and Agriculture

organising advice and training, among others, in combatting trafficking in human beings and to the fight against corruption.

The **Austrian Federal Ministry of Finance** represents Austria as member and shareholder in most Multilateral Development Banks (MDBs) active in the country. These are notably the World Bank Group, the European Bank for Reconstruction and Development, the European Investment Bank, the Asian Development Bank and the Asian Infrastructure Investment Bank. These supranational institutions are key partners in providing financial assistance to Georgia in particular for large infrastructure projects, climate finance, and private sector development as well as for health and education initiatives. In complementarity to its engagement as shareholder of these MDBs, Austria supports several untied Trust Funds managed by these MDBs. These Trust Funds provide technical assistance and capacity building funds for projects financed by the MDBs especially in the following sectors: renewable energy, climate change, water and sanitation, private sector development and urbanisation.

Through the secondment of experts from the **Austrian Federal Ministry of Defense and the Ministry of Interior**, Austria contributes to the EU Monitoring Mission in Georgia (EUMM). Among others, the priorities of the civilian crisis management mission are to ensure that there is no return to hostilities and to build confidence across the Administrative Boundary Line in order to facilitate the resumption of a safe and normal life for the local communities alongside the Administrative Boundary Line. Furthermore, the **Austrian Federal Ministry of Defense** is involved in a targeted long-term activity on ammunition logistics to support the Defence Forces of Georgia; the focus is on sustainable stockpile management in accordance with international standards, guidelines and best practices to protect the civilian population and the environment and to prevent illicit proliferation. Also, Georgia is invited to participate in the various ESDC activities, which are implemented under Austrian leadership (e.g. Orientation Course, Reflection Seminar, training courses on various security political subjects), while acting as co-lead during the training activity on Hybrid Threats.

The **Federal Ministry for Digital and Economic Affairs** conducts joint economic commissions with Georgia with the aim to strengthen bilateral economic relations by setting priorities for future cooperation, identifying promising projects and providing support in bilateral economic issues. Trade missions organized by the Federal Economic Chamber typically accompany the joint economic commissions. The Austrian Export Credit Agency **OeKB** and the Austrian Development Bank **OeEB** (assigned to the **Ministry of Finance**) are both operating with loans in the public and the private sector in Georgia.

The **Environment Agency of Austria** is part of the consortium implementing the European Union Water Initiative Plus for the Eastern Partnership (EUWI+), covering also Georgia, notably in the pilot areas of the Alazani-Iori and the Khrami-Debed river basins. UBA is acting on behalf of the Austrian Ministry (BMLRT) and EUWI+ is co-financed by ADA.

IV.4. Financial envelope

ADA will tentatively earmark an annual budget* for the implementation through its country budget. This is notwithstanding any possible other decision on budget allocation taken by the Federal Government. This indicative amount will be complemented by funding through other ADA modalities which are based on initiatives and therefore not predictable (for example business partnerships, NGO co-funding and education programmes) and third-party funding. Other Austrian actors like other Ministries, Universities, Agencies, Development and Investment Banks and of course, non-state actors will be called to contribute to the implementation through their funding instruments.

Indicative budget allocation Georgia (in EUR million)*:

Indicative budget allocation 2022 to 2022 annually, minimum of 3,3 Mio EUR, total sum of 9,9 Mio EUR for the period 2022-2024	Budget allocation per thematic focus	In per cent
	Sustainable rural development	65%
	Capacity development of institutions and actors	35%
	Note: An adequate amount will be provided for confidence-building measures/CBMs, if opportunities arise. CBM-related activities will, as	100 %

	appropriate, built into regular programmes.	
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*Final allocation of funds will depend on the identification of suitable interventions, the absorption capacity, as well as the efficiency and effectiveness of the cooperation with the relevant partners. Accordingly, the information on indicative budget allocation cannot be considered a firm commitment or claimed as such by the partner country. The indication serves as a basis for the Annual Work Programme of ADA, reviewed and confirmed by Austria's Federal Ministry for European and International Affairs each year. In case of a serious and lasting violation or suspension of the readmission agreement or if no effective returns take place, financial support can be reduced.

IV.5. Results Matrix Austrian Development Cooperation in GEORGIA⁴²

Objectives	Indicators	Baselines ⁴³ (year 2019)	Targets (at end year of Country Strategy)	SDG reference	Partner country data, and policy reference	Responsible Austrian ODA institutions
Overall goal Contribute to poverty reduction, strengthened resilience, economic development and better governance in Georgia, with a special focus on women	Indicator 0.1. National poverty rate (%)	Baseline 0.1. 19.5% ⁴⁴	Target 0.1. 16.53% ⁴⁵	1	National Statistical data BDD Georgia 19-22 ⁴⁶ GPRC	ADA
	Indicator 0.2. GDP per capita growth rate per year (in %)	Baseline 0.2. 5%	Target 0.2. TBD			
Thematic focus 1 Sustainable rural development and improved livelihood opportunities						
Strategic Goal 1. Improved livelihoods and increased resilience to post-COVID implications of the rural population, in particular women, youth and vulnerable people	Indicator 1.1. income of the rural households (men/women/youth/vulnerable people) (GEL)	Baseline 1.1. 824.4 GEL ⁴⁷	Target 1.1. 1237 GEL ⁴⁸	1, 2	National Statistical Data	ADA
Outcome 1.1.	Indicator 1.1.1.	Baseline 1.1.1.	Target 1.1.1.	2, 13	Project level	ADA

⁴² The timeframe of this strategy aligns itself to the EU programming period under the new multiannual financial framework 2021-2027. Indicators are based on the partner countries own references and will be revised according to new policy documents, as appropriate.

⁴³ Data do not reflect the COVID-19 pandemic implications and the conflict in Nagorno Karabakh (see page 14, Chapter II.6)

⁴⁴ <https://www.geostat.ge/en/single-archive/3351>

⁴⁵ Combined info from [National Statistics Office of Georgia \(geostat.ge\)](https://www.geostat.ge) and [9781464816437.pdf \(worldbank.org\)](https://www.worldbank.org)

⁴⁶ [BDD \(mof.ge\)](https://www.mof.ge)

⁴⁷ Average Monthly Income per Household in Rural Areas according to: [Households Income - National Statistics Office of Georgia \(geostat.ge\)](https://www.geostat.ge)

⁴⁸ Estimated based on National Statistical Data

Increased agricultural productivity and incomes based on sustainable and climate-resilient production methods with a focus on organic agriculture	# of farm households with increased crop and livestock productivity Indicator 1.1.2. # of farmers / agribusinesses applying sustainable, and climate-resilient production methods	0 Baseline 1.1.2. 900	1,900 Target 1.1.2. 2,200		data Biological Farming Association Elkana's data	
Outcome 1.2. Enhanced local value added through rural economic diversification and improved access to efficient infrastructures, services and markets	Indicator 1.2.1. # of farmers and agribusinesses integrated into value chains and markets	Baseline 1.2.1. 0	Target 1.2.1. 3,000	8, 9	Project level data	ADA
Outcome 1.3. Increased employment opportunities, in particular for women and youth, effective businesses and inclusive market systems Improved quality and inclusiveness of vocational education and training	Indicator 1.3.1. # of enterprises supported with business development services (disaggregated by age, sex)	Baseline 1.3.1. 200	Target 1.3.1. 400	8, 9	Agriculture and Rural Development Strategy of Georgia 2021-2027	ADA
Thematic focus 2 Inclusive local development and effective institutions						
Strategic Goal 2. Improved local governance and sustainable natural resources management especially in mountainous regions	Indicator 2.1. % of men/women/youth/vulnerable persons in mountainous regions satisfied with public service provision	Baseline 2.1. 53%	Target 2.1. 67%	13, 15, 16	Citizens Satisfaction Survey 2019	ADA
Outcome 2.1.	Indicator 2.1.1.	Baseline 2.1.1.	Target 2.1.1.	16	Decentralisation	ADA (contribution)

Increased capacity of local government for effective and quality services, inclusive participation of the civil society and the private sector, and high standards of transparency and accountability	<p>% of satisfaction and trust in local authorities is increased⁴⁹</p> <p>Indicator 2.1.2. % of Local Self-Government Index⁵⁰ (transparency and accountability)</p> <p>Indicator 2.1.3. % of civic engagement in the execution of local self-governance</p>	<p>68% (satisfaction) and 70% (trust in local authorities)</p> <p>Baseline 2.1.2. 28%</p> <p>Baseline 2.1.3. 10%</p>	<p>Increase at least by 3%</p> <p>Target 2.1.2. 55% (estimated for 2025)</p> <p>Target 2.1.3. 20% (estimated for 2025)</p>		Strategy 2020-2025	
Outcome 2.2. Empowered civil society that is capable to participate in transparent and gender responsive budgeting and decision-making processes holding local institutions accountable	<p>Indicator 2.2.1. # of legal and/or policy documents developed/updated in a participatory manner</p> <p>Indicator 2.2.2. % of women/vulnerable groups participating in the local governance processes</p>	<p>Baseline 2.2.1. 0</p> <p>Baseline 2.2.2. 0</p>	<p>Target 2.2.1. 4</p> <p>Target 2.2.2. 18</p>	5, 16	Regional Development Program of Georgia Project level data	ADA
Outcome 2.3. Increased capacity of public institutions and civil society at local level to plan for and manage natural resources in a sustainable manner and respond to climate risks and natural disasters with a special focus on water resource	<p>Indicator 2.3.1. # of legal and/or policy documents developed/updated reflecting sustainable natural resource management and/or climate action</p> <p>Indicator 2.3.2. #of joint education, knowledge</p>	<p>Baseline 2.3.1. 0</p> <p>Baseline 2.3.2.</p>	<p>Target 2.3.1. 3</p> <p>Target 2.3.2.</p>	13, 15, 16	Agriculture and Rural Development Strategy of Georgia Project level data	ADA

⁴⁹ Indicator fits the objective N 3.1 of the Decentralization Strategy of Georgia 2020-2025

⁵⁰ For an explanation of the Local Self-Government index see: [Presentation of the Local Self-Government Index \(idfi.ge\)](#)

management	exchange and awareness raising activities on sustainable development and climate change	2	4			
Cross-cutting issue: Confidence building measures						
Outcome 3.1. Indications of enhanced or continued cooperation of stakeholders/people on both sides of the respective Administrative Boundary Line on a technical level	Indicator 3.1.1. # of projects including efforts to support cooperation of stakeholders/people on both sides of the respective Administrative Boundary Line especially within thematic areas	Baseline 3.1.1. 1	Target 3.1.1. 1 ⁵¹	SDG 16, 10, 17	SMR documents	ADA
Monitoring and Evaluation				SDG 17		
Outcome 4.1. Enhanced Policy and Operational Coherence in the context of implementing the strategy, with a particular focus on gender						MFA Austria (BMEIA/VII.5) ADA Coordination Office
Output 4.1.1: Regular exchanges and coordination in the implementation of the strategy between different Austrian actors and stakeholders working in	Indicator 4.1.1.1. Number of inter-ministerial meetings held in VIE Indicator 4.1.1.2. Number of joint monitoring missions/year undertaken	Baseline 4.1.1.1. 2 meeting / year Baseline 4.1.1.2. 1	Target 4.1.1.1. 2 meeting per year Target 4.1.1.2. 1			MFA Austria (BMEIA/VII.5) ADA Coordination Office All AT actors

⁵¹ Depending on the political situation and related restrictions of operation

Georgia, both in Austria and in Georgia	involving different Austrian actors Indicator 4.1.1.3. Number of joint programmes/year developed under the strategy involving different Austrian actors	Baseline 4.1.1.3. 0	Target 4.1.1.3. 1			including CSOs
Output 4.1.2. Strengthened thematic focus in the projects and programs implemented under the strategy	Indicator 4.1.2.1. % of projects and programs contributing to the defined outcomes	Baseline 4.1.2.1. 90	Target 4.1.2.1. 90			ADA

V. Austrian Development Cooperation with the Republic of Moldova

V.1. Introduction and Background

The Republic of Moldova has been an ADC priority country since 2004. Austria's bilateral cooperation is based on the Agreement between the Government of the Republic of Austria and the Government of the Republic of Moldova (GoM) on Development Cooperation of 2008.

The Republic of Moldova's national strategies, such as the National Development Strategy 'Moldova 2030', and other sector strategies⁵² provide the basis for Austrian support.

According to the 2020 Human Development Index, the Republic of Moldova ranks 90th out of 189 countries with a value of 0.750.⁵³ This makes the Republic of Moldova the least developed country in the Eastern Neighbourhood region. In particular, inequalities in the Moldovan society have a negative impact on its human development (>10%).

The challenges to the state's territorial integrity remain obstacles for development: the temporary lack of effective control by the authorities of the Republic of Moldova of the Transnistrian region due to the protracted transnistrian conflict poses difficulties for the economic development of the country and the quality of life of the population. Challenges persist in the area of governance, the legal system, the fight against corruption and the lack of institutional capacities.

The Republic of Moldova's gross national income 2020 was USD 11.9 billion (GNI per capita PPP USD 4,512).⁵⁴ Even though the percentage of the population living below the national poverty line was reduced from 21.9% in 2010 to 9.6% in 2018⁵⁵, poverty remains a fundamental, multifaceted problem, which affects rural areas in particular. Against this background, migration is a constant phenomenon, leading to one of the highest migration rates in Europe, brain drain and the lack of skilled workers.⁵⁶ Hence, remittances of Moldovan migrants totalled 15.1 % of GDP in 2020.⁵⁷

Moreover, rural areas are also facing **demographic challenges**. Due to reduced job possibilities, foremost young and better-educated parts of the population migrate to cities or even other countries and do not return to their hometowns. In the agricultural sector, however, informal employment is omnipresent and accounts for 73% of men and 84% of women who work in this sector. In addition, access to education and quality of educational services is much lower and the dropout rate much higher in rural areas. All these factors further deepen inequalities.⁵⁸

Corruption remains one of the Republic of Moldova's major problems. The Transparency International Corruption Perceptions Index 2020 ranked the Republic of Moldova 115th among 180 countries with a score of 34 out of 100.⁵⁹ An increase in professionalism and transparency of the judicial system, enhanced awareness raising among the public, in public administration and the business sector will be key in the fight against corruption. Furthermore, EU Council conclusions have been vocal in calling for strengthening democratic standards, the rule of law and justice and tackling high-level corruption.⁶⁰

The **EU-Moldova Association Agreement**, including its **Deep and Comprehensive Free Trade Area Agreement** with the European Union (EU) of July 2016 aims at strengthening the Moldovan

⁵² Environmental Strategy 2014-2023, Water Supply and Sanitation Strategy 2014-2028, Climate Change Adaptation Strategy by 2020 and its further adaptations Education Development Strategy for 2014-2020 "Education 2020", Vocational / technical education development strategy for 2013-2020, National employment strategy for 2017-2021, National Strategy for the Development of the Youth Sector 2020 etc

⁵³ <http://hdr.undp.org/en/content/latest-human-development-index-ranking>

⁵⁴ World Bank Country Profile Moldova 2018: [CountryProfile | World Development Indicators \(worldbank.org\)](#)

⁵⁵ World Bank Country Profile Moldova 2018: [CountryProfile | World Development Indicators \(worldbank.org\)](#)

⁵⁶ [LI_Moldau_Sept2021.pdf \(entwicklung.at\)](#)

⁵⁷ <https://www.worldbank.org/en/topic/labormarkets/brief/migration-and-remittances>

⁵⁸ UNDP: [Inequalities in urban and rural Moldova: Beyond incomes and averages, looking into the future of inequalities](#)

⁵⁹ <https://www.transparency.org/en/countries/moldova>

⁶⁰ <http://data.consilium.europa.eu/doc/document/ST-6280-2018-INIT/en/pdf>

economy. In the framework of joint programming, and with EU financial instruments, ADC supports the country's further integration into the regional and global economies in close cooperation with the EU. Austria supports the principles of effective development cooperation including using to the extent possible the national systems and institutions of the recipient country while implementing its assistance to the Republic of Moldova. To lower transaction costs, avoid duplication and strengthen coordination and coherence among development partner programs, EU and its member states design a Joint Strategy in close cooperation with national authorities. Within this framework of **Joint Programming**, EU institutions (foremost the European Commission and the EU Delegation) together with member states coordinate their activities in line with the respective national development plans. Joint Programming in the Republic of Moldova is the most advanced in the ADC partner countries. A joint analysis was completed in 2016 and a European Joint Development Cooperation Strategy 2017-2020 (Joint Programming Document), which is structured around four broad intervention areas (economic development and market opportunities; strengthening institutions and good governance; energy efficiency, environment and climate change; mobility and people to people contacts), was presented to the Moldovan government in 2018. Moreover, the crosscutting priorities civil society, gender equality and strategic communication are included. Currently the EIB, fifteen EU member states (AT, BE, BG, CZ, EE, FR, DE, HU, IT, LV, LT, PL, RO, SE, SK), Switzerland and the UK are participating donors in the Joint Programming.⁶¹

V.2. Thematic focus areas

Austrian Development Cooperation will focus its interventions on the following areas:

- Sustainable rural development with a particular focus on water management, environmental protection and climate change adaptation and mitigation
- Equal opportunity in labour market inclusion

As the Republic of Moldova has to deal with the protracted transnistrian conflict, this framework strategy also provides the basis for engagement in confidence building measures if windows of opportunities open up. Regarding the benefits of effective CBMs, support is possible beyond the specific thematic focus areas.

V.2.1 Thematic Focus Area 1 – Sustainable rural development, with a particular focus on water management, environmental protection and climate change adaptation and mitigation

Austrian Development Cooperation aims to support inclusive, gender sensitive and sustainable rural development in the Republic of Moldova by improving the livelihoods and resilience of the rural population, in particular women, youth, older persons and vulnerable people. The focus is on improved water and drought management, environmental protection, conservation of ecosystems and climate change adaptation and mitigation. This includes the continued support to basic services in the water sector, integrated water resources management according to EU standards and promotion of improved cooperation and confidence building over shared natural resources. To reduce the pressure on natural resources and ecosystems, to build up linkages between agriculture and energy and enhancing climate resilience at local and regional levels.

Strategic Goal 1

Improved living conditions and increased resilience to post-COVID implications of the rural population, especially for women, older persons and youth, with a focus on socioeconomic and environmental resilience.

- Improved governance in the water sector, integrated water resource management and basic services in the water sector
- Increased resilience of local communities through climate change adaptation and mitigation and improved natural resource management
- Enhanced inclusive and sustainable local socio-economic development
- Enhanced capacities and framework for integrated Disaster Risk Reduction

⁶¹ <https://europa.eu/capacity4dev/joint-programming-tracker/moldova>

V.2.2 Thematic Focus Area 2 – Equal opportunities in labour market inclusion

Austrian Development Cooperation aims to support technical and vocational education and training. In close coordination with all Austrian actors involved (Foreign Ministry, Austrian Development Agency, Ministries of Education, Social Affairs, Economic Affairs, Austrian Agency for Education and Internationalisation (OeAD), Austrian Chamber of Commerce, private sector), the fields of 'dual education' or work-based learning as well as inclusive education and training including career guidance and counselling have particularly become one of the leading topics of ADC in the Republic of Moldova. The advanced cooperation with Donor Committee for dual vocational education and training (DCdVET) and European Training Foundation (ETF) aligns the ADC educational programmes in the Republic of Moldova with the other European donor's development intervention in the country.

Strategic Goal 2

Equal opportunities in labour market inclusion.

Within this overall outcome and in line with the National Employment Strategy 2017-2021 (and its follow-up strategy, not duplicating other donor programmes), ADC shall focus on

- Youth and adults, including vulnerable groups, have equal and better access to labour market-relevant (re-)qualification
- Increased employability of current and future job-seekers (as a result of other measures than (re-)qualification) with a specific focus on vulnerable groups
- Improved quality and inclusiveness of vocational education and training, LLL, RPL, guidance⁶²

V.3. Other Austrian actors and instruments

Memorandum of Understanding between the **Federal Minister of Education, Science and Research of the Republic of Austria** and the Minister of Education, Culture and Research of the Republic of Moldova concerning cooperation in the Field of Education (2020 – 2023).

The **OeAD GmbH (Austrian Agency for Education and Internationalisation** – new name as of 01.2021), supports via its cooperation office in Chisinau educational cooperation between Austrian and Moldovan education institutions on behalf of the Austrian Federal Ministry of Education, Science and Research. The cooperation office is headed by an Austrian educational coordinator, directly seconded by the Austrian Federal Ministry of Education, Science and Research. The main aim is to support sustainable education system reforms through an exchange of experience in priority areas of education development. Among these priority areas are capacity building for effective quality development in vocational education and training and inclusive education. Additionally, the Republic of Moldova is an active partner in regional cooperation networks, e.g. PA 9 of the EUSDR (EU Strategy for Danube Region) and ERI SEE, the Education Reform Initiative of SEE.

The **Austrian Federal Ministry of the Interior** has developed close contacts with the Moldovan authorities in the field of police cooperation, providing advice and training, among others, in combatting trafficking in human beings and in the fight against corruption.

Several cooperation agreements between the Ministry of Internal Affairs of the Republic of Moldova and the Federal Ministry of Internal Affairs of the Republic of Austria on all aspects of bilateral cooperation exist:

- **Convention on Police Cooperation in South East Europe** (State Treaty, entered into force in the Republic of Moldova on 11.07.2008 and in Austria on 10.10.2011)
- **PCC SEE „Prüm-like“-Agreement** (State Treaty; international exchange of data concerning fingerprints, DNA and vehicles) signed on 13.09.2018 within the framework of a third party conference together with a respective implementation agreement (in force since 11.08.2019, in force in the Republic of Moldova since 26.11.2019, not yet in force in Austria)
- **Police Cooperation Agreement** (intergovernmental agreement, in force since 01.02.2011)
- **Disaster Relief Agreement** (State Treaty, in force since 01.10.2013)
- **MD-EU-Readmission Agreement** (in force since 01.01.2008) and bilateral Implementation Protocol (intergovernmental agreement, in force since 26.11.2010)
- **Memorandum of Understanding** on Police Cooperation (effective since 19.07.2007)

⁶² RPL Definition by UNESCO-UNEVOC: An assessment process that assesses the individual's non-formal and informal learning to determine the extent to which that individual has achieved the required learning or competency outcomes (<https://unevoc.unesco.org/home/TVETipedia+Glossary/lang=en/filt=all/id=398>).

- **Memorandum of Understanding** on the Exchange of Data concerning fingerprints, DNA and vehicles (effective since 13.09.2018)

Moreover, two bilateral agreements between Austria and the Republic of Moldova are currently in the phase of negotiation:

- **Implementation Agreement of the Convention on Police Cooperation in South East Europe** (intergovernmental agreement): August 2019: Final drafts were sent by Austria to the Republic of Moldova for final confirmation. Now, Austria is waiting for the draft text in Romanian Language from the Republic of Moldova. In the moment, this translation will be sent to Austria, the Federal Ministry for European and International Affairs will prepare its presentation to the Austrian Cabinet of Ministers.
- **Amending Protocol to the PCC SEE „Prüm-like“-Agreement**: In order to resolve the concerns of the EC in connection with the PCC Prüm Agreement (Priority of EU legislation and cases of adequacy decisions) and in order to change the accession clause. 27.05.2020: Informal negotiation round has taken place at the beginning of 2021; the signing of this Amending Protocol is foreseen for 22nd of December 2021.

The Austrian Federal Ministry of Defence supports the OSCE in its endeavours to ensure transparency of the removal and destruction of ammunitions and armament in the Republic of Moldova, in order to ensure compliance with international standards and commitments. Special attention is paid to efforts mitigating the risks of uncontrolled explosions. Hence, the targeted long-term activity on weapons and ammunition logistics focuses on sustainable stockpile management and respective institution building. Furthermore, the Republic of Moldova is invited to participate in the various ESDC activities, which are implemented under Austrian leadership (e.g. Orientation Course, Reflection Seminar, training courses on various security political subjects), while acting as co-lead during the training activity on cyber security.

The Austrian **Federal Ministry of Social Affairs, Health, Care and Consumer Protection** is present with an office at the Austrian Embassy in Chisinau and supports the development of the country with purposeful know-how activities on the modernization and improvement of the social welfare, social insurance, health and long term care system. The Ministry's know-how transfer activities complement the Country strategy of the Austrian Development Cooperation and are carried out together with the competent Moldovan authorities and Austrian and Moldovan NGOs. The cooperation supports the implementation of new policies and strategies in the fields like supporting the social and economic inclusion of people with disabilities; promoting the senior's policy; improving of medical and long-term care services; prevention of transmitted diseases (TB, HIV and HBV).

Funded by the Federal Ministry of Social Affairs, Health, Care and Consumer Protection, the WHO Country Office is providing technical assistance to the Republic of Moldova to decrease the burden of TB/HIV/viral Hepatitis co-morbidities by implementation of health service integrated approaches, improving the infection prevention and control measures in long-term care facilities and update the infection prevention and control strategies.

The **Austrian Federal Ministry of Finance** represents Austria as member and shareholder in most Multilateral Development Banks (MDBs) active in the country. These are notably the World Bank Group, the European Bank for Reconstruction and Development and the European Investment Bank. These supranational institutions are key partners in providing financial assistance to the Republic of Moldova in particular for large infrastructure projects, climate finance, and private sector development as well as for health and education initiatives. In complementarity to its engagement as shareholder of these MDBs, Austria supports several untied Trust Funds managed by the MDBs. These Trust Funds provide technical assistance and capacity building funds for projects financed by the MDBs especially in the following sectors: renewable energy, climate change, water and sanitation, private sector development and urbanisation.

The **Federal Ministry for Digital and Economic Affairs** conducts joint economic commissions with the Republic of Moldova with the aim to strengthen bilateral economic relations by setting priorities for future cooperation, identifying promising projects and providing support in bilateral economic issues. The joint economic commissions are typically accompanied by trade missions, which are organized by the Federal Economic Chamber.

The **Austrian Federal Ministry of Education, Science and Research** together with the Austrian Federal Ministry of Labour cooperate with the Republic of Moldova in the joint coordination of Priority Area 9 “People and Skills” of the EU Strategy for the Danube Region (EUSDR).

The **Environment Agency Austria (UBA)** is part of the consortium implementing the European Union Water Initiative Plus for the Eastern Partnership (EUWI+), covering also the Republic of Moldova.

Furthermore, UBA also supported the former MARDE, which has been reorganized in September 2021, in developing nature-based adaptation solutions to climate change, funded by the *Bio-Bridge Initiative Programme* of the Secretariat of the *Convention on Biological Diversity*.

Austria is also providing its environmental expertise via the ‘**Danube Water Program**’ of the World Bank, co-funded by the Austrian Federal Ministry of Finance, and assistance by the Austrian Export Credit Agency (Österreichische Kontrollbank Group), that relates to expertise in review of water and wastewater services in the Danube region”.

V.4. Financial envelope

ADA will tentatively earmark an annual budget* for the implementation through its country budget. This is notwithstanding any possible other decision on budget allocation taken by the Federal Government. This indicative amount will be complemented by funding through other ADA modalities which are based on initiatives and therefore not predictable (for example business partnerships, NGO co-funding, education programmes). ADA shall keep the Republic of Moldova authorities informed of the volume and objectives of such initiatives, including by recording project related data in the national Aid Management Platform.

Other Austrian actors like other Ministries, Universities, Agencies, Development and Investment Banks and of course, non-state actors will be called to contribute to the implementation through their funding instruments.

Indicative budget allocation the Republic of Moldova*:

Indicative budget allocation 2022 to 2024 annually, minimum of 3 Mio EUR,	Budget allocation per thematic focus	In per cent
total sum of 9 Mio EUR for the period 2022-2024	Sustainable rural development	70 %
	Equal opportunity in education	30 %
		100 %

*Final allocation of funds will depend on the identification of suitable interventions, the absorption capacity, as well as the efficiency and effectiveness of the cooperation with the relevant partners. Accordingly, the information on indicative budget allocation cannot be considered a firm commitment or claimed as such by the partner country. The indication serves as a basis for the Annual Work Programme of ADA, reviewed and confirmed by Austria’s Federal Ministry for European and International Affairs each year. In case of a serious and lasting violation or suspension of the readmission agreement or if no effective returns take place, financial support can be reduced.

V.5. Results Matrix Austrian Development Cooperation in THE REPUBLIC OF MOLDOVA⁶³

Objectives	Indicators	Baselines (year 2019)	Targets (at end year of Country Strategy)	SDG reference	Partner country policy reference	Responsible Austrian ODA institutions
Overall goal Contribute to poverty reduction in Moldova, enhanced resilience, inclusive economic growth and governance, with a special focus on women	Indicator 0.1. National poverty rate (%)	Baseline 0.1. 25.2% (2019) ⁶⁴	Target 0.1. n.a.	1,2,5,6, 8,13, 15,16	National Development Strategy "Moldova 2030"	ADA
	Indicator 0.2. GDP per capita growth rate	Baseline 0.2. 3.6% (2019) ⁶⁵	Target 0.2. n.a.			
Thematic focus 1 Sustainable rural development, with a particular focus on water management, environmental protection and climate change adaptation and mitigation						
Strategic Goal 1. Improved living conditions and increased resilience to post-COVID implications of the rural population, especially for women, older	Indicator 1.1. Proportion of population benefitting from improved access to water supply	Baseline 1.1. 81.8% (2019) ^{66, 67}	Target 1.1. Average 1% increase per year expected	2, 5,6, 12,13, 15	National Development Strategy "Moldova 2030"	ADA
	Indicator 1.2. Proportion of population	Baseline 1.2. 40.3% (2019) ^{68, 69}	Target 1.2. Average 1%			

⁶³ The timeframe of this strategy aligns itself to the EU programming period under the new multiannual financial framework 2021-2027. Indicators are based on the partner countries own references and will be revised according to new policy documents, as appropriate.

⁶⁴ National Bureau of Statistics: [National Bureau of Statistics // Press releases \(gov.md\)](#)

⁶⁵ [Moldova GDP Growth Rate 1996-2021 | MacroTrends](#)

⁶⁶ National Bureau of Statistics: [National Bureau of Statistics // Press releases \(gov.md\)](#)

⁶⁷ Other publications provide the following figures for: Proportion of population using safely managed drinking water sources: 82.1% (2018), Source: [VNR 2020 Moldova Report English.pdf \(gov.md\)](#); [26347Statistics for SDGs Moldova.pdf \(un.org\)](#)

⁶⁸ National Bureau of Statistics: [National Bureau of Statistics // Press releases \(gov.md\)](#)

persons and youth, with a focus on socioeconomic and environmental resilience.	benefitting from improved access to sanitation Indicator 1.3. Total area of state protected natural areas	Baseline 1.3. 189,400 ha (5.61% of the total area of the country)	increase per year expected Target 1.3. 8%		GoM Action Plan 2021 - 2022, GD no.235/13.10.2021 Water Supply and Sanitation Strategy of the Republic of Moldova 2014-2030 Environmental Strategy for the years 2014-2023;	
Outcome 1.1. Improved governance in the water sector, integrated water resource management and basic services in the water sector	Indicator 1.1.1. # of legal and/or policy documents reflecting integrated water resource management Indicator 1.1.2. # of measures implemented from River Basin Management Plans	Baseline 1.1.1. 0 Baseline 1.1.2. 0	Target 1.1.1. 5 Target 1.1.2. 10	6,13,15	National Development Strategy "Moldova 2030" Environmental Strategy for the years 2014-2023;	ADA
Outcome 1.2.	Indicator 1.2.1.	Baseline 1.2.1.	Target 1.2.1.	2,6,13,15	National	ADA

⁶⁹ Other publications provide the following figures for: Proportion of population connected to the public sewerage system: 38.7% (2018), Source: [VNR 2020 Moldova Report English.pdf \(gov.md\)](#); [26347Statistics for SDGs Moldova.pdf \(un.org\)](#)

Increased resilience of local communities through climate change adaptation and mitigation and improved natural resource management	<p># of policies, plans or programmes developed or adjusted to incorporate climate action and natural resource management</p> <p>Indicator 1.2.2. # of communities implementing climate change adaptation and/or mitigation measures</p>	<p>0</p> <p>Baseline 1.2.2. 0</p>	<p>5</p> <p>Target 1.2.2. 25</p>		<p>Development Strategy "Moldova 2030"</p> <p>Environmental Strategy 2014-2023</p> <p>Moldova's 2nd Nationally Determined Contribution (Paris Climate Agreement)</p> <p>Climate Change Adaptation Strategy by 2020 (and its further adaptations)</p>	
Outcome 1.3. Enhanced inclusive and sustainable local socio-economic development	Indicator 1.3.1. # of communities with improved access to services and infrastructure for the population	Baseline 1.3.1. 0	Target 1.3.1. 50	1,2,5,8,11, 15,16	National Development Strategy "Moldova 2030"	ADA
Outcome 1.4 Enhanced capacities and framework for integrated Disaster Risk Reduction	Indicator 1.4.1. # of legal and/or policy documents reflecting DRR (including Early Warning systems)	Baseline 1.4.1. 0	Target 1.4.1. 1	13, 11, 1, 3, 16	National Development Strategy "Moldova 2030"	ADA

	Indicator 1.4.2 # of communities with enhanced preparedness for prevention of and reaction to disasters	Baseline 1.4.2 0	Target 1.4.2 65		Environmental Strategy 2014 – 2023	
Thematic focus 2						
Equal opportunities in labour market inclusion (SDGs 1, 2, 4, 5, 8, 9, 10, 11, 12, 13, 15, 16)						
Strategic Goal 2. Equal opportunities in labour market inclusion	Indicator 2.1. Labour market access and employment trend for women/youth and vulnerable groups	Baseline 2.1. Male employment rate (2019) – 44.2% Female employment rate (2019) – 36.6% Urban employment (2019) – 47% Rural employment (2019) – 35.6% NEET (2019) – 19%	Target 2.1. To align the employment rate to the average value in Central and Eastern Europe ⁷⁰	4	National Development Strategy “Moldova 2030” National Employment Strategy 2017-2021	ADA
Outcome 2.1. Youth and adults, including vulnerable groups, have equal and better access to labour market-relevant (re-)qualification	Indicator 2.1.1. # of persons (disaggregated by age, sex and vulnerability status) that benefitted from (re-)qualification measures	Baseline 2.1.1. 868 persons (in 2019) – benefitted from re-qualification measures provided out of which 67% - women; 59% rural;	Target 2.1.1. Average 3% increase per year	4	National Development Strategy “Moldova 2030” Education Development Strategy for	ADA, OeAD

⁷⁰ Draft indicators for Moldova 2030 Development Strategy

		72% young people 16-29 years;			2021-2030 National Employment Strategy 2017-2021	
Outcome 2.2. Increased employability of current and future job-seekers (as a result of other measures than (re-)qualification) with a specific focus on vulnerable groups	Indicator 2.2.1. # of persons (disaggregated by age, sex and vulnerability status) that benefitted from other measures (i.e. guidance, LLL, RPL, skills upgrading etc.)	Baseline 2.2.1. 10,100 persons (2019) career guidance beneficiaries out of which 52% (2019) women 48% (2019) men	Target 2.2.1. Average 3% increase per year	4	National Development Strategy "Moldova 2030" Education Development Strategy for 2021-2030 National Employment Strategy 2017-2021	ADA, OeAD
Outcome 2.3. Improved quality and inclusiveness of vocational education and training, LLL, RPL, guidance	Indicator 2.3.1. # of service providers applying quality standards in line with national and/or European frameworks Indicator 2.3.2.	Baseline 2.3.1. 11 VET institutions (12%) (2019) ⁷¹ Baseline 2.3.2.	Target 2.3.1. At least 20% of VET institutions are applying quality standards ⁷² Target 2.3.2.	4	National Development Strategy "Moldova 2030" National Educational	ADA, OeAD

⁷¹ National Agency for Quality Assurance in Education and Research (ANACEC) 2019 Annual Report

⁷² As of February 2021, there are 89 VET institutions in Moldova.

	# of service providers applying national guidelines for inclusive vocational education and training Indicator 2.3.3. # of support services available to service providers for improving quality and equity	9 (10%) VET institutions (2020) Baseline 2.3.3. 0	100% VET institutions Target 2.3.3. 4		Code Education Development Strategy for 2021-2030	
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Cross-cutting issue: Confidence building measures

Outcome 3.1. Indications of enhanced or continued cooperation of stakeholders/people on both sides of the Nistru River on a technical level	Indicator 3.1.1. Number of projects including efforts to support cooperation of stakeholders/people on both banks of the Nistru River especially within thematic areas	Baseline 3.1.1. 1	Target 3.1.1. minimum 1	SDG 16, 10, 17		ADA
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Monitoring and Evaluation

				SDG 17		
Outcome 4.1. Enhanced Policy and Operational Coherence in the context of implementing the strategy, with a particular focus on gender						MoFA Austria (BMEIA/VII.5) ADA Coordination Office
Output 4.1.1. Regular exchanges and coordination in the implementation of the	Indicator 4.1.1.1. Number of inter-ministerial meetings held in VIE	Baseline 4.1.1.1. 1 meeting / year (2020)	Target 4.1.1.1. 1 meeting per year (until 2027)			MoFA Austria (BMEIA/VII.5) ADA Coordination

strategy between different Austrian actors and stakeholders working in Moldova, both in Austria and in Moldova	Indicator 4.1.1.2. Number of joint monitoring missions undertaken involving different Austrian actors	Baseline 4.1.1.2. 0 (2020)	Target 4.1.1.2. 1 per year (until 2027)			Office All AT actors incl. CSOs
	Indicator 4.1.1.3. Number of joint programmes developed under the strategy involving different Austrian actors	Baseline 4.1.1.3. 0 (2020)	Target 4.1.1.3. 1 (2027)			
Output 4.1.2. Strengthened thematic focus in the projects and programs implemented under the strategy	Indicator 4.1.2.1. % of projects and programs contributing to the defined outcomes	Baseline 4.1.2.1. n.a.	Target 4.1.2.1. 90% (2027)			ADA