



EVALUATION OF THE DANISH NEIGHBOURHOOD PROGRAMME 2008-2015

EVALUATION

November 2016



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List of Abbreviations

AA	Association Agreement
CISU	Civil Society in Development
CoE	Council of Europe
CSO	Civil Society Organisation
DCFTA	Deep and Comprehensive Free Trade Area
DKK	Danish kroner
DNP	Danish Neighbourhood Programme
EBRD	European Bank for Reconstruction and Development
EC	European Commission
EEAS	European External Action Service
EFSE	European Fund for Southeast Europe
EULEX	European Rule of Law Mission
ENPARD	European Neighbourhood Policy Agricultural and Rural Development
EQ	Evaluation Question
EU	European Union
EUN	Department for European Neighbourhood
EUSR	European Union Special Representative
E5P	Eastern Europe Energy Efficiency and Environment Partnership Fund
HR/D	Human Rights and Democracy
HRBA	Human Rights Based Approach
IELTS	International English Language Test System
IOM	International Organisation for Migration
IPARD	Instrument for Pre-Accession in Rural Development
ISARD	National Inter-Sectoral Strategy for Agriculture and Rural Development
M&E	Monitoring and Evaluation
MFA	Ministry of Foreign Affairs of Denmark
MSME	Micro, Small and Medium Enterprises
NRM	National Referral Mechanism
NGO	Non-Governmental Organisation
OSCE	Organisation for Security and Cooperation in Europe
PMU	Programme Management Unit
Sida	Swedish International Development Cooperation Agency
SIEG	Sustainable and inclusive economic development
SMM	Special Monitoring Mission
TA	Technical Assistance
ToR	Terms of Reference
UNDP	United Nations Development Programme
UNHCR	United Nations High Commissioner for Refugees
VET	Vocational Education and Training

Exchange rates: USD 1= DKK 6.75 EUR 1 = DKK 7.45

Executive Summary

The neighbourhood programme is Denmark's bilateral programme to support the European Union's (EU) neighbouring countries to the east and southeast with the overall objective to promote peace, stability and prosperity through promoting:

- Human rights and democracy, including good governance, conflict resolution and peace-building, gender equality, minority rights, indigenous peoples' rights, as well as strengthening of civil society and independent media.
- Sustainable and inclusive economic development, including private sector development aiming at promoting sustainable growth, skills development, job creation, energy efficiency and green technology.

The programme was initially launched in 2004 with a first phase from 2004 to 2007 with a budget of DKK 742 million. The second phase from 2008 to 2012 had a budget of DKK 1 billion. The third phase was launched in 2013 with an indicative budget frame of 1 billion DKK in the period 2013 to 2017. The seven priority countries in the third phase are Albania, Bosnia-Herzegovina, Kosovo, Ukraine, Belarus, Moldova and Georgia.

To provide learning and contribute to strengthening the impact of the possible phase four of the neighbourhood programme from 2018 to 2022 it was decided to carry out an independent evaluation of the neighbourhood programme interventions from 2008 to 2015, although with a focus on the present strategy phase, which covers the period 2013 to 2015. The geographic scope covers the seven priority countries as well as projects, which are at a regional level. The Terms of Reference (ToR) define the objectives of the evaluation. In simplified terms, the purpose was to determine: the strategic relevance of the programme; what worked; what had a transformational and catalytic effect on a sector or theme as a whole; what did not work or did not have a transformational effect and, why. And then, on that basis draw up lessons learned that could inform the development of subsequent regional strategy.

The evaluation considered all the 40 projects over DKK 5 million, three small projects as well as the twinning support and secondment arrangements. Field work took place in two clusters: Albania/Kosovo and Moldova/Ukraine. Country notes and a preliminary findings paper were discussed with an evaluation reference group composed of the evaluation office and the office for the Danish neighbourhood programme.

Conclusions

Conclusion 1: The Danish neighbourhood programme was strategically relevant.

The Danish neighbourhood strategies covering the periods 2008 to 2012 and 2013 to 2017 addressed Danish policy objectives, were well-conceived and were in practice translated into the neighbourhood programme which was implemented in accordance with the strategies. The programme addressed key challenges and opportunities in the region, was appropriate in its targeting of beneficiaries, was aligned to partner priorities and supported the EU cooperation agenda.

Conclusion 2: Although change has been catalysed, the programme was too scattered to fully optimise its effect as an instrument of Danish foreign policy. Close linkage with wider processes (such as the EU programmes) combined with continuous support over several phases have catalysed change. Projects were not guided by a coherent country strategy and this, combined with the practice of year-by-year programming, led to thinly spread interventions that did not have sufficient cumulative effect and for this reason reduced the effectiveness of the programme as an instrument of Danish foreign policy.

Conclusion 3: Significant results were achieved across the programme and in each sub-thematic area. The results are summarised in this report and further detailed in the country reports, case studies and underlying evaluation matrices. Overall, significant results were achieved in all thematic areas and especially within the support to public administration, independent public institutions and economic growth. The support to energy and green technology only started recently but is already showing promising prospects.

Conclusion 4: A limited number of projects failed to achieve the expected results, usually as a result of external factors and an overly ambitious intervention design. Within support to civil society, although capacity has been developed, a breakthrough in developing genuine membership-based organisations has not occurred and was not realistic in the time frame. Within support to effective and accountable public administration, there have been disappointing results in a few of the public sector projects. Within economic growth and employment, the creation of jobs has not been documented and appears, from the few reports and anecdotal evidence available, as modest. The support to agriculture and rural development often had strong short-term results arising from the matching grants but with less evidence for a longer-term impact as it proved difficult to reach a critical mass of change along all the necessary links in any given value chain.

Conclusion 5: The prospects of sustainability and a longer-term transformative effect are broadly positive within human rights and democracy particularly within the public sector reforms that targeted areas that were or became government priorities. Within support to civil society, the transformational impact was modest. Sustainability is not assured and external support will be required for the foreseeable future. Within support to effective and accountable public administration there are strong prospects of a transformational and sustainable impact where legislation was passed, training provided and adequate financial resources secured. Within support to independent public institutions the advances made so far have mainly been on improving reporting on human rights abuses, which is a first, necessary but not sufficient, step. Within support to conflict resolution and cross border issues, there have been transformational impacts as a result of the regional anti-trafficking project and the long-term changes made in establishing operational national referral mechanisms.

Conclusion 6: The longer-term prospects of sustainability and a longer-term transformative effect are broadly positive within economic growth especially in the Western Balkans and within energy and green technology. Within economic growth, there are strong prospects of sustainability for the EU accession countries in the Western Balkans (Albania, Bosnia-Herzegovina, Kosovo) as the agricultural support provided is closely linked to and will be followed up by the EU Instrument for Pre-Accession in Rural Development and later the EU common agricultural policy. The changes brought about by the support to business and vocational training, especially in Kosovo, have good

prospects of sustainability. But, as these changes are at a relatively small scale it would be difficult to claim that they would have a transformational impact on the labour market. In general, the transformation effects in terms of employment creation or the prospects for future employment opportunities are difficult to predict but appear modest.

Conclusion 7: The major factors contributing to sustainability and a wider transformation effect relate to the continuity and scale of support, linkage to wider processes of change and, the choice of partner. Where support was continuous over several phases, it was possible to create cumulative results and to engage with the root causes behind the challenges being addressed. Examples include the regional project aimed at anti-trafficking, which was supported for more than 10 years over three phases and, support to the same six value chains in the mountainous areas of Albania which was provided over two phases for nearly 10 years. The same is true of the support to the Ombudsman in Albania, which has run over two phases for close to 10 years. Where the support was provided in the context of wider processes of change such as the association agreements with the EU, it benefitted from a high degree of government commitment and prioritisation.

Conclusion 8: The programme promoted Danish values but to a lesser extent Danish commercial interests. The programme and its interventions promoted Danish values especially those related to human rights and democracy. An example is the support provided to the Albanian Ombudsman by the Danish Institute of Human Rights. However, it was not a strategic objective to promote Danish commercial interests and such interests were only promoted in a very limited manner. These interests were less explicitly pursued since they did not coincide with the programme's sub-themes of poverty reduction and protection of human rights. Danish interests were more clearly addressed through improving the regulatory framework for transition to the green economy and (possibly) development of more advanced value chains. The programme did engage in elements of the economic diplomacy framework but not systematically.

Recommendations

Recommendation 1: Develop country-specific, multi-annual programmes.

Rationale: Whilst the current strategy and its thematic priorities is still relevant, the practice of yearly programming together with the absence of a guiding framework at the country level has led to scattered projects and reduced the cumulative effect.

Recommendation 2: Strengthen the process of selecting and managing the cooperation with partners.

Rationale: The evaluation points to the choice and supervision of partners as having a strong impact on the creation of sustainable results.

Recommendation 3: Improve the monitoring and evaluation by adopting a robust reporting and learning mechanism at programmatic, country and project level.

Rationale: Monitoring practice was highly variable at project level and there was limited strategic monitoring at programme level.

Recommendation 4: Engage actively in economic diplomacy and undertake other measures to enhance involvement of Danish competences.

Rationale: The programme, guided by the original strategy, focussed more on promoting Danish values than Danish interests, especially in the earlier phases.

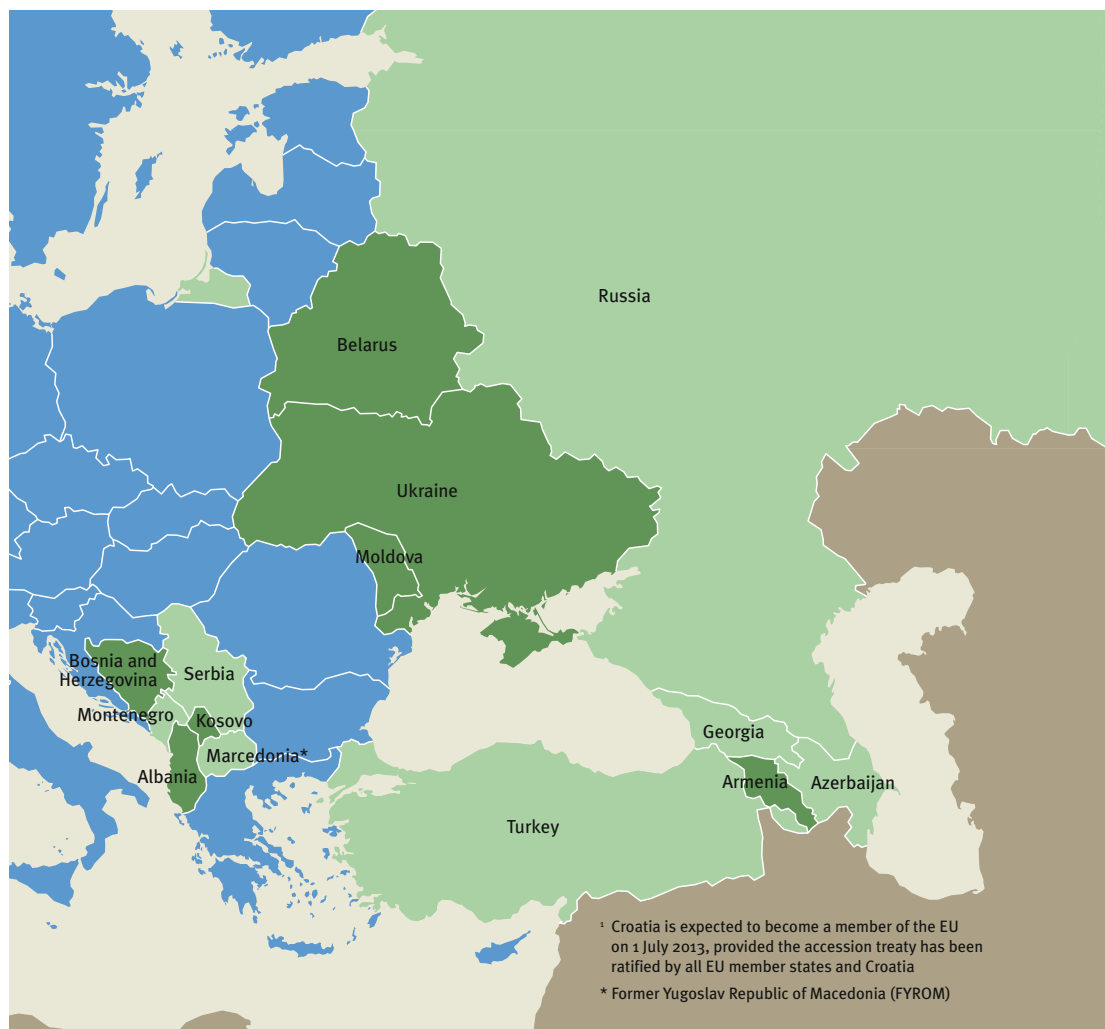
Recommendation 5: Continue with the current sub-thematic areas under human rights and democracy and focus support to civil society, where it is possible to engage with genuine civil society organisations.

Rationale: The four sub-themes under the current strategy for support to human rights and democracy are appropriate. Support to small civil society organisations based outside of the capital has brought good results.

Recommendation 6: Improve the strategic approach for support to economic growth focusing on achievement of results that are transformational, sustainable and replicable.

Rationale: Although individual projects often achieved impressive results, for a transformational effect there is a need to establish a critical mass and, develop and implement a scaling up and replicability strategy.

Map of the Neighbourhood Region



Source: Danida, Strategy for neighbourhood region 2013-2017.

1 Introduction and Methodology

1.1 Introduction

The neighbourhood programme is Denmark's bilateral programme to support the European Union's (EU) neighbouring countries to the east and southeast with the overall objective to promote peace, stability and prosperity through promoting:

- Human rights and democracy, including good governance, conflict resolution and peace-building, gender equality, minority rights, indigenous peoples' rights, as well as strengthening of civil society and independent media.
- Sustainable and inclusive economic development, including private sector development aiming at promoting sustainable growth, skills development, job creation, energy efficiency and green technology.

The programme was initially launched in 2004 with a first phase from 2004 to 2007 with a budget of DKK 742 million. The second phase from 2008 to 2012 had a budget of DKK 1 billion. The third phase was launched in 2013 with an indicative budget frame of 1 billion DKK in the period 2013 to 2017. The seven priority countries in the third phase are Albania, Bosnia-Herzegovina, Kosovo, Ukraine, Belarus, Moldova and Georgia (Armenia was replaced by Georgia during the strategy implementation phase (2013)). To provide learning and contribute to strengthening the impact of the possible phase four of the neighbourhood programme from 2018 to 2022 it was decided to carry out an independent evaluation of the neighbourhood programme interventions from 2008 to 2015, although with a focus on the present strategy phase, which covers the period 2013 to 2017. The geographic scope covers the seven priority countries as well as projects, which are a regional level. The Terms of Reference (ToR) define the objectives of the evaluation and the evaluation outcomes as shown in the table below. In simplified terms, the purpose is to determine what worked, what did not and why. And, on that basis draw up lessons learned that could inform the development of subsequent regional strategy.

Table 1 Evaluation objectives and outcomes

Objective areas		Evaluation outcomes – how it will be used
Strategic relevance	To assess the strategic relevance of the Neighbourhood Programme as a Danish Foreign Policy Instrument and an instrument to catalyse change.	<ul style="list-style-type: none"> ✓ An assessment of the strategic relevance & suggestions for improvements. ✓ An assessment of the comparative advantage for Denmark in having a specific Danish Neighbourhood programme as supplement to the wider and broader EU assistance.
Result	To document and assess policy and development results from the cooperation including whether these are transformative.	<ul style="list-style-type: none"> ✓ Documentation of results including whether these are transformative [and driving change].
Lessons learned	To provide lessons learned & input to the new strategic framework for a possible fourth phase of the Neighbourhood Programme including on the strategic relevance, management, country focus, design and implementation as well as an improved M&E results framework.	<ul style="list-style-type: none"> ✓ Lessons learned with regards to strengthening results and catalyse change, including lessons with regards to choice of modalities, partners etc. ✓ A qualified input into a strengthened monitoring framework for the programme.

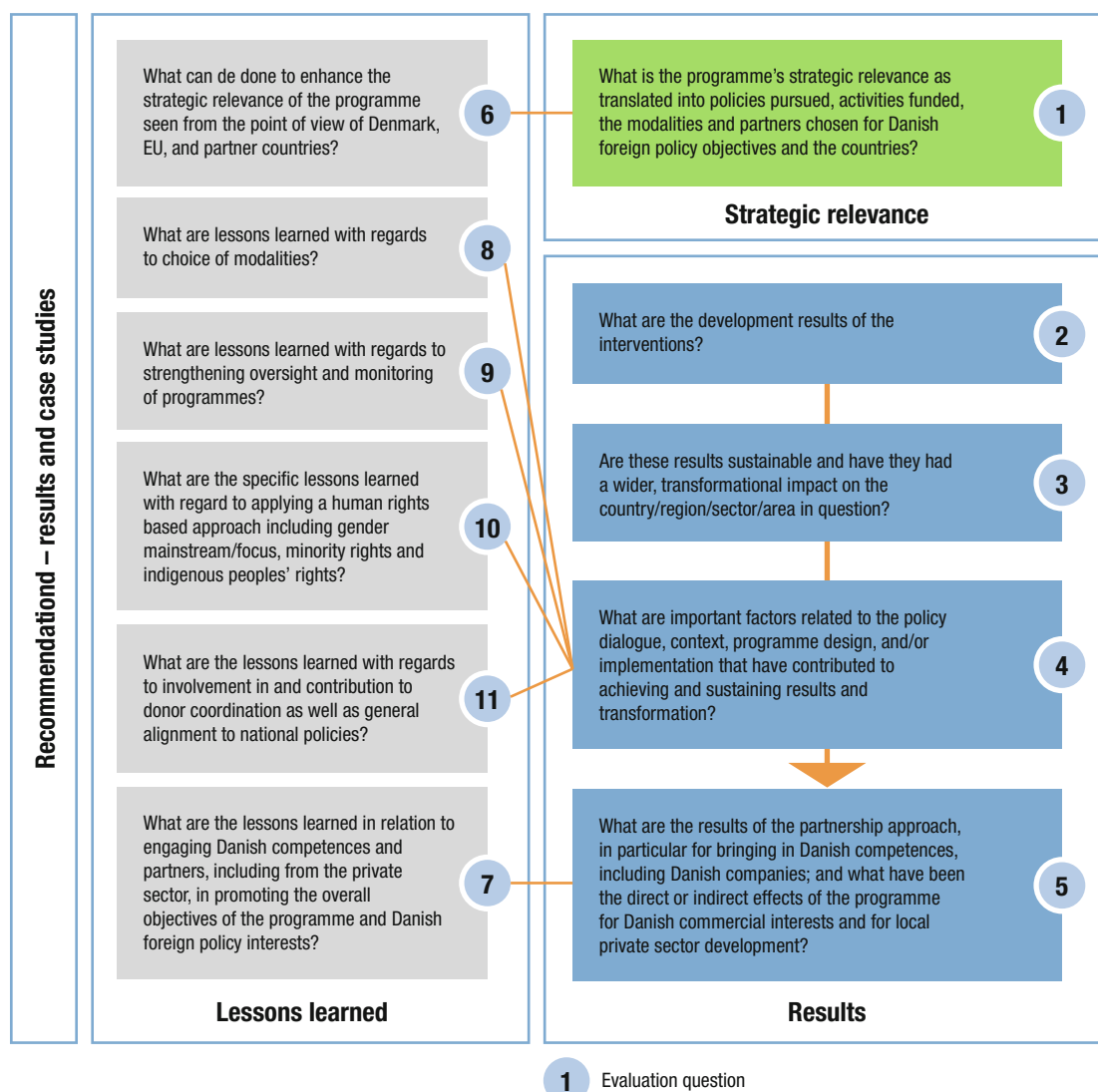
1.2 Methodology

The ToR provide a succinct and pragmatic list of questions and sub-questions. The 11 evaluation questions from the ToR (Annex A) were organised under three areas: strategic relevance, results and lessons learned and are shown in Figure 1.1.

The methodology consisted of the following steps:

- Portfolio analysis – a portfolio analysis of the interventions in the seven focus countries was undertaken based on all 40 projects in the seven focus countries (over the period 2008 to 2015) that were over DKK 5 million which together account for 85% of the total expenditure.
- Evaluation matrix – an evaluation matrix was developed composed of two parts to guide a desk-based review. The first part dealt with the topic of strategic relevance (evaluation questions 1 and 6), which was analysed at the country and regional level. The second part examined the results (evaluation questions 2 to 5) and lessons learned (evaluation questions 7 to 11) at project level. All projects over DKK 5 million and with more than two years of implementation since the approval were examined through the evaluation matrix. In addition, smaller projects were examined, as were the special initiatives of twinning and secondments. A simplified contribution analysis was used following a four-step process: i) identification and description of significant change (or absence, disappointing extent or counterproductive change); ii) explanatory factors for the change (or absence); iii) influence of Danish support; iv) alternative explanations.

Figure 1.1 Evaluation questions



- **Sampling:** As noted, the desk review considered all the 40 large projects and five small projects including twinning support and secondment arrangements. The field work took place in two clusters: Albania/Kosovo and Moldova/Ukraine that were selected due to the concentration of projects in those countries. Country Reports for each of the four were prepared.
- The document and field work was complemented by interviews in Copenhagen, the Danish representations (Kiev, Tirana) and telephone/email correspondence with key partners and beneficiaries. In addition, for analysing the results from secondments, a questionnaire was carried out of current and former seconded staff.
- **Documentation of results:** Results that led to significant change (or where expected change is absent, disappointing or counterproductive) were documented across seven sub-thematic areas.
- **Presentation of results:** A kick-off meeting in April 2016 provided the basis for a briefing with the Department for European Neighbourhood (EUN) office and others. An inception meeting to present the methodology and evaluation plan was

held on May 11th 2016. The field work and a short note with preliminary findings were discussed at a seminar in Copenhagen on the 29th August 2016 to verify and confirm the main direction of the evaluation findings and to guide the final reporting phase. A final presentation of the findings will be made in October 2016.

The methodology, and in particular the evaluation matrix for strategic relevance, made use of a simplified theory of change based on a reconstructed intervention logic that had been drawn up for the two main focus areas based on the 2013 to 2017 regional strategy – this was then further refined and adjusted after the field work.

Scope and Limitations. The scope of the evaluation was limited by several factors as presented below, and the methodology took into account this reality:

- *Time scale:* The evaluation took place before the end of the strategy period, before some projects were complete, which limited the evidence on results and impact at least for the later projects.
- *Data availability:* The documents provided by the evaluation office and the office responsible for the neighbourhood programme (EUN) were comprehensive and thorough. However, there have still been some gaps, and issues with the completeness of documentation.
- *Complexity:* The evaluation was complex, covering a disparate and non-homogeneous region and involving both regional and country interventions across two broad sectors, making the drawing up of programme-wide conclusions challenging.
- *Rapid changes:* Some of assumptions underlying individual projects and the overall strategy became less relevant or invalid due to the volatility of the political and socio-economic context in the region.
- *Nature of the interventions:* The projects were designed to work with local processes and be catalytic. Consequently, direct attribution to Danish or any external assistance was difficult to determine and instead a contribution analysis was undertaken.

The methodology enhanced the feasibility of answering the evaluation questions. Overall, the evaluation objectives were found to be realistic given the methodology proposed and the limitations noted.

2 Findings

2.1 Portfolio overview

Portfolio analysis: In agreement with the EUN and evaluation office, the portfolio analysis focuses on 40 projects over DKK 5 million, representing 90% of the expenditure under assessment¹, and also considering several additional smaller projects and interventions. Further details are given in Annex B.

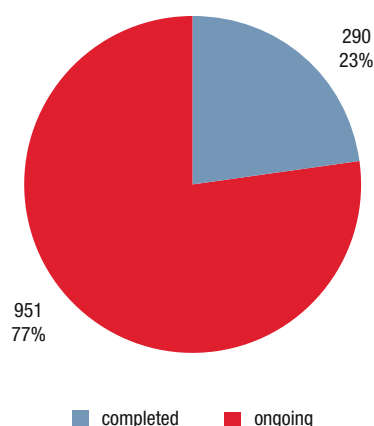
Project analysis: Based on a sample of 40 projects over DKK 5 million, we can conclude that:

- Although over a third of the projects are completed in terms of numbers of projects, only 23% have been completed in terms of expenditure – this could be because larger projects are taking longer to complete (Figure 2.1).
- The average project size (for projects above DKK 5 million) has increased only slightly between phase 2 and phase 3.
- Across the strategy phases, commitments have risen notably in Albania and to a lesser extent in Ukraine, and have fallen in Kosovo. In the case of Ukraine and Kosovo, it was noted that this could reflect changes in regional stability (i.e., Ukraine becoming less stable and Kosovo becoming more stable).

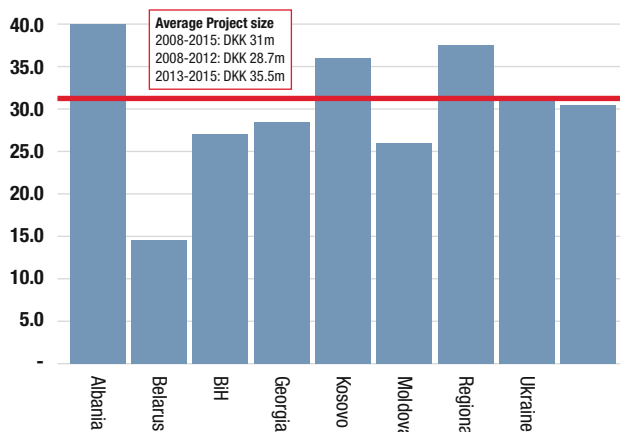
The programme was able to absorb a slowly rising level of disbursement. The programme has disbursed at a higher rate than it has “committed” during the period – due to expenditure from earlier programme phases. The rising disbursement trend line (Figure 2.2) indicates that absorption capacity in the region was not decreasing.

Figure 2.1 Completed and ongoing projects

Projects amount (DKK million, %)



Average size of projects above DKK 5 million 2008-2015

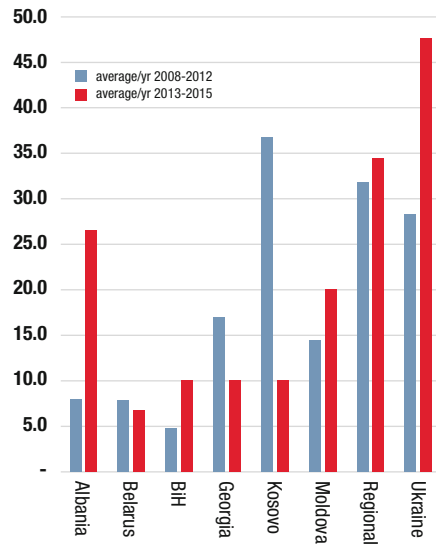


Source: EUN statistics; PEManalysis

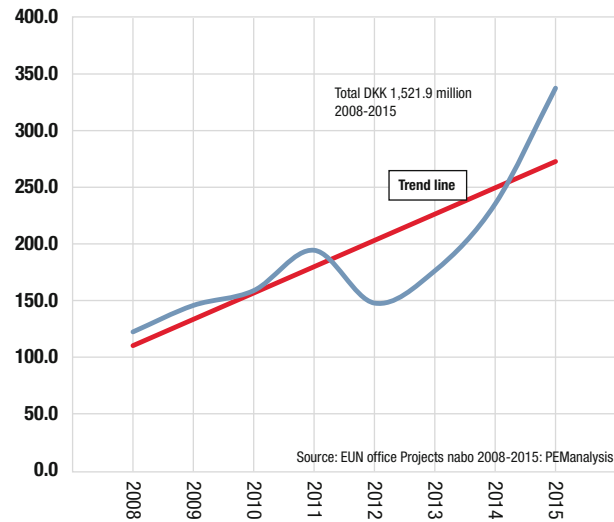
¹ Although less in terms of the entire programme because only the seven focus countries and the regional level were included.

**Figure 2.2 Project commitments and disbursements
(for projects greater than DKK 5 million)**

**Project commitments in strategy phase
2 and 3 – average annual commitment
(DKK million)**



**Disbursement 2008-2015
(DKK million)**



Source: EUN statistics; PEManalysis

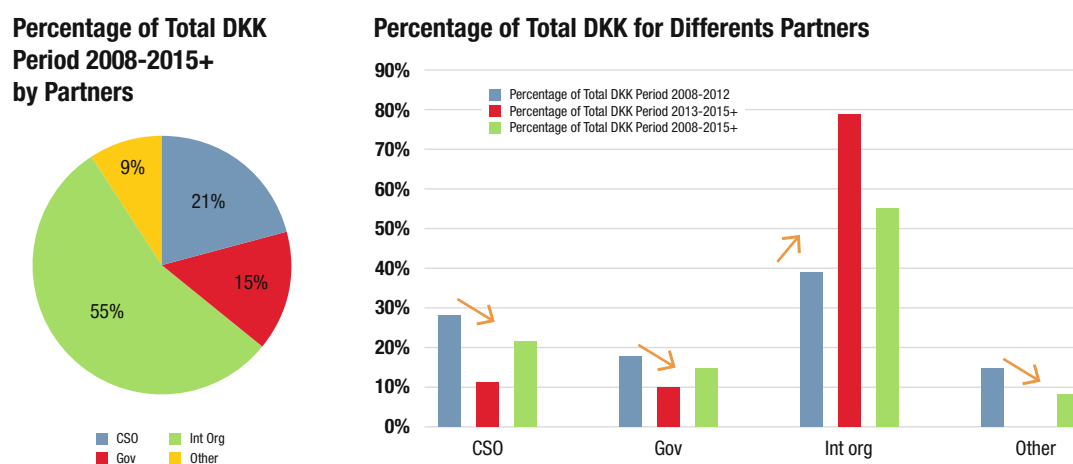
Partner analysis: The 40 projects/programmes above DKK 5 million have been implemented through 55 different agreements with partners (because some programmes consist of several components implemented by different partners). For the partner and modality analysis it has thus been necessary to look at each of the 55 agreements individually. There are four types of partner: Civil Society Organisation (CSO), government, international organisations, and other. Based on the 40 projects and considering the 55 individual agreements it can be concluded that:

- International organisations are the largest partner group by number and expenditure followed by civil society organisations. (See Figure 2.3)
- There is a marked shift towards international organisations between the 2nd and 3rd strategy periods. (See Figure 2.3)
- The average size of project does not vary significantly between partner types.

Modality analysis: There are four types of modality: Fully delegated partnership; partly delegated partnerships; financing agreement with a recipient government and, grant². Based on the 40 projects and the 55 different agreements it can be concluded that (see Figure 2.4):

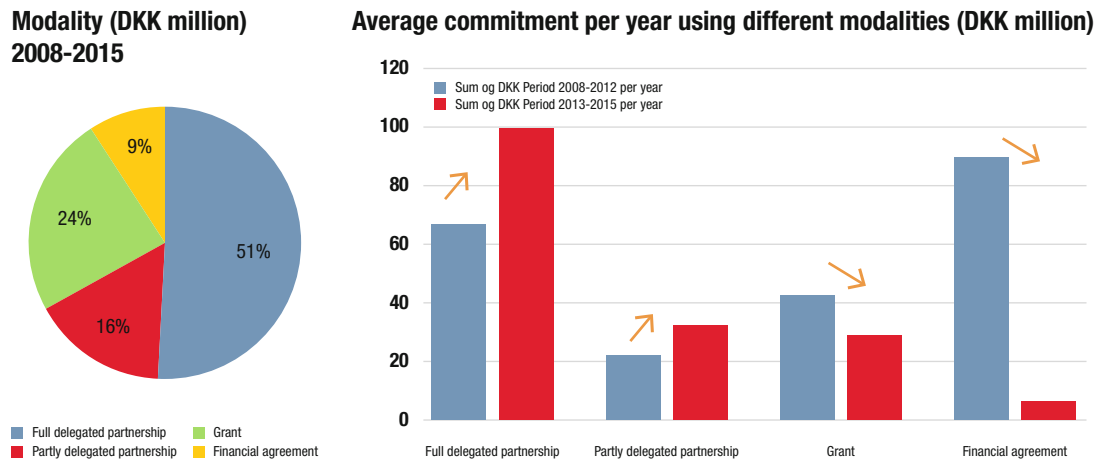
- Fully delegated partnership accounts for the majority of commitments (rising from 40% to 60% over the two strategy periods); with grants being the second most popular modality.
- Delegated partnerships (both full and partial) are becoming more frequent: From the second strategy phase (2008-2012) to the third phase (2013-2015), there was a tendency to use more delegated partnerships and less grants (Figure 2.4). This can also be linked to the choice of partner i.e. more international organisations and less civil society organisations.

Figure 2.3 Partner type – project value and proportion of budget assigned to different partner type



Source: EUN statistics; PEManalysis.

2 Government financing agreement: Funds on a project basis are transferred to and managed by a government agency. Grant: A grant is provided to a not-for-profit entity to cover costs of activities defined under an engagement (*usually no tender*). Service contract: A contract is signed to cover provision of goods and services (*usually a tender*). Delegated partnerships: Funds and responsibility are transferred to an international organisation, another donor or Danish government institution who then use their own rules and procedures (*Full delegation: Another donor or international organisation who use their own systems and take ultimate responsibility for ensuring adequate project documentation, reporting, financial management (would include transfer to a trust fund). Partial delegation: As above, but where Danida have a deeper engagement in decision making and an obligation to comment on and respond to progress reports and audit reports*). Other: None of the above.

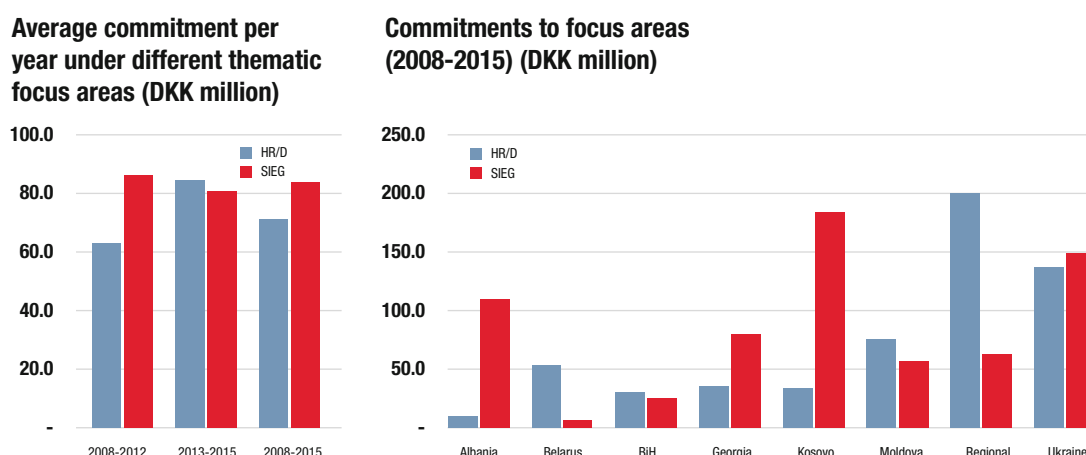
Figure 2.4 Use of modalities

Source: EUN statistics; PEManalysis

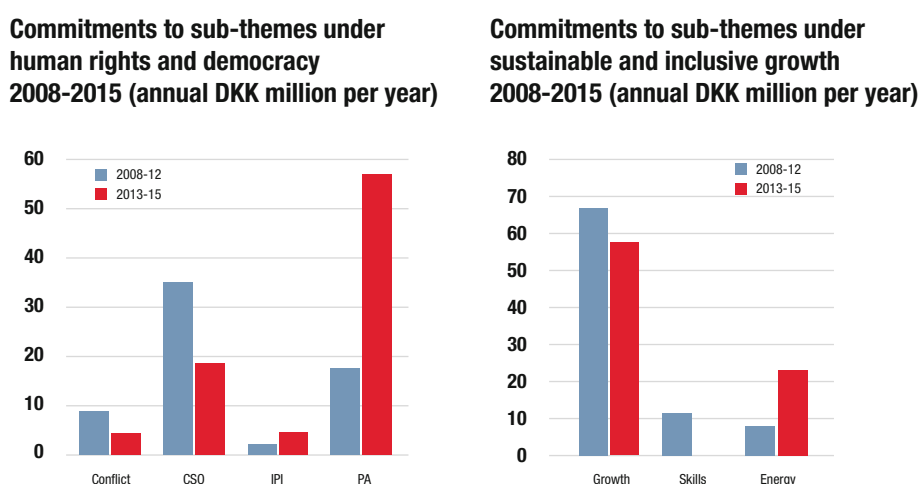
Focus areas: The strategy defines two main focus areas: human right and democracy (HR/D) and sustainable and inclusive economic growth (SIEG) and up to seven sub-themes³. The portfolio analysis indicates that:

- There is a broad balance in terms of commitment per year across the two themes. Slightly greater attention was paid to the human rights and democracy focus area in the third strategy phase (2013-2015). (See Figure 2.5)
- Most regional projects support the human rights and democracy focus area.
- In Kosovo, Albania and Georgia there is a strong dominance of support to sustainable and inclusive economic growth. (See Figure 2.5)
- There is an increasing commitment to public administration projects compared to projects aimed at strengthening civil society organisations. (See Figure 2.6)
- There is an increasing commitment energy and green technology within sustainable and inclusive economic growth, moving from the second (2008-2012) to the third strategy phase (2013-2015). (See Figure 2.6)

³ The seven sub-themes are: for HR/D – civil society organisations, independent public institutions, public administration, cross border and conflict and, for SEIG – economic growth, skills, energy and green technology.

Figure 2.5 Commitments to focus areas

Source: EUN statistics; PEManalysis.

Figure 2.6 Commitments to sub-themes

Note: Civil Society Organisations (CSO), Independent Public Institutions (IPI), Public Administration (PA).

Source: EUN statistics; PEManalysis.

2.2 Strategic relevance

The evaluation assesses the strategic relevance of the neighbourhood programme as a Danish foreign policy instrument, and as an instrument to catalyse change. As outlined in the ToR and inception report, this entails assessing the extent to which the programme: was relevant to the policies and needs of the partner countries, worked with relevant partners, and aimed at goals that responded to the Danish neighbourhood strategy (2013-2017) and the overall Danish policy objectives, as well as, the broader EU support agenda for the region.

The overall Danish policy objectives for support to the neighbourhood region are related to contributing towards: a peaceful and stable Europe; greater cohesion and preventing new divides between Europe and its neighbours; poverty reduction and improved living

conditions; a prosperous free market economy; regional cooperation and integration through bilateral relations. The evaluation assesses the contribution towards these objectives as developed through a theory of change analysis (see Annex G). (Evaluation question 1 (strategic relevance)).

Evaluation question 1: What is the programme's strategic relevance as translated into policies pursued, activities funded, the modalities and partners' chosen for Danish foreign policy objectives and the countries?

The Danish neighbourhood programme was well aligned to, and in many cases also contributed to, partner policies and priorities. The desk study of the regional support and the support directed to the seven focus countries and the field visits to four of the countries confirmed that, with very few exceptions, programmes and projects supported were well-aligned with the partner policies and priorities. This was the case for both the human rights and democracy and the sustainable and inclusive economic development themes.

Belarus is a special case where the support to civil society organisations provided by the neighbourhood programme cannot be considered as a priority of the Belarus government. Nevertheless, there was some alignment in support of implementing obligations stemming from Belarus's membership of international conventions such as the Aarhus convention and the UN convention on the rights of persons with disabilities. Although there is or has been tension between government and civil society in the other six focus countries, the Danish support to human rights and democracy has in general been interpreted as contributing to achievement of the desire of these countries for closer relationship with the EU.

There were no instances found of the neighbourhood programme being in contradiction with partner policies and priorities. However, as important alignment is, by itself is not enough without a more searching assessment of the "appropriateness" of the policies, priorities and programmes supported (i.e. the extent to which they were well-conceived and sound in their identification and response to challenges and opportunities in the particular sectors). Assessment of the "credibility" of the policies, priorities and programmes that were supported is also necessary (i.e. the extent to which the government and partners were committed to implementing the policies, undertaking the reforms and allocating sufficient resources. These aspects are reported on below.

The partner policies and priorities supported were in most cases, appropriate, well-conceived and sound in their identification and response to challenges and opportunities in the particular sectors. In a few cases, there was evidence of support being provided in a weak policy and programming context where there was little to align to. This was most notably the case in Georgia in the national agriculture sector where there is an absence of clear policies and strategies. In some cases, the neighbourhood programme has directly contributed to policy development. An example is in Albania where the programme, through the experiences gained on implementing value chains and administering grants in the ProMali (#8)⁴ and SARED (#10) projects, contributed

4 Project numbers are given in brackets. The numbers can be found in Annex B.

to the development of the National Inter-Sectoral Strategy for Agriculture and Rural Development (ISARD) 2014-2020. Another example is the introduction in the Kosovo Education Sector Policy (2011-2016) of student support centres (#23), a concept supported by one of the Danish-financed projects that aims to link vocational schools to the labour market.

Secondments of staff to international organisations are potentially useful for the programme objectives, but only recently has the programme started to tap their full potential to contribute to the neighbourhood strategy. Outputs from secondment missions made a key contribution towards the first engagement area of the Danish neighbourhood programme, specifically within human rights and democracy, and strengthening of civil society. As a special “in-kind” modality and flexible intervention, the programme amounted roughly to 20-25 secondments on average per year since 2008 supporting the work of multilateral organisations with a majority deployed in-country in Kosovo, Ukraine, Georgia, and Bosnia and Herzegovina as well as Brussels. In line with EUN’s work in the region, the secondments provided expert advice and support on establishing transparent processes within human rights, governance, rule of law, strengthening both civil society and capacity of public authorities, as well as contributing to stabilisation and security, conflict resolution and peace-building. The majority of the respondents from a survey conducted by the evaluation team indicated that the secondment assignments were in line with the programme’s objectives, that the mission was successful, and that they made a difference to the organisation they were seconded to. However, results from the survey and interviews with the EUN indicate that both sides agreed that secondments should be used more strategically and systematically in the future.

The programme aimed at goals that were highly relevant to the Danish neighbourhood strategy and supported the EU cooperation agenda in the region. All projects supported by the programme were directly relevant to the two thematic areas and seven sub-themes. No projects were found that fell out of the strategic scope or that were peripheral to the Danish neighbourhood strategy. Most projects were at country level or were multi-country projects. Only one project aimed against human trafficking (#1,2) had a strong regional element. There is some (relatively weak) evidence that multi-country projects, such as those aimed at empowering independent media (#3), have a regional effect e.g. advances in one country have informed and inspired actors in other countries. More generally, many post-soviet countries will look to the outcome of economic, democracy and governance changes in Ukraine and other countries and this will influence their own development path – i.e. it is plausible that support that targets common issues will have a regional influence even if only implemented at country level.

As a whole the programme also supported the implied Danish policy objectives for support to the neighbourhood region. A peaceful and stable Europe was supported through the secondment programme and in particular the special monitoring mission to Ukraine and other conflict areas. It was also supported through projects that built capacity in areas of conflict in Georgia and Ukraine. Greater cohesion and preventing new divides between Europe and its neighbours as well as poverty reduction and improved living conditions were supported by a focus particularly in the Western Balkans on poorer mountainous regions and on a focus on municipalities outside of the capital in Ukraine and Moldova. The agricultural support aimed at improving value chains has the prospects in the longer term of contributing to a prosperous free market economy in the region. Regional cooperation and integration through bilateral relations has been weaker

as there were only a few projects that focussed on regional cooperation and very few that drew on or strengthened bilateral ties between Denmark and the seven focus countries.

The themes and sub-themes complemented the much larger scale EU cooperation. By linking the programme to EU efforts, the programme ensured that it contributed to wider EU goals and also benefitted from the large scale and longer-term support strategy of the EU programmes. In Albania and Kosovo, for instance, the agricultural value chain projects (#8,10,25) linked and prepared their target regions and populations for possible financial support of the upcoming EU Instrument for Pre-Accession in Rural Development (IPARD). In Ukraine and Georgia (#20), the recent funding to the energy sector also supports the implementation of EU association agreement chapters on energy efficiency as well as wider initiatives such as the EU covenants of mayors.

Most actors, including the national partners and those at the EU delegations found that a separate Danish programme added value. The Danish programme brought additional resources and expertise and provided a new voice on policy and reform issues. In some cases, it was also more agile and responsive and played a part in preparing the basis for larger longer-term EU support (e.g. in preparation of IPARD like projects in Kosovo and Albania (#8,10,25)).

Although each project or mini-programme was well justified, a long-term strategy guiding the development and selection of a coherent pipeline of interventions at the country level was not apparent. This led to too many areas being supported and in some cases areas were abandoned too early without sufficient critical mass being created. An example is the support to employment in Kosovo (#23), which had some success but was not continued onto a further phase. It could be argued that in this case there were already a number of other more promising areas that could be supported where: i) a critical mass of support was more likely to be forthcoming as other donors were active and, ii) where other donors were available to take the lead given that the programme did not have a presence in Kosovo.

A number of reasons for developing a bilateral programme as opposed to co-funding the EU programme have been advanced which are tested against evidence. These are summarised in the table below:

Table 2.1 Evidence for value added of a Danish programme

Aspect	Considerations on value added of a bilateral programme in comparison to co-funding EU programme	Evidence
Political	<ul style="list-style-type: none"> • Political flexibility: The EU is a major actor with a strong political presence, this makes it more difficult for it to work flexibly with the full range of civil society organisations. • Political positioning: The EU has a political presence and perception that mean that: sometimes Denmark could be better positioned to test or pilot risky approaches; in some countries, e.g. Belarus, the EU might not be accepted or gain the same level of cooperation (The EU has too much political baggage). 	<ul style="list-style-type: none"> • In Belarus, the Danish programme was able to support civil society organisations and more especially the NGO to NGO peer to peer arrangement. The European Instrument for Democracy and Human Rights is also able to support outside official government-to-government cooperation. • In the context of threatened human rights and a shrinking space for civil society there is a considerable value in having multiple voices and sources of support. The message “that you are not alone” is stronger when received not just from the EU but also its member states. (Danish support to the Ombudsman in Albania).
Operational advantages	<ul style="list-style-type: none"> • Rapid response: The EC and many multilateral agencies operate with long term planning frameworks that make it difficult to respond to sudden changes. • Advocacy from an alternative source: Even if Denmark is advocating the same messages as the EU, there is merit in providing a different channel that can provide alternatives, create credibility by reinforcing key messages. • Sovereign country channel: Some decision-making processes are more open to advocacy and influence from a sovereign country. • Alternative approaches: The use of different project approaches aimed at the same objectives avoid the risk of putting all eggs in the same basket. • Danish goodwill: Denmark can leverage its goodwill and reputation for neutral broker. 	<ul style="list-style-type: none"> • EU delegations have limited resources and cannot be involved in all areas. There is an element of overburden where there is a diseconomy of scale. • Within agriculture, the support to pre-IPARD is a practical means of linking poorer areas to future EU support and thus fills a gap. • The Danish institute of Human Rights involvement in Albania for the Ombudsman project ensured a high level of credibility for the courageous steps taken because it was assumed that being supported by Denmark meant that the Ombudsman would follow good international practice. • The Danish representation in both Ukraine and Albania/Kosovo, through Denmark providing active and substantial support, has had greater political relevance and visibility that would otherwise have been the case. The media interest in Danish views is higher because of the support programme. The views of the representation in both countries is actively sought often through channels that relate back to the programme e.g. on justice reform in Ukraine.

Danish interests	<ul style="list-style-type: none"> • Specific Danish interests: There are valid political and economic issues of national interest to Denmark. 	<ul style="list-style-type: none"> • Beyond commercial interests, it is not explicitly clear what the Danish interests are. However, as a Baltic nation, Denmark has legitimate concerns over the rising political and military reach of Russia. A separate programme allows a potential focus on interventions that seek to more intensively counterbalance such developments, and complement and buttress the efforts of the EU and others to ensure a peaceful neighbourhood region.
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Although the Danish neighbourhood programme strategy is sound, appropriate in its thematic focus and linked to the wider EU agenda, the evidence that it has met the overall rationale for Denmark's involvement is mixed. The seven countries and the seven sub-theme under human right and democracy and sustainable and inclusive economic growth present a very wide scope given the limited resources available. There is some evidence that the programme has been catalytic and contributed to the overall goals for Denmark's involvement. This occurred when interventions had both close linkages with wider processes and provided continuous support over several phases. Examples are: the case of justice reform in Ukraine (#38); linkage to later IPARD processes in Kosovo and Albania (#8, 10, 25) and: the regional anti-human trafficking project (#1, 2). However, the more general picture, as outlined in later sections of this report is that interventions have been too thinly spread, and without sufficient critical mass or cumulative effect. The limited resources available given the number of countries and the wide range of sub-themes of interventions supported, combined with a yearly rather than multi-annual programming modality, weakened the attainment of the Danish foreign policy goals and the justification and rationale for Denmark's role.

2.3 Results

Evaluation question 2: What are the development results of the interventions?

Human rights and democracy⁵

Civil society

NGOs in the Danish neighbourhood region have been strengthened and consolidated.⁶

In Moldova, core support (#4, #27) has contributed to the consolidation of the East Europe Foundation as the leading NGO, with the capacity to be an on-granter to smaller

⁵ Annex B: Portfolio, provides details on the projects included within the different sub-themes.

⁶ The evaluation distinguish between NGOs on the one hand, and civil society on the other hand. Civil society is a wider concept, and which includes NGOs, but also embraces ordinary citizens, issues-based grassroots initiatives, i.e. not necessarily lasting organisational forms. Danish support to civil society has taken the form of support to NGOs, i.e. to one aspect of civil society – owed not least to the fact that any assistance must have counterpart recipients. While the ultimate objective of the assistance is to promote all forms of civil society, it is a considerable challenge to understand how such assistance can be provided outside of the context of NGOs (not least as it might pose questions with regards to interference).

organisations, as well as the centre of expertise, excellence, and support for nascent or less advanced Moldovan non-governmental organisations. In Ukraine (#4), hubs of more advanced NGOs in eight regions have been created, and their capacity built to serve as focal points for smaller and less experienced organisations in their respective geographic areas. NGOs in Belarus, Moldova and Ukraine have increased their organisational capacities, and strengthened their human rights-based approach to their work (#4, #11, #12). For example, the East Europe Foundation Moldova is advocating for the use of the human rights-based approach piloted by the UNDP-implemented local self-government reform project (#30, see below) to developing and designing projects at the local level. In Belarus, Moldova and Ukraine, NGOs that received Danish support have started to become more accountable and better governed. For example, organisations have introduced internal policies including on human resource management, conflict of interest and, corruption. Organisations across the region have introduced strategies for their work.

Civil society has been given a voice at the local level. Projects targeting civil society development specifically (#4, #11, #12, #27) have sought to extend their activities to regions outside the respective capitals. However, this result is not exclusive to the projects that had strengthening civil society as their main aim, as other projects in the programme have also had an influence on civil society. For example, the UNDP-implemented project in support to local self-government reform (#30) has resulted in a systematic involvement of civil society at the grassroots level, including women, vulnerable groups, and ethnic minorities in local policy and decision-making processes. The agriculture value chain project in Albania (#8) has successfully introduced systematic consultation mechanisms with stakeholders in locations affected by policy or legal reforms.

Belarussian civil society has continued its existence in the context of a dictatorship. Support from Denmark facilitated the survival of non-governmental organisations in Belarus (#11, #12, #4), which face severe restrictions on their operations given the oppressive political context. This support goes beyond the funding for organisations' work and technical expertise, and extends to include moral peer-to-peer support in times of hardship.

The legal framework governing non-governmental organisations in Ukraine has been improved. The Danish-supported UNDP project on civil society (#32) played a key role in the adoption of a new law governing the operations of organised civil society ("Law on Public Associations"). The law, *inter alia*, simplifies and shortens registration procedures and has led to an increase in the numbers of organisations registering in 2014.

The basis for the emergence of a more pluralistic and professional media landscape in Ukraine has been strengthened. The regional media project (#3), has facilitated the emergence of a more pluralistic media environment. As a result of the support, independent social media in Ukraine are producing high-quality innovative content including coverage of socially marginalised groups and minorities. This type of content is not being covered by the mainstream media. And, a new generation of journalists is being developed through scholarships at the Catholic University Lviv and by funding media literacy efforts.

NGOs are sometimes substituting capacity lacking in the public administration. In Moldova and Ukraine, NGOs are now routinely invited to participate in consultations on key policy reforms, such as for example on anti-corruption (Moldova and Ukraine).

While such participation is positive in itself, the governments' motivation is often ambiguous. On the one hand, it is a function of pressure by the donors. On the other hand, key technical expertise often resides with non-governmental organisations, and expertise provided by experts within these organisations can make up for the lack thereof in the public administration.

*Accountable and effective public administration*⁷

Local self-governance in Moldova and Ukraine has been strengthened. The Danish-funded and UNDP-implemented project on decentralisation and local self-government reform (#30) brought the fiscal decentralisation reform in Moldova underway. This in turn, has led to increased local autonomy, including through the increase in the share of local own revenues in the overall local budget from 4% in 2011 to 9.2% in 2015.⁸

The project was crucial in developing the technical details of the fiscal decentralisation reform, in piloting it in select local public administrations, and in rolling it out countrywide. It has built the capacities of the local authorities in the regions participating in the project to adopt a human rights-based approach to decision-making at the local level, as it has piloted this approach across a number of issues including public sector service delivery. In Ukraine, the local self-governance project implemented by the CoE (#33) facilitated the adoption of key legislation affecting decentralisation and local self-governance.

Public authorities in the neighbourhood region have become more accountable to the public. In Moldova, the support programme facilitated the establishment of regional information offices by the parliament in order to bring the legislature closer to citizens; these information offices are now funded by the parliament. Members of parliament have embraced inter-factional consultation visits to the regions as a useful tool to solicit stakeholder feedback on important policy reforms. In Moldova (#27, #4) and in Ukraine, non-governmental organisations are now routinely invited to public consultations and debates around specific policy reforms (for example gender, corruption). Technical staff of the parliament are now working in a transparent hierarchy, and have clear job descriptions.

Substantial and transformative improvements have begun in the prosecution system in Ukraine and Moldova. Danish-funded project implemented by the CoE (#31, #36) have facilitated the adoption of long overdue reforms to overhaul the Soviet-style prosecution system in Ukraine and Moldova, and to bring it in line with international human rights standards and legal practice. The reforms remove the prosecution from the realm of politics and will, once fully implemented, eliminate widespread corruption that undermines the rule of law.

This sub-area has not been without disappointing results. Examples include:

7 Note that for the purposes of this evaluation, this subheading has been called “accountable and effective public administration”. However, the results analysed under this section also include those from projects in the justice sector reform area and parliament.

8 Source: Data furnished to evaluators by UNDP (received from the Ministry of Finance of the Republic of Moldova).

Improvements in public administration at the central level in Ukraine did not take place as expected. The second phase of a project (part of the project #33) in support of central administration reform in Ukraine faced insurmountable challenges resulting from a lack of political will and overall direction for reform in that area at the time. As a result, counterpart institutions ceased to exist and their successors were insufficiently motivated to participate in the project. Moreover, objectives shifted as the project went along, and bureaucratic obstacles made it difficult for the consultants to provide targeted outputs.

Local self-government reforms underachieved in Ukraine. The lack of results in the CoE implemented segment of the same programme (#33), caused, *inter alia*, the setting of too many objectives and adoption of working methods (peer review, benchmarking) that were not relevant to Ukraine at the time. The project led to a proliferation of unsuitable tools and processes, which are subsequently not being used in practice.

Independent public institutions

Ombudsman institutions have been strengthened in Albania, Georgia, and Ukraine.

In Albania, the Danish-funded project in support of the Ombudsman institution (#9) strengthened its capacity to handle complaints. This was evidenced by a steady increase in the volume of number of complaints received and dealt with over the last three years – with a sharp increase in the first half of 2016, as well as the attainment of the grade A status provided by the International Coordinating Committee of National Human Rights Institutions. The Public Defender's Office of Georgia (the country's Ombudsman institution) also had, by the end of the Good Governance and Human Rights programme implemented by the CoE (#18), attained grade A status in 2012 and 2013. In Ukraine, the Ombudsman institution was provided with tools to carry out monitoring of court proceedings in accordance with the new criminal procedure code and international human rights standards (#39).

Although the Ombudsman institutions have been strengthened, their influence on the human rights situation in the countries varies. The Public Defender's Office of Georgia enjoys considerable authority, and was able to advocate for considerable variety of human rights issues (gender, ethnic and sexual minorities, persons with disabilities, children etc.). In Moldova, the legislation governing the ombudsperson's office has recently (2015) been reformed, however, the institution still lacks capacity to fulfil its role despite having been put into place some time ago. The Ombudsman in Ukraine lacks resources which reduces its effectiveness. In Albania, although the Ombudsman was effective in reaching out to the regions and has a strong track record of high quality reporting, its reporting appears to be ignored by government.

Conflict resolution and cross-border cooperation

A cross-border network of governmental and non-governmental organisations from Moldova and Ukraine, and partly Belarus, dealing with victims of human trafficking has been created and is functioning. The various phases of the regional project against human trafficking (#1, #2) have worked in a holistic, multi-stakeholder approach bringing together relevant international (Organisation for Security and Cooperation in Europe (OSCE), International Organisation for Migration (IOM)) and national level stakeholders (La Strada network of NGOs); social services; law enforcement agencies) and their counterparts from the neighbouring countries. The length of the project

allowed for the development of mutual trust not only between different countries' stakeholders, but more importantly, inside countries.

A generally functioning system to support victims of human trafficking was established in Moldova and Ukraine, and to some extent, in Belarus. The regional project (#1, #2) to fight human trafficking in Belarus, Moldova, and Ukraine, resulted in the establishment of a National Referral Mechanism (NRM) in the three countries. Victims of trafficking can now approach social services as their first point of call if they chose so, and the police and other law enforcement institutions have been sensitised to recognise victims and potential victims of human trafficking. These institutions currently have the capacity to adequately deal with them. In Moldova, one of the national stakeholders (the Moldovan branch of the La Strada network) is no longer working on human trafficking issues as they consider that the national authorities are now able to respond adequately to instances of human trafficking.

The programme has not emphasised, in its choice of projects, the resolution of conflict and cross border cooperation. Other than the IOM-led anti-trafficking project that ran over three phases, there has only been minor support to other cross border or conflict resolution issues. The Mitrovica business college in Kosovo is an example of a minor intervention where some assistance was provided that promoted cooperation between north and south Kosovo. Another is the support provided by the East Europe Foundation's activities on both sides of the river Dniester, which contributed to conflict resolution. In total, only 5% of the programme resources has supported this sub-theme directly/exclusively. It could be argued that conflict and cross border cooperation was also part of wider projects such as the media programme, which dealt with journalistic reporting on war.

Sustainable and inclusive economic growth⁹

Economic growth and job creation

Agricultural and rural development policies and policy-making practices in the target countries have improved. Improvements were especially visible in countries also covered by the EU Instrument for Pre-accession. In Albania and Kosovo, a number of projects (# 8,10,23,25) contributed to improved policies and strategies through, for example, providing lessons learned on how best to support value chains with matching grants. The projects also introduced and developed the capacities of the relevant ministries to adopt participatory and consultative approaches to policy development. The policy advances helped both countries to prepare for the advent of expected EU Agriculture and Rural Development Programme. In Ukraine and Moldova (#34,29) the participating state agencies developed capacity on how to support the consolidation of farmer organisations and promote the enabling environment in terms of infrastructure development. This capacity contributed to the authorities' readiness to engage with EU's European Neighbourhood Policy Agricultural and Rural Development (ENPARD) programme.

9 Annex B provides details on the projects included in the evaluation within the different sub-themes.

A number of value chains have been initiated and strengthened and although none are yet consolidated to the point of being self-sustaining, some are showing promising prospects. In Albania (#8,10) the dairy, medical and aromatic plants and apple value chains have reached a degree of vertical integration and linkage to markets whereby they are successfully contributing to the income of all involved in the chain. In the case of the dairy production in the Korce region of Albania, the matching grants provided for the 'Shaka' dairy factory are leading to an increase in dairy production by around 250 small-scale farmers. In the case of medical and aromatic plants, companies from Austria and Germany are marketing the products in the EU which is leading to increased production at farm and processing level. The export of apples in Korce increased to 10,500 tons in 2015 from an average 1,500 tons during the previous years. A local juice-making factory and the development of cold storage facilities are also leading to increased production and profit along the apple value chain. The Danish support has provided technical assistance, built capacity of the extension and research centres as well as providing matching grants and mobilising government grants and loan finance through local banks. However, it has not yet been possible in the relatively short period of support, to build up a critical mass in any individual value chain such that it is self-sustaining without external support – there are also issues in some of the value chains related to market access and the presence of comparative advantages. In Kosovo (#23) a recent evaluation (ADE, 2016) also points at a number of results being achieved at farm level and within agro-processing but not yet with a sufficient critical mass of players and volume to ensure a self-sustaining value chain.

The income of the supported households, farmers, and food processors has been increasing in targeted areas and communities. In Albania and Kosovo, projects (#8,23,25) reported considerable increases in income for the participating households. For example, the completion report for the ProMali project in Albania (#8) notes a five-fold increase in income levels among the participating farmers, service providers and processing entities leading to cumulative additional income of EUR 6.3 million over the five-year lifetime of the project (exceeding the production and sales targets set by the original project). In Kosovo, project reviews (#23, #25) and an independent evaluation note that the income of the target farmers and food processors has increased by an average of 50%. It appears from some of the project reports (#8, #23, #25) that seasonal employment on average has increased by some 60% which corresponds well with the increase in the physical volume of production. It is difficult to independently verify these figures, especially after a considerable time has passed since the last reporting. While the numbers appear internally coherent, the reports lack information and analysis missing, such as the absolute numbers of farmers, disaggregation into types of production and, differentiation between production and food processing segments.

There is greater capacity to raise finance for investment in agricultural and rural development but efforts to increase access to loan finance were not successful where the markets were already over-liquid. Capacity was developed within the national entities responsible for managing government, EU and project-based matching grants. The access to finance through local banking and microfinance institutions has also improved especially through the support provided to improving the development of bankable proposals on the demand side and the improvement in risk management and appraisal practice on the supply side. The "paying authorities" for EU IPARD interventions have in particular benefitted from technical assistance and development of sound routines for fund management.

Through the Danish support through European Fund for Southeast Europe (EFSE) (#23) staff in over 50 micro-finance entities were trained on risk management for agricultural loans and on how to assess the business plans of potential clients. EFSE also contributed to the enabling environment through financing studies on indebtedness of farmers and micro-enterprises and the barriers faced in access to finance. However, in Kosovo, the lines of credit made available (by the multi-donor support) were not as useful as expected because the finance market was over-liquid. The intention in Ukraine (#34) to improve access to finance for smallholders through the European Bank of Reconstruction and Development (EBRD) was not successful. Ukraine, like Kosovo, was over-liquid and the main constraint was not the availability of credit but the high interest rates in local currency. Credit enhancement rather than lines of credit was what was needed. The EBRD was not in a position to take open currency positions and thus not able to meet the needs.

Local capacity for providing agricultural and business development services has increased in Albania, Kosovo and Ukraine. The agricultural and rural development projects in Albania (#8,10), Kosovo (#23,25) and Ukraine (#34) systematically engaged and developed the capacity of state agencies, local NGOs, producer associations and consultancy companies to provide advice and business development services to actors along the value chain. In Albania, the Agrocapiital company is now providing specialised advice on: development of project proposals; applications for agricultural finance and, project management. In Kosovo, the women entrepreneur organisation, SHE-ERA, is providing specialised training and coaching for start-ups and small and micro enterprises engaged in agricultural and rural development. In Ukraine, the AgroLviv-Forum is providing agricultural consultancy and support to develop bankable proposals and facilitates farmer groups and enterprises to apply for credit. Although the capacity for providing agricultural and business development services has increased, there are only a few cases where these services are provided on a commercial basis and most rely on state or donor subsidies.

Skills development

Educational and skills development policies and strategies were improved. In Kosovo the Ministry of Agricultural, Rural and Forestry Development updated the Kosovo Education Sector Policy (2011-2014) based on the models developed for student service centres at the four local vocational schools supported by Denmark (#23). The training and coaching provided for the Agricultural Technology Transfer centres in Albania (#8) led to an overall overhaul of the agricultural extension services. The lessons learned on skills development and vocational training programmes have been incorporated into the policies and strategies of the Albanian Ministry of Agriculture.

New educational programmes were established in Kosovo and Ukraine. In Kosovo (#23) the four pilot agricultural vocational training schools have adopted a modern technical and vocation education and training curricula together with improved teaching methods, a system for training trainers and they now have improved facilities and demonstration plots for undertaking practical demonstration. The International Business College Mitrovica (#22, 24) in Kosovo has established three core courses at bachelor and master levels in: agriculture and agricultural management; marketing and strategic marketing and, public administration. These benefit the youth of the multi-ethnic community of Mitrovica (with a Serb majority in the north of Mitrovica). The International Business College Mitrovica has received both national and EU accreditation, thanks to

its close cooperation with Danish Lillebaelt Academy and other EU partners. In Ukraine (#34) the Kiev School of Economics established a master of business administration programme in Agro-business.

In Kosovo, three projects that targeted explicit skills development including a small but highly effective project that trained and empowered of more than 1000 women-entrepreneurs in small agricultural business planning and management (#25) through the women's business association SHE-ERA. More generally, the agricultural and rural development projects undertook extensive training and skills development as an integral part of their project activities. In Albania, for instance, over 1000 farmers were trained in techniques for 12 new crops and 115 agricultural consultancy service providers were supported (#8). As noted earlier, in Kosovo, EFSE (#23) trained and coached the staff in over 50 micro-finance entities.

Over 900 graduates under the programme supported institutions have been trained through the agricultural technical and vocational education and training and business management programmes during the years 2012-2015. Approximately 30% of technical and vocational education graduates (#23) found employment in less than six months after graduation. A further 40% of the technical and vocational education graduates attended internships with prospects of subsequent employment – thus reaching a total gainful employment or further study for 70% technical and vocational education graduates. This result compares well against the national youth employment level of only 20%.

Over 80% of International Business College Mitrovica graduates (# 22,24) have found jobs less than six months after graduation. International Business College Mitrovica graduates continued their studies in the partner universities in the EU (Denmark, Finland) and in the US. The college managed to successfully link to EU ERASMUS+ programme and host English language courses and internationally certified testing programmes.

Energy and green technology

Significant potential for energy efficiency resulting in environmental and climate benefits, enhanced energy security and savings for consumers. At the individual project level, the results of the Eastern Europe Energy Efficiency Programme (E5P) approach (#35,38) are encouraging e.g. the Zhytomyr district heating project in Ukraine where energy savings of 60% have been achieved. However, significant physical changes in terms of energy efficiency or climate/environmental benefits have been modest at the programme level simply because less than 5% of the available funds have been disbursed (EUR 3.75 million of the available funds of EUR 95.6 million) as most the projects have not yet started.

Under the E5P for Ukraine 15 projects have been approved (although not yet operational or under disbursement). These projects include the modernization of district heating networks, upgrading of water and wastewater systems with energy saving measures, and technical assistance for regulatory reform. The EBRD has estimated that over a life span of 15 years, the 15 projects will collectively save over 120 million m³ of gas per year and will reduce CO₂ emissions by more than 536,103 tonnes per year. An analysis of six well-documented and comparable district heating projects was made to derive the benefits per unit of grant made available. Using this data, the two E5P projects (#35,38), with a combined grant from Denmark of DKK 49 million, will result in gas savings of 12.8

million m³/year (equivalent to the consumption of approximately 17,000 people), 9650 MWh/year of electricity savings and savings of 51,000 tonnes of CO₂/year (equivalent to 22,000 passenger cars taken off the road).

Ukraine has developed significant capacity for implementing energy efficiency investments but has not yet benefitted due to macro-economic constraints. The culture and mind set of key decision makers at the national level, the municipal level and within utilities was influenced by the E5P to focus on and recognise the potential of energy efficiency measures. According to various sources, including interviews with officials and an EBRD evaluation of policy dialogue¹⁰, the E5P has made progress in reducing the institutional obstacles to energy efficiency in areas such as: i) consumer awareness; ii) energy tariff; iii) access of municipalities and utilities to loan finance and, iv) capacity to implement projects. Progress, however, is hindered by macro-economic constraints such as: i) exchange rate risks as the E5P loans are in Euro and the local currency in Ukraine is under heavy depreciation and, ii) the payment of arrears by municipalities and utilities. These are the main reasons why disbursement is at such a low level (less than 5%).

The impact of the slow disbursement is continued inefficient use of energy (and the related climate and environmental damage). There is also an impact in terms of unnecessary expenditure for consumers. Delays also extend the period over which the grant funds made available are tied up in low or even negative interest accounts. These grant funds have an opportunity cost as they could have been used for development purposes elsewhere. The low disbursement and opportunity costs of development grants also explains why donors are waiting for sufficiently high disbursement levels before committing additional funding to E5P.

Energy efficiency was not integrated systematically in projects where there was a potential. The potential to integrate energy efficiency was not explicitly taken up in the value chain projects. Energy use assessments and audits were generally not part of the feasibility considerations. In some cases, the projects have introduced modern processing and cooling equipment (e.g. the Korce dairy project (#8) which will have had a significant energy saving effect but which is not reported on.

Secondments

Secondments were an additional aid mechanism that targeted the political and diplomatic level. As a special “in-kind” modality, the programme contracted roughly 20-25 secondment assignments on average per year, with most of the experts deployed seconded to the OSCE and the EU. From 2008 until 2015, a total of just over DKK 147 million was spent on staff seconded under the Danish neighbourhood programme. A survey was undertaken and 35 seconded staff responded to the survey. The support to the special monitoring missions especially in Ukraine took the bulk of the funds and to the extent that the monitoring has kept open lines of communication on both sides of the conflict and has had a preventative effect (which is plausible but not provable), the money represents good value. It would not be wise to withdraw from joint monitoring or for countries such as Denmark to signal less support in the absence of evidence that

10 EBRD, 2014 Evaluation department: the EBRD's experience with policy dialogue in Ukraine Case study: City of Lviv.

the special monitoring mission is ineffective. The secondments to other organisations has provided a benefit to the hosting organisation and since those organisations (e.g. the EU) are well run and share the same broad objectives as Denmark for the region the funds can also be considered as well spent except that, as later noted, Denmark has not gained as much as it could from the secondments.

Secondments contributed to human rights, civil society, and stabilisation. Most survey respondents felt that their secondment mission made a key contribution towards the overall programme objective¹¹. A majority of respondents stated that their secondment contributed (in a medium to high degree) to: 1) strengthening of civil society and capacity of public authorities; and 2) stabilisation and security, conflict resolution and peace-building.

Making a “Danish” difference and contributing to mission objectives. 87% of the survey respondents felt that their secondment either “made a difference” or distinctly contributed to the mission of the institutions that they worked for, even if some felt that their role could have been used more strategically. A majority of survey respondents (62%) felt that the secondment programme was critical to fulfilling Denmark’s key political obligations and to actively supporting key initiatives of international institutions. The presence of seconded staff as a part of peace monitoring missions had tangible results, even if the mission did not have an ‘enforcing’ (e.g., ceasefire) mandate, because regular monitoring could reduce the number of human rights violations. Additionally, respondents felt that their role directly contributed to strengthening multilateral and bilateral relations between Denmark and international and national institutions.

Shifts in the geographic and thematic focus of secondments occurred over time which reflected changing needs of the respective countries. From 2008 to 2013, Kosovo received a significant majority of the secondments. Most of these posts were with EULEX and EUSR and focused on good governance, rule of law, state building, and stabilisation and security. From 2014 until now, the political priority completely shifted to the Ukraine with the advent of the crisis. Ukraine, and specifically the OSCE Monitoring Mission, became the largest receiver of seconded staff¹². There was a continued presence in Georgia and Bosnia-Herzegovina for all secondment programme years (2008-2016).

There was insufficient monitoring and knowledge sharing within the secondment programme. So far, neither a formalised process of interaction with seconded staff, or a systematic examination of results of assignments was put in place. More than half of survey respondents had either no contact, only infrequent contact or ad hoc contact with the EUN office. Moreover, contacts focused mostly on contractual issues. There was little evidence of follow-up with seconded staff or with the host organisations. This lack of contacts resulted from unclear guidelines for appropriate and relevant communication between seconded staff and the EUN office and monitoring. According to both the EUN

11 The main objective for the secondments as stated in EUN programme documents is to ‘i) contribute to and reinforce internationally established surveillance and monitoring missions and ii) contribute to the work of selected multilateral organisations;’ and secondly to promote Danish priorities, which can be translated into addressing acute security challenges in the region.

12 As of June 2016, Denmark is providing 13 out of a total of 709 mission monitors for the OSCE in Ukraine.

office and a small group of survey respondents there was a critical, yet unofficial *ad hoc* exchange of information which was appreciated and proved to be valuable on both sides.

A new initiative to enhance knowledge sharing was well-received. From the perspective of better leveraging the opportunities and knowledge from the secondment missions, a formal and organised knowledge-sharing and networking event was initiated by EUN in January 2016. Focused on individuals in key positions related to the Ukraine crisis and deployed in-country, in headquarters locations (Brussels/Vienna), or in Russia, seconded staff were invited to participate and share experiences in an internal seminar in Copenhagen which explored broader perspectives on the crisis. By creating organised, learning and knowledge-sharing (expertise) opportunities for both the host agencies, seconded staff, and the EUN office, this event contributed to increased awareness of critical issues faced in the neighbourhood region, as well as opportunities for synergy and collective action between Denmark and the EU/international initiatives.

Twinning

Denmark has had an active engagement in EU twinning from 1998, in part due to the support through the neighbourhood programme. Danish governmental institutions have been an active participant in EU twinning since 1998. More than 100 projects with a total of 68 deployed long-term advisers have been completed with Danish participation in the period of 1998 to 2005. During this same period, Danish partnership projects were very successful and every second project proposal submitted was ultimately funded. Between 2002 and 2004, the amount allocated for Danish twinning projects rose from DKK 280 million to DKK 420 million, and corresponded overall to a cumulative share of little over 5% of the EU's total funded twinning projects (which can be compared to the ratio – approximately 1% – of Denmark's population to the EU as a whole). Danish twinning partners have included 10 new EU member states, accession countries such as Bulgaria and Romania, and candidate countries such as Croatia and Turkey.

Danish authorities and organisations have contributed to developing and strengthening institutional systems and implementation of fundamental reforms¹³. There was a mutual benefit between partners in twinning projects. For Danish authorities and organisations, participating in EU twinning meant enhanced capacities in technical cooperation within their area of expertise, and development of concrete international competencies, such as negotiating skills¹⁴.

The neighbourhood programme provided preparation funds to support Danish public institutions to compete for EU twinning projects. According to the EUN Strategy Document on Danish participation in EU twinning in 2008, the MFA started to provide financial support to Danish public sector institutions to assist and facilitate their participation in the EU Twinning Programme. The strategy responds to the need

13 A third of allocated funds for these Danish projects has been in agricultural and food sectors. Other sectors of Danish partnership projects have been in local government reform and regional administration, education, taxation and customs, immigration management, energy, occupational health, gender equality, social dialogue, financial control and supervision, procurement, environment prevention, statistics, industrial and intellectual property rights, and consumer protection.

14 This statement based on interviews with EUN staff and Danish institutions that have participated in the EU-funded twinning projects in the neighbourhood countries.

to support the public sector institutions with upfront capacity and resources to both develop the project with partners, and to sufficiently fund experts necessary to help with the development of a project proposal. A total of DKK 12 million was appropriated over eight years (2008-2015) to support and encourage Danish authorities through FINS¹⁵, a project preparation facility. Besides provided funding to facilitate participation of Danish public institutions, the facility also provided advice and guidance on rules for twinning principles and guidelines, and in EU selection procedures. The EUN office facilitated contact between Danish institutions and institutions in other EU member states wanting to establish a joint proposal for a specific twinning project, also assisting in planning and preparations of proposals. After 2014, the national contact point for twinning within the MFA no longer had dedicated contact points for the facility, and has been only a mailbox for receiving and disseminating project fiches¹⁶.

A relatively small budgetary outlay demonstrated significant multiplier effects.

Records of funded projects between 2008 to 2015 indicate that Danish institutional projects proposed through the FINS facility were very successful in winning contracts. In 2009, five out of eight expressions of interest supported by EUN's twinning support (or 63%) were funded by the EU¹⁷. In financial terms, this relatively small project in the neighbourhood programme portfolio, had a highly varying appropriation amount per year depending on how many expressions of interest were received from Danish agencies. A total of EUR 1.6 million was spent in eight years, and from this investment more than EUR 32 million¹⁸ (a partial figure) was generated in winning EU twinning contracts. This provided an outstanding leverage of close to 20. In 2011, one of the most active years¹⁹, the facility provided DKK 1.7 million in support that resulted in 10 EU twinning contracts won, for a total of DKK 10.9 million.

Supporting twinning was strategically in line with the first neighbourhood programme objective, and promoted Danish competencies. By guiding, supporting, and subsidising Danish institutions through the EU twinning process, the FINS facility contributed to:

- Improved good governance and capacity of public institutions in the neighbourhood region;

15 The FINS scheme not only subsidizes preparation costs, but has supported specific crucial implementation costs not covered by the funds received for a winning project.

16 This resulted in less efficient organisation of project information received as well as less effective or targeted dissemination of information to the relevant agencies, reducing the number of expressions of interest and correspondingly funded projects. Thus information regarding funded projects is very limited from 2014, and due to this lack of dedicated staff and oversight has resulted in some of the lowest FINS appropriation amounts in eight years with only DKK 0.67 million in 2014, and the absolute lowest so far, DKK 0.153 million in 2015. Incidentally even with such small support amounts, Danish institutions still won three projects in 2014, and one project in 2015.

17 According to interviews with the Danish Patent and Trademark Office and the Danish Veterinary and Food Administration, the winning EU twinning projects approximately covered an 18 to 24-month period and received a total funding amount of EUR 1.5-2 million on average. EU twinning projects previously had a maximum funding amount of EUR 2 million per project, but that has now been reduced to EUR 1 million.

18 The EUN office's documentation of contracts won and funding amounts for twinning projects was not complete, and was missing the won contracts amounts for the years 2009, 2014, and 2015.

19 Specifically, in 2011 and 2013, the FINS support generated the most funded projects.

- Aid effectiveness, by leveraging much larger external funding sources (EU) with minimum financial impact on the EUN budget;
- Promoting, building, and leveraging Danish competencies and influence;
- Providing meaningful opportunities for extended and diverse Danish engagement within the neighbourhood region; and,
- Promoting Danish foreign policy interests through strengthened bilateral relations.

2.4 Analysis of results

The results under the two major themes of human rights and democracy and sustainable and inclusive economic growth are analysed in terms of the transformation impact they may have had, their sustainability (evaluation question (EQ) 3) and the factors that have contributed to or detracted from their transformational impact and sustainability (evaluation question 4).

Evaluation questions

EQ 3 Are these results sustainable and have they had a wider, transformational impact on the country/region/sector/area in question?

EQ 4 What are important factors related to the policy dialogue, context, programme design and/or implementation that have contributed to achieving and sustaining results and transformation?

Human rights and democracy

Civil society organisations

The transformative impact of support to civil society organisations has been modest. Genuine membership based civil society is still the exception. And while organisations have formally embraced organisational reforms, these are not always implemented in practice. International indices still record that civil society organisations are held in low public esteem. There was limited programme support to civil society in the Western Balkans. Among the eastern partners, the support appears to have been most transformational in Belarus mainly because of the very adverse situation of civil society in that country (#4,11,12). In Ukraine, the programme supported the consolidation of the new role of civil society following the transformative Maidan events (#4, 32). However, it cannot be concluded that the programme directly contributed to the event, and the exercise of civil rights. Nevertheless, it would be fair to conclude that the support provided by a range of countries (including Denmark) prior to and continuing after the Maidan events, signalled to civil society in all countries where civil society is under severe pressure (especially Belarus), that they are not alone. These observations should not be understood to imply that the success of the programme is measured by the contribution of civil society to the Maidan event, or that in order for civil society to be successful, they have to start a revolution.

The sustainability of civil society organisations supported is weak, and most of them will depend on external donors for the foreseeable future. Social services-based activities are particularly vulnerable to budget shortfalls, whereas advocacy-type interventions, if successful, even where there are budget shortfalls are likely to have longer-lasting or even permanent effects. Independent media will also need external funding in the medium to long term, as it is unlikely that the public has the means to pay for alternative media content that is currently available for free. Where civil society has helped to create change in the public sector, such as in the regional anti-trafficking project, there are promising prospects for sustaining not necessarily the civil society organisations themselves, but the outcome and benefits of the actions undertaken as a part of the projects.

In the context of still nascent organised civil society and the lack of local-level sources of funding, it is not yet realistic to consider that the contribution of civil society organisations as agents of change will be sustainable and transformational in the long term. The justification for Danish support to civil society originates in the theory of change of the Danish neighbourhood strategy where a strong civil society is seen as a key agent for change. There is a considerable trajectory to be covered before civil society organisations are strong enough to fulfil this aim, in particular as the sector remains dependent on external financial resources. Also, in view of the shrinking space for civil society and the reluctance or ambiguity of governments to genuinely engage with civil society, external support fulfils the more modest ambition of supporting the sector because governments will not or cannot.

Engaging peer-to-peer civil society networks and working with small rural civil society organisations are factors in successful support to civil society. Civil society networking between Denmark and Belarus (#7,11,12) has led to encouraging results. Small, rural-based civil society organisations were often cited as being less captured by elites and more effective in delivering change, and there is some evidence to support this in Ukraine where the work with municipalities was relatively successful.

Accountable and effective public administration

Results achieved in the area of local self-government reform in Moldova have strong prospects of being sustainable. Fiscal decentralisation, a key cornerstone of the reform, was rolled out countrywide. Decentralisation reform is still pending, and once adopted and implemented will lead to a considerable redrawing of the administrative map of Moldova. The fiscal decentralisation algorithm is such that it can be transposed to these new administrative boundaries-to-be. There is evidence that areas supported by the project, in particular in the area of the provision of communal services across administrative boundary lines, are being continued beyond the duration of the project. This suggests that the project was able to successfully demonstrate the economies of scale, and the advantages of pooling scarce public resources for the benefits of local communities. It is too early to judge whether the human rights-based approach to working with local communities will be sustained in the future.

A variety of circumstantial factors contributed to the achievement of the results. First, local self-government reform was a long-standing priority for Moldova stemming from its obligations as a member of the CoE as well as its EU integration agenda. UNDP mobilised a network of experts at both the central level and at the level of participating pilot municipalities. The technical expertise of the fiscal decentralisation experts was very strong, and they were successful in convincing the government to adopt a set of

reforms, initially on a pilot basis. At the local level, the project engaged, over a period of several years, with local authorities in municipalities not previously targeted by technical assistance projects. These municipalities were unaccustomed to international assistance and enthusiasm to participate has been very high.

Legislative reforms in the area of local self-government are likely to be sustainable in Ukraine. The results of the CoE-led project on local self-government reform (achieved in later stages of the project) to advance the Law on Voluntary Self-Amalgamation are likely to be sustained. This finding is supported by the fact that application of the law has already led to considerable territorial-administrative changes, such as 600 local authorities merging into 172 administrative units, a process that is unlikely to be reversed. In the case of Moldova, local self-government reform was one of the long-standing priorities for the country, and the later phase of the project (where most legislative reform results were achieved) took advantage of the unique reform momentum created by the Maidan event.

Prioritization of Moldova and Ukraine for the EU integration process, and the application of international standards for local self-governance reform, have leveraged the implementation of these reforms in both countries. Local self-government reform was highlighted as a priority reform area by the EU and is a benchmark for measuring both countries' readiness for closer integration. This provides an important motivation for national reform efforts. An overall factor in this context is the reputation enjoyed by the CoE in both Ukraine and Moldova, where assessments made by the organisation spur considerable publicity and debate. In other words, the organisation's assessment matters as a benchmark for the international reputation of the countries.

Civil society consultations have some prospect of continuing on a regular basis. However, the motivations behind governments' involvement of NGOs and civil society groups might not be the ones that underpin those of donors. Without donors emphasising the need to involve civil society, governments might feel less of a need to do so, or they might primarily be motivated by tapping into the technical expertise of civil society groups on specific policy areas.

The criminal justice reforms supported in Moldova and Ukraine have good prospects of transformative impacts that can be sustained. The new legislation, regulations and procedures that have been introduced (#31, 36, 39) will transform the human rights performance of the criminal justice sector of these countries. There are good prospects for sustainability as the main measures have been passed into law and training is underway. Given the EU-accession process, where these reforms are given key priority, as well as because the countries are concerned with their international reputation, it is unlikely that there will be a reversal of the legislative reforms. However, there is a need to safeguard the implementation of the legislation against attempts by vested interests to amend key provisions. Systematic support is needed, in the medium term, to help implementation of the legal framework, as well as a need to take a long-term approach to supporting reforms in this sector.

The free of charge legal aid system in Ukraine has good prospects of sustainability. All parameters of the system are now in place, and a sufficiently large pool of legal aid lawyers was trained and accredited by the responsible institution, the Ministry of Justice.

A key factor in success of criminal justice reforms has been engagement of the Council of Europe, through a delegated partnership. The CoE had the legitimacy

and credibility to support the reforms. The CoE was able, by leveraging the political will for closer association with the EU, to obtain results on adoption of key legislation. For both Moldova and Ukraine, the CoE has considerable authority, and the opinions issued by the CoE are widely discussed in public life. The governments therefore have a strong incentive to perform in order to comply with CoE standards.

Results obtained in reforming the work of the parliament of Moldova have some prospects for sustainability. The regional information offices are now fully financed by the parliamentary budget. Their effectiveness is currently being evaluated, and the parliament will take a decision thereafter as to further funding. Organisational reforms of the technical apparatus of the parliament are being maintained: staff are working in accordance with job descriptions, and according to multi-annual institutional plans. A key factor for the success of this intervention was the uniqueness in the identification of the target institution, and in particular the public administration part of it, (i.e., the technical apparatus of parliament as opposed to members of parliament). The project covered a unique niche. The technical staff play a key role in the quality of law-making, as they supported members of parliament, and traditionally donors have not worked directly with the parliament of Moldova. Sustainability is aided by the fact that the turnover of staff in the technical part of the parliament, is considerably lower than in other parts of public administration (i.e., the changes implemented are likely to be lasting ones).

Independent public institutions

In the long term, support to the Ombudsman in Albania is likely to have a transformative effect. The Ombudsman (#9) is already more recognised, and as its function gains greater outreach, it is likely to lead to a permanent improvement in the protection of human rights. However, the sustainability of its current level of activities is in doubt unless another donor to replace Danida (which is ending its support) can be found. A key factor in its success was the focus on rural areas and establishment of offices in the regions.

The Public Defender of Georgia has grown into a highly respected and trusted public institution and has prospects for transformative change. Although not sustainable, it has covered a wider range of human rights issues, including those not widely supported by the Georgian public, such as freedom of belief and religion, the rights of ethnic minorities, and lesbian/gay/bisexual/transsexual rights. However, as the institution heavily depends on external funding, its ability to continue without external support is yet untested.

Tools and methodologies provided to the Ombudsman's office in Ukraine may not be sustainable given the limited resources available to the institution against the backdrop of the size of the country. Even if the current outputs are useful, there is a lack of capacity of the institution to take initiatives forward with the existing and available staff and financial resources (i.e., the tools are beyond the means of the organisation to use them).

Overall, factors influencing the success of Ombudsman institutions can be found in their importance as benchmark institutions in the overall human rights landscape of a country, and the importance attributed to them in international human rights standards and monitoring instruments and processes. The theory of change underpinning the Danish support to Ombudsman institutions is similar to those of other donors. It is assumed

that a functional interface between the public and the state to monitor the human rights situation (i.e. the Ombudsman) provides a necessary (but not necessarily sufficient) condition to actually guarantee the protection of human rights. While countries have established Ombudsman institutions, in many cases, these lack the necessary resources to operate.

Conflict resolution and cross-border cooperation

Support to anti-trafficking had a transformative impact in deterring trafficking and protecting victims. Although not guaranteed, sustainability was enhanced through tailoring procedural changes to the expected funds available, and through continuation of the programme accomplished by receiving funding from other donors (#1, 2).

Provision of longer-term support and engagement of IOM as a partially delegated partner, were factors of success for the anti-trafficking project. The engagement of IOM for the Danida-supported project that spanned three phases, led to a good collaboration between partners and effective implementation and monitoring. An additional key element was that it built upon the requirements stemming from the countries' ratification of international anti-trafficking instruments.

Sustainable and inclusive economic growth

Economic growth and job creation

Introduction of the value chain approach in agricultural and rural development policies has longer-term prospects of transforming the sector, provided it is linked with broader socio-economic processes. Danish interventions helped to introduce the concept of value chains as part of agricultural and rural development policy reforms in Albania and Kosovo – especially for poorer and more remote areas. Active promotion of a commercial, entrepreneurial and inclusive approach to agriculture led to some local successes. While it did not yet bring about transformation of the sector as a whole, there are prospects that changes in policy will over time lead to substantial improvements, provided the relatively small scale of the Danish supported initiatives are closely linked with larger initiatives such as EFSE or IPARD or ENPARD.

Public consultation in agricultural and rural development policymaking resulted in transformative effects that are likely to be sustainable. Agricultural projects in Albania (#8, #10) supported the design and implementation of a consultation process for new policies. There is widespread recognition of the benefits of this approach, which although time-consuming, helps to ensure that policies developed are relevant, and have the support of actors in the agricultural sector who are expected to implement them. The process of systematic consultation and the role of the public sector in promoting an enabling environment that is inclusive, has now taken root in the agricultural and rural development sector and is likely to be sustained.

The supported agricultural sectors are better able to access future EU funding (including poorer and more remote areas), which in the longer-term supports transition to a sustainable and inclusive market-based economy. Relevant authorities and agricultural stakeholders in Kosovo, Albania, Georgia and Ukraine are better able to prepare for wider EU interventions through IPARD in Western Balkans, and ENPARD in Georgia and Ukraine. The projects have created capacity within the sector for design,

selection and funding of grants projects, payments, controls and monitoring. The farmers and agribusinesses are familiar with basic principles, practices and requirements for accessing matching grants similar to the IPARD/ ENPARD programmes. In Albania, there has also been a focus on bringing these skills and capacity to more remote areas that were otherwise likely to have been overlooked by all.

Despite impressive results at the project level, most supported value chains have yet to mature to a point where broader transformative effects could be seen in the sector as a whole. A critical mass in most of the value chains leading to self-generating and profit-driven sustainability has not yet been established. External factors related to comparative advantage of the value chains and deficiencies in the enabling environment (e.g., on land tenure, high interest rates, and absence of phytosanitary regulations) are inhibiting the emergence of true transformation in the selected value chains. In the longer term, there are prospects for transformation and sustainability. A good example is the dairy factory Shaka in Korce region of Albania (#8, 10). As mentioned earlier, over 250 certified milk producers are channelling their dairy products (goat and sheep cheese, and processed milk) with sales being made to several regions in Northern and Eastern Albania, Kosovo and neighbouring countries. Another notable case is the medical and aromatic plants value chain, led by German and Austrian companies, where the Albanian association of medical and aromatic plant exporters were able to organise over 6,000 individual harvesters, doubling the volume of production to reaching 2,000 tons annually. There is also similar local level success in the value chains established in Ukraine by the Agro-Liv project (# 34).

The doubtful commercial viability of operations in some of the target areas is balanced by social goals. External evaluations (e.g., ADE 2016, and Orbicon 2011) repeatedly conclude that evidence of transformative effects for most of the value chain initiatives have been limited up until now. The main critique was that the matching grants for production and agribusiness investments are too scattered, and over too short of a period, to have had a cumulative effect. So while there have been notable increases in earnings and, to some extent, in employment, it is difficult to conclude that the projects have led to a sustainable transformation in the selected value chains. In most countries, a convincing strategy has not yet developed to address the complexity of external factors hampering the further development of the agricultural sector, such as property rights and high interest rates. There are also doubts about the long-term commercial viability of small scale agricultural production in the marginalised regions favoured by the Danish supported projects which aim at achieving impact in poverty reduction. For example, in Albania, there are doubts that the supported agricultural activities and value chains in scattered mountain areas – vacated by youth and populated mainly by people near retirement – are at all commercially viable. There are better prospects (though not guarantees) of longer-term viability in contexts where a return of emigrants brings new energy, technology and finance, and where the value chains represent a high-value niche (e.g., artisanal goat cheese, apples and aromatic plants), and where it is possible to link these projects to wider processes. In providing support during a crucial period, and accepting that some projects may not succeed while others do, a wider social objective is supported, helping to reduce migration to urban areas and thus contributing to Danish neighbourhood programme objectives of reducing regional disparities.

Skills development

An employment-centred approach to business and vocational education and training was established, which is transforming skills development practice at a small scale within targeted institutions. In Kosovo (# 22, 23, 24) and Ukraine (#34), two business schools and four agricultural training schools have now adopted a modern approach to skills development, focusing on entrepreneurship and agricultural services. While it is premature to assess the country-wide impact of the new educational programmes, at minimum there are good prospects for three longer-term effects: (i) wider replication of the new programmes in the technical and vocational education training schools in Kosovo, the International Business College Mitrovica and the agricultural master of business administration programme at Kyiv School of Management; (ii) a quality shift in human resources at policy, administration and agricultural business management levels, and better matching of skills development with demands of the market; and (iii) advanced international educational cooperation between the upgraded institutions in the target countries and their counterparts in Europe. The technical and vocational education and training schools, if further successful, may become change models. Moreover, there are indications of an impact on rapprochement between the predominantly Serb population in the northern campus, and the predominantly Albanian population in the southern campus in Mitrovica. This development occurred as local officials, trainers, lecturers, researchers and students from both campuses worked together to achieve a high standard of education and to contribute to local business and public administration. The Kyiv School of Management may further contribute to a missing segment of professional agricultural policy-makers and business managers that can manage in a transition economy, thus fulfilling a notable gap in agricultural policies and practices in Ukraine over the last two decades.

Sharing of Danish approaches to vocational education and training and continuing links to Danish vocational schools, are a critical factor in successes achieved so far.

Notably, the shift from very theoretical approaches and curriculum to more practice-based learning and curriculum, fostered better employment possibilities for graduates of the business colleges and agricultural schools by transferring skills which were directly relevant for future employers. Also significant was adapting the Danish model for delivering post-study support services (#23), which better linked students to the employment market. These services were institutionalised in all four participating municipalities in Kosovo, and three of them already have made annual allocations and transferred funds for this purpose, boding well for future sustainability.

Considerable skills developed at the project level will support the sustainability of the agriculture and value chain related results achieved so far. Most of the agricultural sector projects have involved significant skills development. An example is the training in hazard analysis and critical control points, which allowed targeted food processing companies to produce high quality products. Training has also been provided to farmers in use of new equipment and techniques leading to significant increases in income. Examples include: training to farmers in the apple value chain in Albania in the use of hail proof netting (#8, 10), enhancement of business planning for women entrepreneurs in Kosovo (#23), and specialist hygiene-related training for dairy sector processors and farmers in Ukraine (#34). These skills, as they are linked to the creation of more profitable agribusiness, are likely to be sustained. There are also some prospects for scaling up and replication as a “training of trainers” approach has generally been used, for example by engaging and involving local agriculture extension services in training delivery (#8,

10). However, wider scale replication and scaling up has not occurred, as support was at the individual project level rather than the sector level.

Energy and green technology

Although too early to judge, the energy sector project designs are likely to lead to transformative and sustainable impacts. Investments in energy and green technology are very recent so it is too early to judge the sustainability and transformational impact, except to note that the project designs are well conceived. There is a focus on institutional and legislative changes in Georgia (e.g., on introduction of grid codes for enabling greater use of renewable energy), which is likely at relatively small cost to have a lasting impact. In Ukraine, there is a twinning project with the Danish Energy Agency, which could bring in a number of innovations in terms of the use of Danish modelling and scenario building – although there are signs that this initiative might be ahead of its time. Engagement of local authorities and energy utilities in Ukraine in the E5P project will create incentives to reduce municipal and citizen expenditure on energy, and increase the profitability of utilities.

Secondments and twinning

The learning acquired during secondments led to increased capacity of seconded staff to input on both global/national and Danish foreign policies and programmes.

Besides contributing to achieving mission objectives, according to 87% of survey respondents, the experience and knowledge gained in secondments contributed to some/high degree to increased capacity in one significant area: strategic networking with multilateral and national stakeholders and opportunities to input on development of global/national policies and programmes. A majority of those surveyed also noted that the increased knowledge and information sharing opportunities from their secondment contributed to some degree to enhanced capacity of staff to develop new Danish foreign policies or programmes for the future. Staff of the Danish embassy in Kiev interviewed by the evaluation valued insights provided by staff seconded to the EU delegation. They were better informed of the local context and received timely information on the overall situation in the Ukraine, as well as the political situation. They felt the knowledge exchange directly supported their core work and was particularly useful in areas where there were a lack of resources (e.g., to follow up on the Crimea situation²⁰). This access to analysis and insights at the EU level increased the range and depth of diplomatic issues that could be taken up in dialogue between Ukraine and Denmark, making the process richer and more valuable.

EUN support of active twinning engagements for Danish institutions was a very small monetary intervention which ultimately contributed in a much larger way to supporting Danish interests politically and economically, using soft diplomacy.

From the few documents available to the evaluation regarding twinning projects, it appeared that most of the funds provided by the FINS facility were essential to the Danish organisations' ability to win EU funds for the project, which could be seen as

20 The embassy in Kiev noted that information provided by the EU delegation secondments allowed for the Ambassador's briefings to the Danish press and for high-level visits to be more precise, up to date, and insightful than otherwise would be the case. Consequently, it ensured that both the Danish public and important visitors were better informed.

the programme's main impact. FINS funding supported critical activities in the start-up phase, such as drafting of the Expression of Interest, proposal and project activity plan, as well as fact-finding missions in-country²¹. The limited number of project completion reports reviewed indicated that planned activities were implemented and positively reviewed by the partners and external audits when available.

Twinning projects brought distinctive and significant opportunities for Danish bilateral relations and closer relations with the EU. Twinning projects had diverse and broad opportunities for learning for both Denmark and the recipient countries in the neighbourhood region. There is a clear internal and practical benefit (and motivation) for Danish agencies to work on twinning projects, such as international engagement, capacity building, cross-cultural networking and knowledge-sharing with both recipient countries as well as other EU member states agencies (in larger partnerships). The setting promoted interesting and stimulating experiences, with the risk and expenses mostly born by the EU. Although there is no documentation regarding transformative impact or future sustainability, since twinning projects directly relate to commitments to EU Association Agreements, it straightforwardly responds to supporting longer-term reforms and activities that endeavour to align neighbourhood countries' laws and regulations to EU norms and standards.

2.5 Partnership approach and engagement of Danish competences

Evaluation question 5: What are the results of the partnership approach, in particular for bringing in Danish competences, including Danish companies; and what have been the direct or indirect effects of the programme for Danish commercial interests and for local private sector development?

The strategy for the Danish neighbourhood programme did not include a focus on the engagement of Danish competences. There was an acknowledgement that within energy efficiency and green technology Denmark had significant know-how but no explicit strategy, indicators or results framework for translating this into engagement of Danish competences.

The programme was consistent with and promoted Danish values and policy interests, but Danish commercial interests were not actively promoted. The neighbourhood programme through its focus on the seven sub-themes outlined in the 2013-2017 strategy promoted Danish values and also policy interests; principally: a peaceful and stable Europe, the development of a prosperous free market economy and, improved living conditions and reduction of poverty in the neighbourhood region. Danish commercial interests were not explicitly pursued as they do not coincide with the sub-thematic areas related to reduction of poverty and protection of human rights except in the areas of improving the framework conditions for transition to the green economy and possibly

21 The critical importance of FINS support during the start-up phase in both winning and implementing the assignment was highlighted in interviews with two Danish institutions that had extensive experiences in twinning projects, and was also supported by internal reports from the Danish Patent and Trademark Office.

development of more advanced value chains. Local private sector engagement was effected through the support to value chains and energy efficiency.

The programme engaged in elements of the economic diplomacy framework but not systematically. To a varying extent, the neighbourhood programme engaged in all the five principles of the economic diplomacy framework, which was only formally launched recently although it reflects earlier good practice despite the fact that economic diplomacy was not a formal objective of the original strategy. The programme integrated Denmark's economic interests more intensively in the later part of the programme (since 2013) with more active engagement in the energy sector where Denmark has comparative advantage. The neighbourhood programme collaborated with Danish organisations although not exclusively: approximately 20% of the programme involved Danish organisations (although the sums directly contracted to Danish organisation would have been lower). There is however, little evidence of concrete benefits to Danish organisations arising from the MFA of Denmark's access to authorities from other countries and it is not immediately clear if there are missed opportunities in this regard. The neighbourhood programme assisted in improving general framework conditions such as anti-corruption and decentralisation, which will bring long-term improvements that could benefit Danish companies. Within the agriculture and energy areas there are more specific framework improvements being targeted that could improve the market conditions for Danish firms.

3 Lessons Learned

Evaluation question 6: What can be done to enhance the strategic relevance of the programme seen from the point of view of Denmark, EU, and partner countries?

Partner countries often do not know what strategy/strategies Denmark is pursuing. This extends to governmental counterparts, international organisations (including implementers), and bilateral donors, and is, inter alia, a result of the lack of a permanent presence in most of the countries, as well as of the lack of a strategic document at country level outlining at least a pipeline of projects for the forthcoming period. Partners do not always understand why certain projects have been discontinued, pointing to the potential for closer dialogue between Denmark and its partners.

The programme addressing human trafficking has emerged as a successful example of the results that can be achieved by taking a long-term approach. This was a multi-annual programme stretching over three consecutive phases over a period of eight years. It proves that time is needed to achieve results and adopting this approach to other Danish interventions could be useful. In the current portfolio, there is evidence of an approach that is guided by “ticking off” the various themes of the strategy as opposed to taking a more medium or even long-term approach.

A light country strategy would serve to guide the development of a pipeline of projects. Although the projects and mini-programmes were generally well justified, a country strategy would have provided a tool to enhance the strategic relevance of the programme. The country strategy would have helped to provide an understanding of the political economy, prioritise sectors, examine the options for partnership, develop a strategy for replication and scaling up where relevant, and consider the conditions for exit, thus making the overall intervention logic more coherent for each thematic area and sub-theme. It would also help in outlining what other donors are supporting. A comprehensive approach that develops country strategy will also help to establish a country results framework and a robust monitoring and evaluation system.

Evaluation question 7: What are the lessons learned in relation to engaging Danish competences and partners, including from the private sector, in promoting the overall objectives of the programme and Danish foreign policy interests?

The modality of delegating to partners has served to reduce transaction costs but also has reduced Denmark’s profile and political capital. Full or partial delegation to partners has reduced the transaction costs of setting up new project management structures and has reduced the strain on Danish neighbourhood programme’s monitoring and supervision. But, even where there are high standards of visibility (e.g. info-boards, labelling of documents, publications and equipment), the perception among most actors is clearly that the projects were provided by the delegated partner and not Denmark. As noted by the Danish representation in Albania, it is difficult to put a value on the political capital lost by such perceptions. It is also interesting to note that some implementing

partners appreciate and specifically ask for high level Danish visibility, as it helps them (for example, Council of Europe in Ukraine (#39)).

There is an opportunity to more explicitly make use of and engage with Danish secondments. The recent event to bring together Danish secondments involved in Ukraine was highly successful. Danish secondments in Ukraine and Kosovo also contribute to the political work of the embassies. Better use could be made of the insights of seconded staff in programme development and implementation.

Where Danish expertise was used, it was appreciated. Examples include Danish expertise on the reform of the criminal justice sector in Ukraine; the support provided by the Danish Institute for Human Rights in support of the Ombudsman institution in Albania; the peer-to-peer organisation relationship in Belarus and, the support to the design of the UNDP-segment of the Human Rights and Democracy Programme in Moldova.

There is scope to explore how to employ Danish support more systematically. The Civil Society in Development (CISU) scheme (#7) appears promising in this regard, as it emphasises the peer-to-peer partnership between Danish and neighbourhood organisations.

Partners wish to see greater visibility and presence, including political presence, of Denmark, beyond just the provision of the funding. While the financial support is important, partners emphasise that high-level presence by Danish officials could further help to achieve objectives by adding a layer of political support to implement reforms.

Evaluation question 8: What are lessons learned with regards to the choice of modalities?

Delegated partnership, especially through international organisations that are not donors themselves, requires vigilance to ensure application of sufficient high-level supervision and quality assurance. There is a need to act to safeguard Danida's and the beneficiaries' interests by insisting on a higher standard of supervision by some of the international organisations that are implementing projects. Where supervision-related problems persisted, there was a tendency to fill the gap with additional monitoring paid for by the neighbourhood programme, which could inadvertently lead to double administration. Country programmes complete with a detailed intervention logic, objectives, targets and indicators together with analytic reporting, including review of the intervention logic and indicators, could help provide a basis for higher standards of supervision and better qualitative reporting against the targets at outcomes and impact levels.

The grant modalities with local entities, which are narrowly specialised in their area and which have elaborate strategies and well-established networks proved to be viable. Support to civil society organisations is difficult in the context of the partner countries where civil society organisation is not a strong tradition and where there is widespread mistrust of such organisations and a distinct absence of membership based governance. It seems that the small regional organisations, although more difficult to reach are more likely to produce results. This was the experience of the Ombudsman in Albania and also the experience in Ukraine when working outside of Kiev and also in Kosovo with SHE-ERA project.

The procurement difficulties and delays when using national systems are easily underestimated. Considerable, and potentially avoidable, delays in procurement have occurred both undertaken by the Ministry of Education and the Ministry of Agriculture in Kosovo (#23). Using national systems is even more challenging when a hybrid of 'project-based and a national system' is used. The approach of defining 'work packages' (i.e. step-by-step implementation, e.g. through phases of training, planning and investment) with conditionalities on meeting deadlines together with specification for withdrawal of support if the conditions are not met, appears to have been successful. Although only one project involved the transfer of resources to a government body, the lessons learned are important if this otherwise relevant modality is to be used elsewhere.

Complex mini programmes where the link between projects is not intrinsic are best avoided. There are a number of mini programmes often composed of three projects or engagements where the link between them is not necessary and the advantages do not immediately appear to outweigh the additional complexity of putting them together. An example is the ongoing human rights and democracy programme implemented by the Council of Europe and UNDP (#39).

Some of the key transformational results have been achieved by specifically building on the competitive advantage of the implementing partners, in particular those of the Council of Europe. The Council of Europe enjoys a considerable degree of moral authority in the neighbourhood region, as the guardian of key human rights and related legal instruments. The organisation is also able to mobilise technical expertise on key policy areas addressed through the programme (human rights standards and training; criminal justice reform; legislative drafting assistance in the area of local self-government etc.). The Council of Europe has therefore been an apt choice, for implementing criminal justice reform projects as it has a strong comparative advantage. The same could be said about IOM and the project on anti-trafficking.

It is important that there is a substantiated link between the choice of implementing partner and the objective of the intervention. In Belarus and Moldova, support to civil society is provided either through a peer-to-peer model or through core support. In Ukraine, a multilateral organisation (UNDP) is the partner through whom civil society is to be built, raising questions as to whether the resources available to EUN were sufficient to explore alternatives. This type of approach is reminiscent of early phases of democracy assistance.

Evaluation question 9: What are lessons learned with regards to strengthening oversight and monitoring of programmes?

Monitoring and evaluation practice was often poor in the initial phase of a project with indicators being proposed that had no baseline values identified and no target values set. Results frameworks however tended to gradually improve during subsequent project phases. One weak point in the programme was the lack of a systemic approach to monitoring – baseline studies, recording results and learning. It might have been that if an annual programme report was made that the weaknesses of different projects would more readily come to light. The projects' logical frameworks tended to focus on indicators that relate more to inputs and outputs e.g. the volume of production, number of employees, overall income, number of graduates, number of financial institutions engaged in rural

loans, volume of complaints handled by the Ombudsman institution, etc. It would be reasonable to elaborate on indicators reflecting the chain of results at outcome level, transition from outputs to outcomes and expanding the theory of change in each sub-area (value chains, education, conflict resolution, civil society development, accountable public administrations, etc.).

The additional monitoring efforts by the Danish neighbourhood programme office supported by consultants are generally appreciated and justified where programmes are complex and support a number of partners. The combination of well-prepared and pro-active engagement by the Danish neighbourhood programme has added value according to repeated evidence provided by partners. Although generally successful, the programme monitoring strategy needs to be carefully thought about as implied by the findings of a variety of mid-term reviews. There is a danger of the monitoring consultant substituting the tasks of the implementing agent. There is also a fine balance to be obtained between supervision and constructive engagement. Where a programme is implemented by a number of equal partners (and especially where they are potential competitors) there is an additional benefit of and also justification for an independent monitor or donor presence. In this regard, it was noted that the projects with Danida reviews have been generally more efficient and have had more traceable results than those without. Moreover, it was noted that the results of the reviews were considered more carefully by the smaller implementing partners (grant recipients) than the more powerful partners (to whom project responsibilities were delegated), who were often international organisations with their own strategies, methodologies and monitoring systems.

While implementing projects through established international organisations with an in-country presence, it is important to acknowledge some of the weaknesses of these partners. Project design and monitoring in Council of Europe projects was very uneven in the evaluated portfolio, with concerns relating to the local self-governance project in Ukraine and the two human rights projects in Georgia. There is scope for closer scrutiny of the project reports. And while formally, external evaluations are being conducted of projects implemented by the Council of Europe and the UNDP, these are, based on at least one example, not always unbiased, and therefore of limited use for learning and accountability.

Monitoring and oversight is limited where there is no continuous in-country presence. Partners with more than one donor highlighted the benefit they draw from frequent, regular contacts with their donors; specifically, they highlighted the advantages in terms of accountability of such frequent contact. With the existing regional model for the Danish neighbourhood programme with its lack of in-country presence, it is difficult to replicate this type of relationship between donor and partner.

Box 3.1 provides a summary of observations on and implications for monitoring and evaluation practices. Details are presented in Annex H.

Box 3.1 Monitoring and evaluation practice - observations and implications

Observations

- A regional programme managed out of Copenhagen presents special M&E challenges
- There is a difference in delegation to a donor partner and an implementing partner
- Projects with unrealistic aims made monitoring difficult
- M&E results were sometimes available but they were not used
- There was considerable variation in the level of project monitoring and evaluation.
- There was a mix of hands on and hands off approaches
- Some of the complex mini-programmes made monitoring difficult and projects with multiple partners lacked a clear M&E owner
- International organisations did not always mobilise the level of head office supervision necessary
- Some evaluations managed by the international organisations were not sufficiently independent
- Project level M&E tended to improve considerably from first to later phases
- Some outcomes especially within human rights and democracy were inherently difficult to measure
- Partner systems were used but not systematically and when used did not seem to be supported by an assessment of how well the partner system functioned in practice
- Projects managed by consultants or private sector entities tended to be highly accountable and provided strong monitoring at activity and output level

Implications

- A real time evaluation approach adapted to the particular country and partners involved would respond to many of the M&E issues
- Developing a country strategy and an annual reporting on outcomes could sharpen the incentive at project level to report timely
- Robust and realistic project design is crucial for successful monitoring and evaluation
- Feedback loops don't happen by themselves
- Incentives: Clear incentives and practical means for carrying out the M&E need to be in place
- Indicators: Need to be chosen and screened against the availability of robust data

Evaluation question 10: What are the specific lessons learned with regard to applying a human rights-based approach including gender mainstream/focus, minority rights and indigenous peoples' rights?

The programme mainstreaming of the human rights-based approach and cross cutting aspects on gender, minority and indigenous people's rights needs to be better documented. Although most projects did mainstream and adhere to the human rights-based approach and cross-cutting aspects, this was not well documented and rarely formed part of the results matrix.

Beyond those projects that had a specific gender focus (the cross-border human trafficking project; the gender activity in the parliamentary democracy programme and in the local self-governance project of UNDP in Moldova), the portfolio's mainstreaming of gender has been weak. Several projects have accounted for gender by specifying the number of female participants in trainings, or by taking an approach that inadvertently relieves them of even exploring the potential of gender mainstreaming.

The human rights-based approach has been particularly well applied in the local self-governance project in Moldova, and where women and minorities were consistently part of the project activities. The methodology is now being used by the East Europe Foundation Moldova and its partners. In the civil society project, organisations have received capacity building on human rights-based approach, but the extent to which this is being used in practice is not known.

Evaluation question 11: What are the lessons learned with regards to involvement in and contribution to donor coordination as well as general alignment to national policies?

Due to its limited in-country presence, Denmark's contribution to donor coordination is limited. As highlighted above, domestic and international stakeholders are not able to recognise the specific profile of Denmark's support, and there is frequent lack of clarity as to why certain interventions and implementing partners were chosen over others. On the other hand, it was also noted by partners, particularly in the Western Balkans and Ukraine that, although infrequent, the Danish engagement in donor coordination was highly constructive.

Value chain projects need to be based on a realistic assessment of the overall economic situation in the sector and need to develop replication strategies. As noted earlier, the agricultural value chain projects created notable results but have not yet led to wider transformational effects. There are many reasons for this including the lack of suitable infrastructure, the low prices of imported foodstuff and, shortcomings in the agro-processing industry. These and other effects need to be thoroughly understood to judge the level of ambition that is realistic and to know where and how to best intervene. A deliberate replication strategy is needed to ensure that successes are built on.

4 Conclusions and Recommendations

4.1 Conclusions

Strategic relevance

Conclusion 1: The Danish neighbourhood programme was strategically relevant.

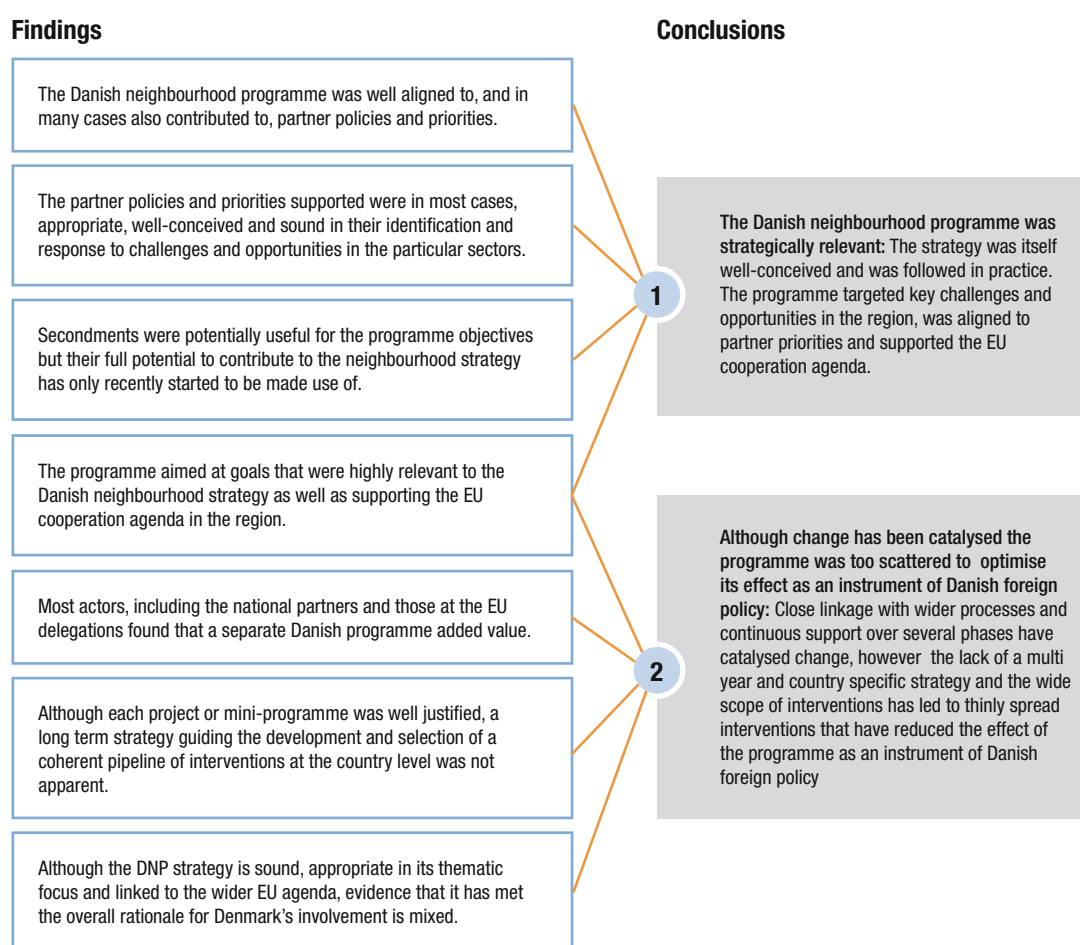
The Danish neighbourhood strategies covering the periods 2008-2012 and 2013-2017 addressed Danish policy objectives, were well-conceived and translated into the neighbourhood programme which was itself implemented in accordance with the strategies. The programme, addressed key challenges and opportunities in the region, was appropriate in its targeting of beneficiaries, was aligned to partner priorities and supported the EU cooperation agenda. The partner policies and priorities supported were in most cases well-conceived and sound in terms of their identification and response to challenges and opportunities within the particular themes that they addressed. The partner policies and priorities supported were in most, but not all, cases credible in the sense that the government supported them in practice and not just on paper.

Conclusion 2: Although change has been catalysed the programme was too scattered to fully optimise its effect as an instrument of Danish foreign policy.

Close linkage with wider processes (such as the EU programmes) combined with continuous support over several phases have catalysed change. Projects were not guided by a coherent country strategy and this, combined with the practice of year-by-year programming, led to thinly spread interventions that did not have sufficient cumulative effect and for this reason reduced the effectiveness of the programme as an instrument of Danish foreign policy.

Although each project or mini-programme was well-justified, a long-term strategy guiding the development and selection of a coherent pipeline of interventions at the country level was not apparent. The Danish neighbourhood strategy is sound, appropriate in its thematic focus and linked to the wider EU agenda. There was also a contribution to the overall Danish foreign policy goals across all the thematic and sub-thematic areas. Nevertheless, the evidence that the programme justified the overall rationale for Denmark's involvement in the region is mixed. On the negative side, too little was done in too many areas to have left a strong and visible footprint.

The links between the findings (drawn from analysis of interventions at country and regional level and synthesised at programme level) and the conclusions are shown below:

Figure 4.1 Links between findings and conclusions under strategic relevance

Results and value added

Conclusion 3: Significant results were achieved across the programme and in each sub-thematic area.

The results are summarised in this report and further detailed in the country reports, case studies and underlying evaluation matrices. Notable examples of results are shown in the table below:

Table 4.1 Selected results in sub-thematic areas

Sub-theme	Selected result(s)
Civil society	Civil society organisations have been strengthened in all the countries targeted not only through the dedicated projects but also through support to national institutions such as the Ombudsman in Albania and through the support to anti- human trafficking in Ukraine, Moldova and Belarus.
	In Ukraine, in particular the legislative framework governing civil society has undergone significant reform, capitalising on the Maidan event.

4 CONCLUSIONS AND RECOMMENDATIONS

Sub-theme	Selected result(s)
Accountable and effective public administration	<p>Decentralisation reforms have advanced in Moldova and Ukraine and led to greater local autonomy and civil society participation.</p> <p>Laws and regulations that underpin criminal justice reform have been adopted in a number of the targeted countries bringing standards to EU levels and paving the way for better protection of human rights.</p>
Independent public institutions	<p>The role of the Ombudsman institutions in Albania and Georgia was consolidated and the institutions are actively contributing to reporting on human right abuses.</p> <p>The Ombudsman in Ukraine is equipped with tools to monitoring the court proceedings in support of the criminal justice reforms (which were also supported by the neighbourhood programme).</p>
Conflict resolution and cross border cooperation	<p>Over 3,000 victims of human trafficking have been assisted in Ukraine, Moldova and Belarus.</p> <p>Through the national referral mechanisms an estimated 4 million vulnerable people are now better protected against trafficking; the mechanisms ensure that victims now have a choice on whether their first contact point is the police or social services.</p>
Economic growth and job creation	<p>Agricultural policies and policy making practices have improved in Albania, Kosovo, Moldova and Ukraine and capacity was built in the EU accession countries to make use of future long-term funding.</p> <p>Production and income levels have increased in targeted communities with the poor mountainous regions in Albania reporting a five-fold increase in income.</p>
Skills development	<p>The agricultural vocational education and training sector in Kosovo has undergone significant policy reform and has adopted many of the practices learned from the Danish agricultural schools.</p> <p>In Kosovo and Ukraine, the educational sector has developed improved curriculums, teaching material and teaching approaches within business administration and development and graduates have a high (80%) employment rate.</p>
Energy efficiency and green technology	<p>Capacity to effectively invest in energy efficiency at the national and municipal levels was developed in Ukraine.</p> <p>Significant savings in electricity, gas and greenhouse gases have been made and are underway through 15 approved projects in Ukraine.</p>

Conclusion 4: A limited number of projects failed to achieve the expected results, usually as a result of external factors and an overly ambitious intervention design.

Within support to civil society, although capacity has been developed, a breakthrough in developing genuine membership-based organisations has not occurred and was not realistic in the time frame. Within support to effective and accountable public administration, there have been disappointing results in a few of the public sector projects. Within economic growth and employment, the creation of jobs has not been documented and appears, from the few reports and anecdotal evidence available, as modest. The support to agriculture and rural development often had strong short-term results arising from the

matching grants but with less evidence for a longer-term impact as it proved difficult to reach a critical mass of change along all the necessary links in any given value chain.

Conclusion 5: The prospects of sustainability and a longer-term transformative effect are broadly positive within human rights and democracy particularly within the public sector reforms that targeted areas that were or became government priorities.

Within support to civil society, the transformational impact was modest. Sustainability is not assured and external support will be required for the foreseeable future. Within support to effective and accountable public administration there are strong prospects of a transformational and sustainable impact where legislation was passed, training provided and adequate financial resources secured. There are still risks that changes in the political environment in the Ukraine and Moldova, where the bulk of public administration support was concentrated, could reverse or slow down the implementation of the changes. Within support to independent public institutions the advances made so far have mainly been on improving reporting on human right abuses, which is a first, necessary but not sufficient, step. The second step of ensuring that the recommendations of the reporting are systematically acted upon has not yet taken root in Albania, Georgia or Ukraine. There is also the ever-present threat of governments reducing the budgets of the organisations. Nevertheless, although the work of supporting the organisations is not complete, the prospects for sustainability and transformation are significantly greater than before the support from Denmark started, not least because of much greater public recognition of these institutions. Within support to conflict resolution and cross border issues, there have been transformational impacts as a result of the regional anti-trafficking project and the long-term changes made in establishing operational national referral mechanisms. Although attempts have been made to tailor the systems to match likely budget resources and the presence of a steady stream of external support, there are still risks that budgets will not be sufficient to sustain the current level of protection and assistance provided to victims.

Conclusion 6: The longer-term prospects of sustainability and a longer-term transformative effect are broadly positive within economic growth especially in the Western Balkans and within energy and green technology.

Within economic growth, there are strong prospects of sustainability for the EU accession countries in the Western Balkans (Albania, Bosnia-Herzegovina, Kosovo) as the agricultural support provided is closely linked to and will be followed up by the IPARD and later the EU common agricultural policy. Due to these links, even if transformational impacts are not evident in the lifetime of the programme, there are positive prospects for the future transformation of the agricultural sector and the specific value chains that were promoted. The replicability and scaling up of the agricultural initiatives supported in Moldova, Ukraine and Georgia is, however, doubtful. A critical mass does not appear to have been reached and in the case of Ukraine, the intention of linking to improvements in the access to finance that could support a scaling up of the approach was not achieved. In summary, the current achievement in this theme across the programme is modest overall and sustainability threatened. In the Western Balkans, the prospects of sustainability and also transformation in the longer term is good because what has been started will be taken over by another funding mechanism. The changes brought about by the support to business and vocational training, especially in Kosovo, have good prospects of sustainability. But as they are at a relatively small scale it would be difficult to claim that they would have a transformational impact on the labour market. In general, the transformation effects in terms of employment creation or the prospects for future

employment opportunities are difficult to predict but appear modest. As the agriculture and energy sectors are modernised, assisted by support provided by external donors such as Denmark, productivity rises and employment tends to fall.

Conclusion 7: The major factors contributing to sustainability and a wider transformation effect relate to the continuity and scale of support, linkage to wider processes of change and, the choice of partner.

Where support was continuous over several phases, it was possible to create cumulative results and to engage with the root causes behind the challenges being addressed. Examples include the regional project aimed at anti-trafficking, which was supported for more than 10 years over three phases and, support to the same six value chains in the mountainous areas of Albania which was provided over two phases for nearly 10 years. The same is true of the support to the Ombudsman in Albania, which has run over two phases for close to 10 years.

Where the support was provided in the context of wider processes of change such as the association agreements with the EU, it benefits from a high degree of government commitment and prioritisation. Where the support is part of, or fits into, a package of support by the EU or other donors the Danish support, with its limited scale, has greater prospects of being sustainable and contributing to transformational change. Examples include the support to energy efficiency as part of the E5P in Ukraine (# 35,38) and the support to civil society in Kosovo (#26) that is part of a multi-donor package. The scaling up and replicability of new initiatives and approaches was better assured when they were connected to other larger donor support than when a stand-alone Danish effort was made. An example is the link to the IPARD support in Albania and Kosovo and the ENPARD in Moldova and Ukraine. There was, however, a loss of visibility for the Danish assistance when it is just a small part of wider donor cooperation. And, whilst Danish support to multi-donor efforts provided a less obvious niche in or potential for value added, it did provide a tangible expression of solidarity and contributed to harmonisation and aid effectiveness.

The choice of partner was critical to obtaining transformational impact. Partners that had a strong mandate and track record for a particular area of intervention (e.g. the Council of Europe on justice reform in Ukraine) brought the credibility, goodwill and expertise necessary to ensure that the Danish support was effective and could engage at a high enough level.

Conclusion 8: The programme promoted Danish values but to a lesser extent Danish commercial interests.

The programme and its interventions promoted Danish values especially those related to human rights and democracy. An example is the support provided to the Albanian Ombudsman by the Danish Institute of Human rights. However, it was not a strategic objective to promote Danish commercial interests and such interests were only promoted in a very limited manner. These interests were less explicitly pursued since they did not coincide with the programme's sub-themes of poverty reduction and protection of human rights. Danish interests were more clearly addressed through improving the regulatory framework for transition to the green economy and (possibly) development of more advanced value chains. The programme did engage in elements of the economic diplomacy framework but not systematically.

Figure 4.2 Link between findings on transformation and sustainability of results and conclusions

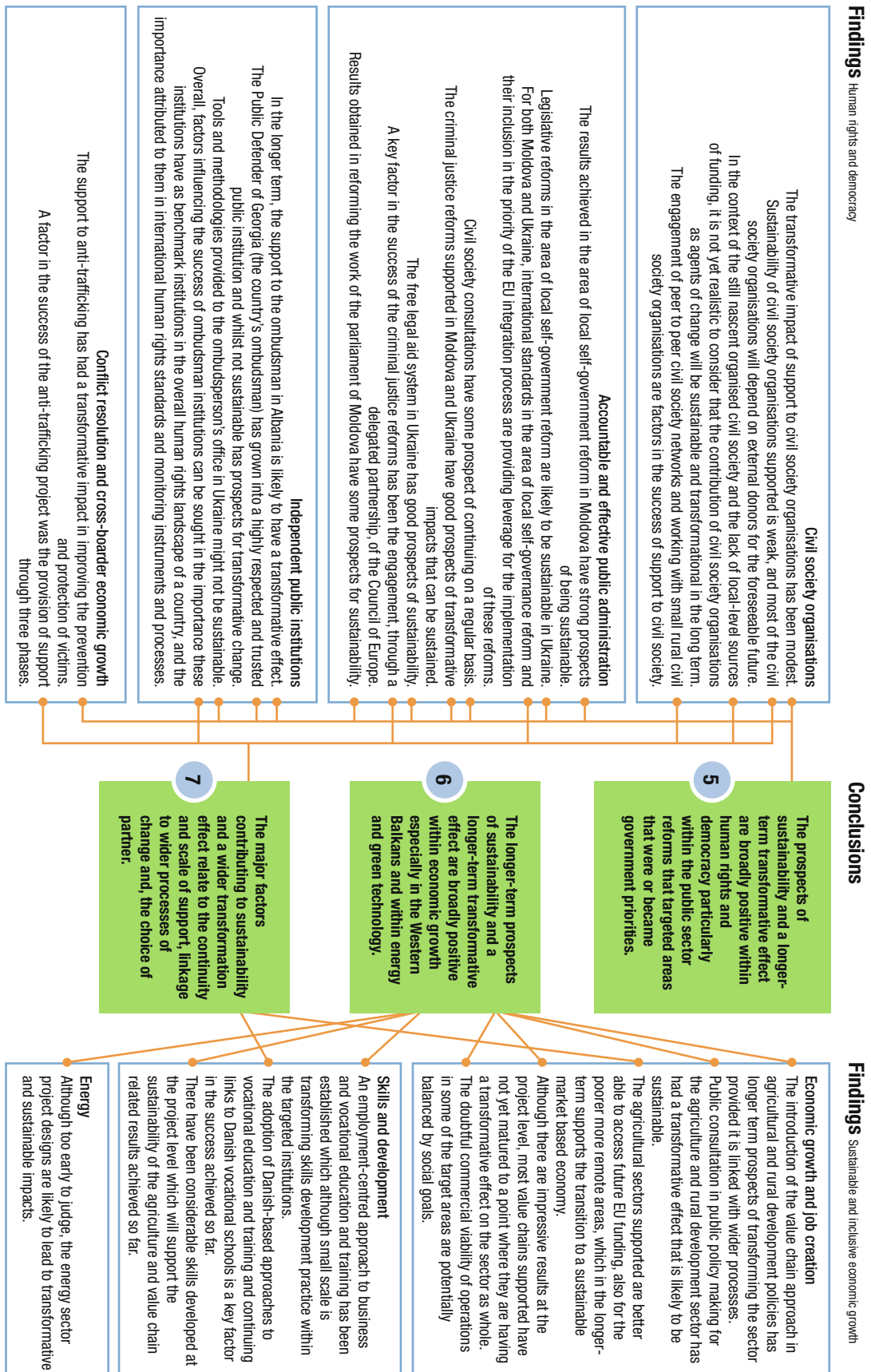
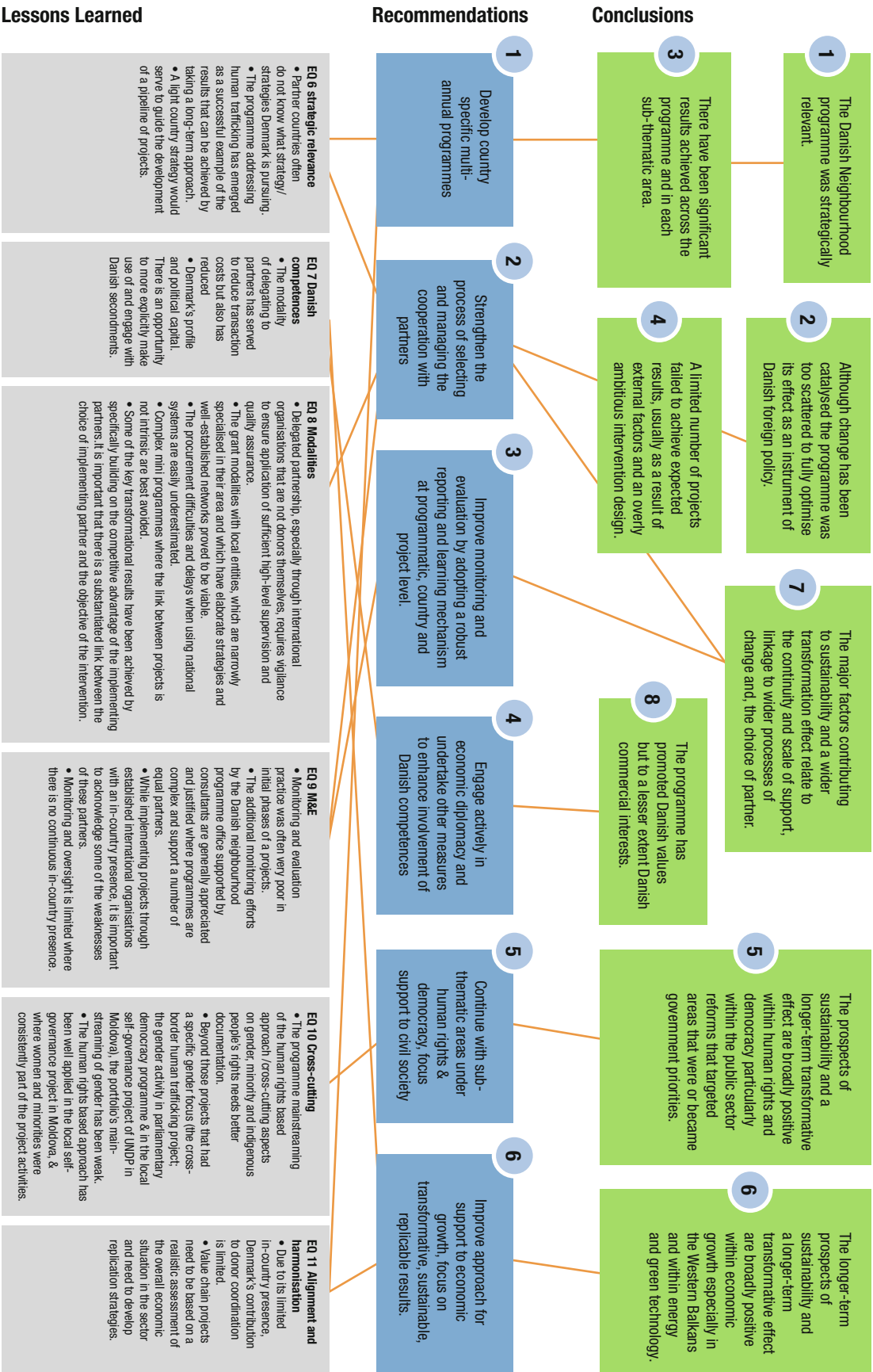


Figure 4.3 Links between lessons learned and conclusions with recommendations



4.2 Recommendations

Recommendation 1: Develop country-specific, multi-annual programmes.

Rationale: Whilst the current strategy and its thematic priorities are still relevant, the practice of yearly programming and absence of a guiding framework at the country level has led to scattered projects and reduced the cumulative effect. This recommendation could be achieved through the following actions:

- Undertake a light update of the Danish neighbourhood strategy and develop programme objectives at the country level.
- Using available analysis, assess the public policies, stakeholders and potential partners at the country level bearing in mind the chosen objectives at the country level.
- Draw up country-specific strategies that focus on a few selected areas of cooperation where cumulative results that build on current and past support, are likely (i.e. not necessarily all the seven sub-themes in each country).
- Prioritise support to areas that are linked to wider EU and other processes that can provide a longer-term supportive framework for the Danish support.
- Find modalities to transfer greater responsibility for programme management and supervision to country level representation.

Implementation responsibility: EUN office

Recommendation 2: Strengthen the process of selecting and managing the cooperation with partners.

Rationale: The evaluation points to the choice and supervision of partners as having a strong impact on the creation of sustainable results. This recommendation could be achieved through the following actions:

- Strengthen the assessment of alternative partners and explicitly justify choices made during project formulation – guided by the country strategy.
- Ensure that the mandate and strategic plans of the partners is well matched to the project objectives.
- Tighten up demands on project supervision by senior officials of partner organisation (especially if a fully delegated partnership is envisaged).
- Avoid artificial programmes that oblige partners to work together or interact where there is not an intrinsic need for such cooperation.
- Work with partners to develop exit strategies for all ongoing and future projects.

Implementation responsibility: EUN office and those tasked with formulation

Recommendation 3: Improve the monitoring and evaluation by adopting a robust reporting and learning mechanism at programmatic, country and project level.

Rationale: Monitoring practice was highly variable at project level and there was limited strategic monitoring at programme level. This recommendation could be achieved through the following actions (further details given in Annex H):

- Develop programmatic and project specific indicators.
- Use partner systems where possible.
- Ensure project quality at entry including a robust results framework.
- Undertake real-time evaluation at country level.
- Establish a feedback and learning mechanism.

Implementation responsibility: EUN office and project partners

Recommendation 4: Engage actively in economic diplomacy and undertake other measures to enhance involvement of Danish competences.

Rationale: The programme has focussed more on promoting Danish values than Danish interests, especially in the earlier phases. This recommendation could be achieved through the following actions:

- Develop an economic diplomacy action plan as part of the country strategy.
- Incorporate a relevant indicator on economic diplomacy at programme level.
- Improve the information on the programme for Danish business associations, and consider to hold briefing and information exchange meetings.
- Replicate and extend the recent practice of engaging more actively with secondments (e.g. continue the thematic meetings as took place in January 2016 and continue with a more systematic briefing and de-briefing).

Implementation responsibility: EUN office

Recommendation 5: Continue with the current sub-thematic areas under human rights and democracy and focus support to civil society, where it is possible to engage with genuine civil society organisations.

Rationale: The four sub-themes under the current strategy for support to human rights and democracy are appropriate. However, civil society support takes a variety of forms, not all of which seem justified to consistently promote the emergence of genuine civil society. Support to small civil society organisations based outside of the capital has brought good results. The policy for Danish support to civil society provides a good basis for engagement with civil society. This recommendation could be achieved through the following actions:

- Consider the political economy in the selection of civil society organisations as partners.
- Focus support on areas outside the capital city and on partners that are small.
- Explore possibilities for core support to credible civil society organisations, encouraging where relevant, the linkage between Danish civil society and domestic civil society.
- Consider to anchor programmes within domestic NGOs rather than international organisations.
- Consider how to direct support more at grassroots-level and genuine civil society as opposed to NGOs through, for example issue-based groups (consumer associations etc.)

Implementation responsibility: EUN office

Recommendation 6: Improve the strategic approach for support to economic growth focusing on achievement of results that are transformational, sustainable and replicable.

Rationale: Although individual projects often achieved impressive results, for a transformational effect there is a need to establish a critical mass and, develop and implement a scaling up and replicability strategy. This recommendation could be achieved through the following actions:

- Streamline the methodology for pre-project analysis and selection of small and micro enterprise and agriculture sectors and value chains that have potential for scaling up.
- Develop a replication and scaling up strategy at project and country level.
- If job creation is chosen as a strategic goal, ensure that the reporting system is able to show the baseline and employment results achieved using standard methodologies.
- Exploit Danish comparative advantage by increasing the portfolio of energy and green technology projects.

Implementation responsibility: EUN office and project partners

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EVALUATION OF THE DANISH NEIGHBOURHOOD PROGRAMME 2008-2015
