

Regional Strategy Danube area/Western Balkans region

Executive summary

This regional strategy on the “Danube Region/ Western Balkans” has been prompted by the growing convergence of Austria’s foreign, economic, security and development interests in the Danube Region/ Western Balkans and the need to rekindle the reform dynamics fostering both regional integration and EU integration. The regional strategy is meant to be complementary to the existent bilateral country strategies for Albania and Kosovo and has been elaborated with a whole-of-government perspective.

The reform partnership with six countries in the Western Balkans and with the Republic of Moldova (MD) is based on the following two foreign and development policy objectives:

1. Strengthening the regional cooperation
2. Supporting the EU-accession

and on three thematic priority areas:

1. Economy and Development: Focusing on employment
2. Education: Focusing on labour market-oriented, socially inclusive vocational education and higher education
3. Governance, Human Rights and the Rule of Law: institution-building in the context of EU-accession.

Cross-cutting issues: Gender equality, social inclusion, environment and climate change, emphasizing on a human rights-based approach as a basic principle of the 3-Year Program (3YP) of Austrian development policy for all priorities, cross-cutting issues and development projects.

With these priorities, the Austrian Development Cooperation (ADC) creates a positive perspective for an inclusive broad growth for the people in the Western Balkans region (WBR) and MD as well as for those citizens of the WBR and MD returning from abroad. Against the background of increasing global extremism and terrorism, this cooperation strategy should also contribute to an increased migration policy cooperation with the transit countries of WBR and MD, including the commitments from the EU- respectedly bilateral Agreements, concluded with the countries of the region, on Readmission of their own citizens. The newly established whole-of-government based consultation process in Austria and in the partner countries makes it possible to react in a rapid and flexible manner to new developments and humanitarian crisis in the context of migration.

The Development Goals of the United Nations form the common development policy framework. In the spirit of the “2030 Agenda for Sustainable Development” (also: Sustainable Development Goals - SDGs) the principle of sustainability should be implemented in a balanced way through the three social, environmental and economic pillars. Following the guiding principle of the 2030 Agenda - “leave no one behind” - special attention should be paid to gender equality and the inclusion of disadvantaged groups such as people with

disabilities, children and ethnic or religious minorities.

Austria, being a small donor, has a particular interest in an effective coordination, cooperation and harmonization with other international actors, as well as in an efficient division of labour. This requires a stronger networking and strategic cooperation of those Austrian institutions applying for EU funds.

The Federal Government is pursuing the goal of strengthening the coherence of the ADC and to adapt to new challenges. By means of a stronger focus on quality management and a results-oriented approach, in cooperation with line ministries, parliament, social partners and civil society organizations (CSO) as well as the interested public and in close consultations with target groups in the partner countries, the living conditions shall be positively changed.

For the overall development policy coordination in the Danube area/Western Balkans region an inter-ministerial platform with the participation of parliament and CSOs will be established. In order to fulfil its goal of achieving greater policy coherence for development (PCD), all parts of the federal government and CSOs with a relevant geographical and thematic interest and with concrete experience participate at this platform. Coordination and PCD-requirements are met by the key official development actors, also including the stakeholders in charge of humanitarian aid, upon joint invitation from the Federal Ministry of Europe, Integration and Foreign Affairs (BMEIA/MFA) and the Austrian Development Agency (ADA). The actors pool their interests and meet every six months.

Austria's role in the region consists of continued support for political and economic stabilization and security of the region through EU-accession and regional cooperation, particularly strengthened by the Regional Cooperation Council (RCC) and the Berlin process, as well as through reconciliation between the countries and ethnic groups.

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Abbreviations

ADA	Austrian Development Agency
ADC	Austrian Development Cooperation
AC	Foreign Economic Centre
BMASK	Federal Ministry of Labour, Social Affairs and Consumer Protection
BMBF	Federal Ministry of Education and Women
BMEIA/MFA	Federal Ministry of Europe, Integration and Foreign Affairs
BMF	Federal Ministry of Finance
BMI	Federal Ministry of Internal Affairs
BMLFUW	Federal Ministry of Agriculture, Forestry, Environment and Water Management
BMLVS	Federal Ministry of Defence and Sports
BMWFW	Federal Ministry of Science, Research and Economy
CAS	Center for Advanced Studies
CDRSEE	Center for Democracy and Reconciliation in Southeast Europe
CEDC	Central European Defence Cooperation
CEI	Central European Initiative
CoE	Council of Europe
CSO	Civil Society Organization
DAC	Development Assistance Committee
DC	Development Cooperation
EBRD	European Bank for Reconstruction and Development
EHEA	European Higher Education Area
EIB	European Investment Bank
EC	European Commission
ERA	European Research Area
EU	European Union
ERI	European Research Initiative
EUAIS	EU Adria Ionic Strategy
EUSDR	EU Strategy for the Danube Region
ERI SEE	Education Reform Initiative of South Eastern Europe
GDP	Gross domestic product
IACA	International Anti-Corruption Academy
IDM	Institute for the Danube Region and Central Europe
IFI	International financial institutions
ILECU	International Law Enforcement Coordination Unit
IM	Indirect Management (Delegated Cooperation)
IMF	International Monetary Fund
IPA	Instrument for Pre-Accession Assistance
CCA	CultureContact Austria
KOBÜ	Coordination Office
LGBTI	Lesbian, Gay, Bisexual, Transsexual, Intersexual
LOGON	Local Governments Network

MD	Republic of Moldova
NALAS	National Associations of Local Authorities of South-East Europe
NMS	New Member States
NGO	Non-Governmental Organization
ÖBH	Austrian Armed Forces
ODA	Official Development Assistance
OECD	Organization for Economic Co-operation and Development
OeEB	Austrian Development Bank
ÖFSE	Austrian Foundation for Development Research
OECD	Organisation for Economic Co-Operation and Development
ÖStB/AATC	Austrian Association of Towns and Cities
OSCE	Organisation for Security and Cooperation in Europe
PCD	Policy Coherence for Development
RCC	Regional Cooperation Council
SDG	Sustainable Development Goal
SECI	Southeast European Cooperative Initiative
SEEMO	South-East Europe Media Organisation
TAIEX	Technical Assistance and Information Exchange
UNDP	United Nations Development Programme
UNICEF	United Nations International Children's Emergency Fund
VEF	Vienna Economic Forum
WB	World Bank
WBR	Western Balkans Region
WKÖ	Economic Chamber Austria
WUS	World University Service

1. Background

The WBR is of central interest for Austria and the European Union (EU). The foreign, economic, security and development relevance of the Danube area and Western Balkans region requires the elaboration of a whole of government, Official Development Assistance (ODA), regional strategy. The strategy is complementary to country strategies of priority countries and to the Three-Year-Programme (3YP) of the Austrian Development Cooperation (ADC). According to the Austrian Security Strategy the WBR is a priority region of Austrian security policy. Austrian support for the EU accession of the Western Balkan countries and EU integration of MD in the framework of the Association Agreement (AA) as well as the peacekeeping operations of the Austrian Federal Ministry of Defence and Sports (BMLVS), are active contributions to peace, stability and economic growth.

Active Austrian participation in peace-keeping international operations since the 1990s as well as in civilian crisis management in Bosnia and Herzegovina (BiH) and in Kosovo have enabled the stabilization of the region and therefore the development of democratic systems and of functioning market-economic structures. This Austrian contribution to peace in the

region does not only have a direct added value for the security of Austria, but for the entire EU as well.

Besides the military operations also civilian missions of the Austrian Federal Ministry of Interior (BMI) and of the Austrian Federal Ministry of Justice (BMJ) constitute an essential contribution to the stabilization and to the development of police and rule of law structures in the region. In addition, civilian missions often result in EU or bilateral projects.

Given the persistence of ethnic conflict potential and of challenges resulting from terrorism and extremism the Austrian and EU security policy commitment in the region has to be continued and complemented by intercultural and interreligious dialogue. In the context of migration and development cooperation and against the background of increasing global extremism and terrorism an increased development policy cooperation with the transit countries of WBR and MD must be planned to reduce poverty and to promote security, prosperity, peace and human rights.

The regional cooperation strategy, together with bilateral country cooperation strategies, should form strategic thematic priority areas, for the whole-of-government commitment of line ministries and development cooperation actors in the in the priority Danube area and WBR, in line with goals and principals of the development cooperation law and the Austrian Federal Government's 3YP on development policy. Austria, as a small donor and in view of the tight budgetary situation, has to pool its resources through a better inter-linkage of all state and non-state ODA actors, as well as through bilateral and multilateral cooperation and coordination with the international donor community, especially within the framework of the EU as the biggest donor, in order to increase effectiveness and visibility of Austrian activities and potential, to ultimately reach a joint programming in the medium-term. This optimal utilization of synergies and potentials requires a clear set of thematic priority areas that enable new, medium and long-term, integrated project proposals.

This whole-of-government regional development cooperation strategy "Danube area/WBR" is based upon the following preconditions:

The strategic frame is formed by

- the EU development policy 2014-2020, the aligned Regional Cooperation Council (RCC) - development strategy SEE 2020, the EU Strategy for the Danube Region (EUSDR) and the Western Balkans regional strategies of the Organization for Security and Cooperation (OSCE), the Council of Europe (CoE), the United Nations (UN) and IFIs (International Finance Institutions)
- as well as the political "Berlin Process" since 2014.
- Bilateral and multilateral cooperation and coordination with the international donor community, especially within the EU framework, and aiming at the medium-term goal of joint programming.
- Best possible linkage of all state and non-state Austrian ODA actors in the region and in Austria.
- Ecologically sustainable and socially inclusive economic development of the region, whereas education and above all vocational education and training plays a key role in poverty reduction, sustainable development and human security.

2. Regional Situation

From 1998 to 2008, the region counted among the most dynamic regions worldwide with average economic growth rates of over 5%. According to the World Bank (WB). No other region in the world has displayed such a fast catch-up speed in the past ten years. Despite that the region today is far behind the new EU member states (NMS) in the convergence process. While GDP per capita in NMS has already increased to 55 % of the old EUMS, the WBR quota is only at 30 %. The backlog of WBR countries against NMS can be explained on the one side through their geographical proximity to the old EU-15 and its value-creating chains and on the other hand because of the slower pace and less depth of structural reforms in WBR than in NMS, particularly with regard to the reduction of state influence and the fight against corruption. Even before the economic and financial crisis the IMF has diagnosed from mid 2000 a comprehensive blockade of the transformation process, an increasing reform fatigue and a growing influence of interest groups hostile to reform.

The strong dependence of the economy on economic growth in the euro zone, the close link with the EU and the partly rapid and partly slow transition process have led to the financial crisis in this region, that had a particularly negative impact, which contributed to a decline in foreign direct investment and to a restrictive lending policy.

Though there are risks for the Austrian whole of government interests (the world's highest youth unemployment in the region, brain drain, irregular migration), there are also opportunities. (well-trained professionals for the Austrian economy). Violent extremism requires police and judicial cooperation as well as capacity building in the countries in transition.

The region is still characterised by a large need to catch-up in many areas. In particular insufficient transport and environmental infrastructure, corruption and distribution of power to a small number of elites and oligarchs, lacking rule of law and a cumbersome judicial apparatus, inefficient administration, poor payment behaviour, arbitrary actions by the authorities, non-transparent awarding of contracts and the political instability constitute obstacles to an economic boost, to increased investments in job-creating companies and the expansion of trade relations.

In addition, a large part of the civil society is suffering from political repression, nepotism, state-run media, inadequate medical care and social security, which makes the establishment of new political forces difficult to achieve.

Furthermore, Bosnia and Herzegovina (BiH) and Serbia were again heavily affected by the flood in May 2014; in general, climate change poses a severe threat to the WBR and MD.

One third of the households in WBR and in MD are living in poverty, 9 % in extreme poverty, which is twice as high as the EU average in both poverty categories.

A quarter of people fit to work is without a job in several countries in the region. The informal sector on the other hand is very developed (shadow economy). All these circumstances affect predominantly young people. This is reflected in the worldwide highest rates of youth unemployment in WBR and MD. At the same time, all countries except Kosovo, have a

shrinking and aging population, marked by high emigration (approximately a quarter) of people, who are fit to work. Therefore, the region is faced with a great challenge with regard to safeguarding sustainable economic development and sustainable social programmes.

3. Previous Success and the Future Role of Austria in the Region

The relevance of the region for Austria with regard to foreign, economic, security and development policy becomes apparent looking at the following data: The whole of government Austrian commitment to the six Western Balkan states and MD from 1990 until 2014, totals about USD 9,4 billion (EUR 8.684 billion) according to OECD-DAC reported ODA. In addition to ODA total direct investments of Austrian companies amount to EUR 26.16 billion in the six Western Balkan states and MD during the same time period. Austria is the biggest investor in Serbia, BiH as well as in the two EU member states Slovenia and Croatia. Besides Germany and Italy, Austria belongs to the most important foreign investors in the region. Austrian exports to the Western Balkan countries and MD have reached a volume of EUR 14,4 billion from 1995 until 2014 (2014: EUR 1.079 billion, 2013: EUR 1.16 billion, 2012: EUR 1.18 billion). The geographical proximity, the skilled workforce, low labour costs, comparably cheap company taxation and the strong presence of Austrian banks in the states of the region constitute attractive economic incentives for investments and the expansion of trade relations for Austrian companies. Austria's political support for the EU integration of the region, the generous humanitarian aid during the war in Ex-Yugoslavia (e.g. "Neighbour in Need" program) and in disasters, such as the flood in BiH and Serbia in May 2014, her role as important investor and internationally recognized mediator, together with a strong diaspora from the region, have contributed to the good reputation and the positive image of Austria in the region, consolidated through the long-standing development-policy commitment.

More than 20.000 Austrian soldiers have participated in the missions of the Austrian Armed Forces (AAF/ÖBH) in BiH and in Kosovo in the years from 1996 to 2014. The cost of those peace-keeping operations has amounted so far to EUR 652Mio. During the flood disaster 2014 Austrian helicopters have been operational in BiH and have evacuated in May 2014 alone 800 persons from the inundated areas. Altogether employees of the Austrian Federal Ministry of Defence (MoD) have produced 3 Mio liters of drinking water for about 50.000 persons in 36 locations during their 2 months operation in BiH. In addition, bridges were built and public buildings decontaminated.

Also in the field of education Austria has been cooperating with partner countries in the region since the 1990s in a large number of projects, e.g. in the thematic priority area vocational education and training (VET), but also in democratization and institution-building. Through those projects systemic education reforms will be supported. Also education policy initiatives in cooperation, like in the framework of the stability pact, the RCC and recently in the EUSDR, have already been very effective and promote the exchange between countries in the region and the EU.

Austria's future role in the region lies in the continued support for the political and economic stabilization and security of the region through EU integration, regional cooperation and the reconciliation between the countries and ethnic groups. The consistent implementation of this whole-of-government regional strategy and its strategic development goals, thematic

priority areas and cross-cutting issues, in strict compliance with human rights principles and in close cooperation with partner countries in the region and with the international donor community, will strengthen Austria's role in the region in a sustainable manner.

4. Geographical Scope and Duration of the Strategy

The geographical scope of this regional strategy covers Albania, BiH, Kosovo, Macedonia, Montenegro, Serbia and MD. While seven ADC focus countries existed in the region until 2010, only Albania and Kosovo as well as MD, with a bridge-building function between the two focus regions namely the Danube area/Western Balkans region and the Black Sea area/Southern Caucasus region, remain as ADC priority countries in 2015. This is in line with the recommendations of the OECD - DAC, the opening of an EU accession perspective for the Western Balkan partner countries and after many years of successful engagement in the WBR and the gradual withdrawal of traditional bilateral development cooperation from WBR. This regional strategy is an expression of a new development-strategic accentuation and re-alignment for the substantial further development and efficiency of Austrian interventions in the Danube area/WBR. It also serves as roadmap for the next three year development policy planning cycle of the Austrian Federal Government, as of 2016. The strategy will last until 2020, similar to the EU-Western Balkans development policy strategy and the RCC-development strategy SEE 2020, which is based upon it. It envisages a mid-term review 2018 and joint evaluations of the regional strategy by the Austrian development cooperation, stakeholders in close consultation with the partner countries in the interest of a development cooperation based on partnerships and coordination.

5. Foreign and Development Policy Goals

Besides securing peace and human security as well as safeguarding the environment and the protection of natural resources, poverty reduction is the major strategic goal of Austria's whole-of-government commitment in the region, in accordance with the Austrian development cooperation law. Respect for and promotion of human rights as common, inseparable, universal values are valid and unshakeable foundations of development policy.

The Development Goals of the United Nations form the common development policy framework. In the spirit of the "2030 Agenda for Sustainable Development" (also: Sustainable Development Goals - SDGs) the principle of sustainability should be implemented in a balanced way through the three social, environmental and economic pillars. Following the guiding principle of the 2030 Agenda - "leave no one behind" - special attention should be paid to gender equality and the inclusion of disadvantaged groups such as people with disabilities, children and ethnic or religious minorities.

EU-integration of WBR and respectively in the case of MD the EU-gradual integration within the framework of the association agreement can contribute to political and economic stabilization and security of the region. The development-reform-partnership with the six Western Balkan countries and MD is based upon the following two development-policy goals:

1. Intensifying regional cooperation, reconciliation between the countries and ethnic groups, conflict prevention, peace consolidation, cross-border cooperation and conclusion of bilateral border agreements, Berlin process, regional infrastructure development and stability of the region.
2. EU-integration support through adaption to EU-standards and support for the implementation of the Acquis Communautaire, through support for human rights, rule of law, democratic institutions, administrative, finance, economic, justice and education reform, private sector development, promotion of those parts of civil society organizations (CSO), that want reforms according to European values and rights as well as cooperation of state institutions with them, poverty reduction through elimination of inequalities by supporting disadvantaged groups like people with disabilities, children and ethnic respectively religious minorities and and through the realization of gender equality. Deepening citizens' knowledge about the EU in the Danube area/WBR.

These two foreign and development-policy goals should be actively achieved through projects by the state and non-state Austrian ODA-stakeholders in WBR and MD. To reach these goals Austria applies in a complementary manner the following engagements by the line ministries besides the ADC's thematic priority areas: vocational education according to the „Riga Conclusions 2015 on a New Set of Medium-term Deliverables in the Field of VET for the Period 2015-2020“, social dialogue, democratization/human rights and a broad network of intercultural and interreligious dialogue.

In addition, both goals are to be achieved by stronger public diplomacy and education work in development policy in Austria: on the one hand deepening the knowledge about the Austrian engagement in the region, and on the other hand about the Western Balkans and MD; supporting the engagement in the region through greater involvement of the diaspora living in Austria and the Austrian media (media trips to ADC priority countries). Development policy education helps to raise and deepen mutual understanding, respect and personal commitment. Therefore, Austria promotes development policy communication and education and engages in broad and effective public diplomacy

6. Thematic priority areas

Austria's development policy pursues three thematic focal points in the WBR and in MD, whereby the emphasis is being put on the human rights based approach (HRBA) as basic principle of the 3YP for all thematic priority areas and projects:

1. Economy and development: focus on employment
2. Education: focus on labour-market oriented, socially inclusive vocational education and higher education
3. Governance, human rights and rule of law: Institution-building in the context of EU integration

Cross-cutting issues: Gender equality, social inclusion and environment/climate change. (taking into account the nexus approach according to the 3YP)

6.1 The focus of economy and development is directed on the sustainable and socially inclusive economic development and on the improvement of the legal and institutional framework to promote employment, particularly to fight high youth unemployment as well as to support a social dialogue. The private sector, especially small and medium-sized enterprises (SME), can benefit from a regional approach that involves all aspects of production, marketing and distribution processes along the entire value chain. Thus new opportunities to participate in the market will open up and lead to the creation of sustainable income for poor and disadvantaged layers of the population, as a contribution to poverty reduction in the region.

Austria can promote investments in public infrastructure to develop the economy and improve employment in the Danube area/WBR through support/co-financing of specific IFI programmes and projects. IFIs are important multilateral institutions in international development cooperation: they are important actors in order to achieve development goals and to meet global challenges in an efficient and coordinated manner. The competitiveness of Western Balkan countries and of MD can be improved by supra-regional investments in public transport (road and rail) as well as energy infrastructure and by supporting the development respectively the modernization of technology-intensive industries. IFIs such as the WB, European Bank for Reconstruction and Development (EBRD) and European Investment Bank (EIB) support infrastructure project financing.

For the Austrian Development Bank (OeEB), in accordance with her business strategy, the Danube area/WBR is a priority region. From a thematic perspective the OeEB sets her regional focus on supporting micro, small and medium-sized enterprises as well as on the field of renewable energy and resource efficiency. Thus the OeEB makes a contribution to poverty reduction by supporting the private sector in the target countries. Therefore, projects implemented by the OeEB must not only be economically viable, but also show an added value with regard to development policy. In the context of economy and employment, the development of the private sector takes on a key role. Employment and especially the fight against youth unemployment are essential factors for peace and security in the region. This also corresponds with one of the five objectives of the "New Deal for Engagement in Fragile States" adopted in Busan.

By this ADC-prioritization and by projects, supported by the Ministry of Finance (BMF) in cooperation with IFIs in the areas of water/energy, urbanization, infrastructure, investment climate, financial sector stability and management, financial reporting reform and tax reform, Austria is a significant contributor to inclusive growth, the reduction of inequalities and generally to stability in the region.

The Federal Ministry of Labour, Social Affairs and Consumer Protection (BMASK) has two attachés for the WBR, who are responsible for the countries Macedonia, BiH and Serbia as well as one attaché responsible for MD. The main activities of the social attachés are the know-how transfer in the labour and social sector, networking with European and international institutions as well as with authorities and local NGOs, advice and assistance in individual cases and elaboration of social policy reports. Furthermore, the preparation and implementation of bilateral, European and international projects of the BMASK are supported in order to strengthen the European social model and social protection in the region and to raise the social standards locally. Therefore, the activities of the BMASK make an important

development policy contribution to the region and complement the strategic objectives and actions in the labour and social sector as part of this strategy.

In supporting economic partnerships, ADA makes an important contribution to the economy and to development in the region.

6.2. In the area of education, Austria has an internationally recognized Vocational Education and Training (VET) system. Therefore, Austria can bring in her comparative strength within the donor community and work together with the World Bank Group, the EU and the Regional Cooperation Council (RCC), all being focused on the fight against high unemployment in the region. This is due to the strong economic presence of Austria as an investor in the WBR. Socially inclusive vocational education and training plays a key role in poverty reduction, social cohesion and sustainable development. Therefore, targeted bilateral measures will continue.

The main motivation of the Austrian VET interventions is to reduce youth unemployment through a practical, labour market-oriented, socially inclusive and high quality education. Thus, the interventions make an essential contribution to economic development in the region. The focus will be centered in the area of labour-market oriented education and youth employment, as well as a commitment to promote networks and regional cooperation. In the VET-area these exchanges and enhanced cooperation, in particular at the European level within the framework of the "European Education Alliance" and the "European Youth Guarantee", are supported. As part of a tender from the Erasmus+ programme, cross-border cooperation projects are funded with the aim to promote qualitative VET systems. As a "best practice country", Austria was invited by several states to contribute with its know how to different projects, e.g. together with Hungary, Slovakia and Germany.

VET is a traditional thematic priority area of the Austrian Development Agency (ADA), the Federal Ministry of Education and Women (BMBWF), CultureContact Austria (KKA) and the private sector in WBR and MD. In Albania and MD, Austria is one of the main VET-actors and contributes with a financing mix of projects in the field of capacity development, consultation and economic partnerships to the reforms of VET, i.e. the promotion of workplace learning, enhancing the quality of school-based vocational training in the areas of IT and entrepreneurship learning and consulting in strategic reform issues.

As a "strategic partner" the Federal Ministry of Science, Research and Economy (BMBWF) is regularly involved. The issue of "Transfer of dual training" is increasingly emphasized in bilateral cooperation, also including the Austrian Trade Agency. The partner countries (i.e. Romania, Serbia or Bulgaria) are supported in the gradual implementation of dual training systems. Austrian companies are integrated through foreign trade centres (AC) with production facilities in the partner countries, supporting this process even more positively. Within the framework of EU projects, the Institute for Economic Development of the Austrian Federal Economic Chamber (WIFI) implements the internationalization of the practical vocational training abroad, based on the Austrian model. Through participation in an Erasmus+ project, the WIFI in collaboration with the Slovak Ministry of Education, Science, Research and Sports and other German partners is planning to develop a concept of a "Danube Academy" for dual training in the Danube Region. The results can form a kind of foundation for advanced concepts and projects in the area of dual training within this

regional strategy.

The objective of the BMBF and the association CultureContact Austria, which is working on behalf of the BMBF, is to strengthen regional and transnational cooperation in the field of general and vocational education, particularly within the framework of EUSDR and the Education Reform Initiative of South Eastern Europe (ERI SEE), as well as the development of labour-market-related VET and education enhancement programs. Through the establishment of regional offices in Tirana and Sarajevo BMBF and CultureContact Austria has built on many years of experience in supporting quality improvements in education and in particular VET in WBR and MD and has actively promoted the regional exchange of experiences in this area. Increasing the equality of opportunities of education will be another focus. ADC provides important impulses with its focus on VET. Well-educated people have better chances in the labour market and contribute to the economic development of their country and the acquisition of investments. To strengthen the practical vocational education in support of Austrian subsidiaries, the expertise of the BMWFW and the WKO shall be included in the future. Cultural cooperation between Austria and the countries of the WBR and MD should be intensified as well as supporting ethnical and cross-border cultural projects as a contribution to promoting understanding and reconciliation in order to overcome the past.

In the area of higher education, the focus of the BMWFW, ADA as well as of universities and specialized colleges, rests on the development of cooperation for further EU integration and particularly on the integration of the Western Balkan countries in the European Higher Education Area (EHEA) and the European Research Area (ERA). In addition, capacity building measures should strengthen the international network of the region. In this regard the long-term and successful work of the World University Service (WUS) and the numerous cooperations between universities, specialized colleges, research institutions outside universities and institutions of the tertiary sector in Austria and in the region, have to be mentioned.

6.3. For the thematic priority area good governance, human rights and rule of law, the focus rests together with the setting-up/expansion of rule of law institutions on exchange and communication with the civil society as essential for achieving effectiveness, accountability and transparency. In the future more emphasis has to be laid on and more support to be given to the democratization process for a successful EU integration of the Western Balkan states and MD. The line ministries responsible for rule of law and security, together with CSOs and the International Anti-Corruption Academy (IACA) should play an important role, especially when it comes to the priority of fighting corruption.

An efficient public sector, respecting human rights and rule of law as well as the principles of transparency, non-discrimination and participation and is accountable to the citizens, independent media and the new social media as "watchdogs", a vibrant civil society, representing the needs of the poorest and of marginalized groups and claiming the universal human rights for all, as well as legal security, contribute significantly to the rule of law and to the socio-economic development of the Western Balkan countries and MD and therefore to human security, access to the law and to poverty reduction.

The promotion of good governance and respect for human rights is therefore of essential importance for the ADC, in all areas of work and for all state and non-state actors. The best practice model of an integrated planning system, as established with the support of the ADC, the EU, Sweden and Switzerland and introduced, developed and implemented in Albania, should also be applied to in other Western Balkan countries and in MD. This increases the efficiency of the public administration and the effectiveness of public spending. The staff of the line ministries will receive special trainings in organizational development, budget design, expenditure control and human resource planning. Improved planning methodology, policy formulation and prioritization as well as increased inter-ministerial coordination prevent duplication of work and allow planning investments more effectively and efficiently. As a result, the effectiveness of donor funds increases.

The important role of sub-national levels in strengthening good governance is shown by the Austrian Association of Towns and Cities (ÖStB) with its cooperation programs with the national associations of local self-government in the Western Balkans. Since 1998 the ÖStB in collaboration with the Local Governments Network (LOGON) has supported the associations of cities and municipalities of WBR in further developing elements of good governance. As an associate member, ÖStB is also institutionally anchored in the region with the Network of Associations of Local Authorities in South-East Europe (NALAS), situated in Skopje.

In cooperation with the KDZ Center for Public Administration Research ÖStB is responsible for the implementation of the program "Capacity building for the countries of the Western Balkans and the Republic of Moldova" as well as of the program BACID (Building Administrative Capacity in the Danube Region/Western Balkans and Moldova" , included therein and funded by ADA.

ÖStB pays attention to networking with the agency of the Priority Area Coordinators 10 (PAC 10 "Governance") of EUSDR, based in Vienna, and is focusing on local community aspects of the EU integration of the Western Balkan countries and the support of MD.

The area rule of law belongs to the key areas in the context of the EU integration of the Western Balkan states, that has to be taken into account by Austria (Federal Ministry of Justice/BMJ and Federal Ministry for Internal Affairs/BMI) until 2020, in cooperation with the EU, the CoE, the OSCE and in particular with the civil society and academic institutions through the deployment of Austrian law experts. The BMI has accredited a liaison officer in each Western Balkan country and in MD and has a close strategic and operative cooperation also through projects. Through the International Law Enforcement Coordination Unit (ILECU) program and under Austrian leadership coordination units were established to fight cross-border crime.

The Police Cooperation Convention for South Eastern Europe (PCC SEE) constitutes the most important multilateral legal basis, the practical implementation of which is being actively supported. The selection of contact persons (focal points) in the line ministries and in interested institutions, the ongoing updating of existing expert and project databases, as well as political support for the deployment of Austrian experts is therefore an important contribution to increased Austrian engagement in the region.

A principle of the Austrian foreign policy is the protection and promotion of human rights. This principle influences all the activities of Austria undertaken with third countries. With its development cooperation Austria makes an active contribution to adhere to this principle. The human rights based approach (HRBA) is explicitly mentioned in the Austrian 3YP for development policy, as a fundamental principle. This means, that development cooperation programmes and projects implement the human rights principles of participation, non-discrimination, accountability and transparency. Special attention is given to non-discrimination of persons with disabilities and especially of vulnerable and socially disadvantaged groups, to rule of law and the development of pluralism and civil society.

Austrian actors, such as the Ludwig Boltzmann Institute of Human Rights (BIM), have carried out a variety of projects and activities to promote human rights in the Danube area/WBR in the past and will continue its commitment in the future, especially against the background of the increasing focus of EU policy in the Western Balkans on rule of law and human rights.

The current massive refugee movements in and through the countries of the Western Balkans into the EU and the situation of refugees in different countries highlight the need to consider this highly relevant issue in the strategic orientation of Austrian foreign policy and development cooperation in this region, because this human rights issue will remain highly relevant in the upcoming years. The compliance of asylum and human rights standards in the treatment of people, who are fleeing for various reasons, is an indispensable component of the rule of law and thus of good governance and therefore, need to be considered in the Austrian contribution to the region.

Austria's commitment to strengthen conflict prevention, peace consolidation and stability in fragile situations is stated in the 3YP as well as in the strategic guideline "security and development". Austria increasingly puts a focus on facilitation, mediation and reconciliation as well as on the promotion of dialogue and confidence-building measures between the minorities and ethnic groups in the region. This goal is achieved through close cooperation with the EU, OSCE, CoE and the UN and with the help of specialized NGOs. It is equally being integrated into the new 3YP 2016 -2018.

Against the background of increasing global extremism and terrorism, increased development cooperation with the transit countries of the Western Balkans and with MD is planned in order to promote security, prosperity and peace. The goal of the jihadism/anti-terrorism conference "Tackling Jihadism Together", which took place in Vienna on 20th March 2015, was the close cooperation of the Western Balkan countries with Europol, the EU counter-terrorism coordinator and the EU border protection agency Frontex in the future.

In July 2015, a new EU-reporting office for illegal Internet contents was established. Apart from the EU Member States, the office can also be used by the Western Balkan countries, to facilitate the fight against terrorist elements. The conference could make it clear that the problem is a cross-border and interregional issue, and can therefore only be tackled through joint efforts. As part of the anti-terrorism conference, a Ministerial Declaration along with the interior and foreign ministers of the Western Balkan countries and selected neighboring EU countries was adopted against the increasing radicalization and provides a three-pronged approach. The concrete objective is to forge strong partnerships and a positive environment in the Western Balkans and in the EU as well as to strengthen social cohesion. Targeted and

harmonized prevention measures should be taken against radicalization. Furthermore, a joint response to the acute threat posed by thousands of "Foreign Terrorist Fighters" is necessary. In 2016 the measures taken will be analyzed and further developed at a conference attended by foreign and interior ministers in Sarajevo, in the framework of the Salzburg Forum, as well as "Friends of the Salzburg Forum".

6.4. Cross-cutting issues

All programs and projects in the region must include cross-cutting issues such as gender equality, social inclusion and environment/climate change.

A consistent gender mainstreaming perspective is essential to achieve the objectives in WBR and MD, in particular on an economic and development policy level. Despite progress achieved, women are quantitatively and qualitatively underrepresented in decision-making processes. Although equality between men and women is often reached "de jure", in practice women often have less access to the (formal) labour market, to education and training, to land as well as to legal means and compensation in case of crimes suffered. The same applies to minorities based on ethnic origin, disadvantaged and vulnerable groups such as the Roma and Lesbian, Gay, Bisexual, Transsexual, Intersexual (LGBTI) people and people with disabilities. Preventive measures, especially of gender-based violence in cooperation with the civil society include, among others, innovative strategies for the involvement of men in order to transform gender roles in the medium term.

In the area of EU integration, one focal point lies in the cross-cutting area of environment, since environmental aspects represent about 20 % of the Acquis that has to be adopted. The environment sector includes more and more measures to tackle the effects of climate change (climate change adaptation and climate protection/mitigation) and for the prevention of natural disasters.

The establishment of a working group on the Western Balkans within the Network of the European Environment Agencies (EPA network), an initiative of Austria, inter alia, could play a coordinating role. At the same time, in terms of reconciliation and dialogue, regional exchange in the area of environment will be promoted and a contribution to the reduction of conflict potential, due to cross-border and regional environmental problems in the WBR and in MD (with respect to Transnistria), will be made.

7. Strategic Framework

Austria and the EU can bring in their experience with regional cooperation architecture and their generally strong support for multilateral solutions, in particular, the role of the OSCE as a model for successful conflict resolution in Europe. The EU accession of the Western Balkan countries and the EU integration of MD within the framework of the association agreement, requires an implementation of OSCE commitments to the rule of law, good governance and a vibrant civil society, the core tasks of the OSCE, CoE and the UN (in particular UNDP and UNICEF), as logical partners for Austria in the region.

Austria's special focus on the CoE and the OSCE, which complement the EU with the comprehensive security approach and create real added value for the region, becomes obvious looking at the largely identical geographical and thematic priorities and at her close cooperation and interests as OSCE host country. The OSCE focus on the WBR results in a strong regional and sub-regional (field missions) presence in all six Western Balkan countries and in MD, and thus represents an added value for the extensive diplomatic and foreign trade (Austria Federal Economic Chamber/WKÖ and Austrian companies) presence of Austria in the region.

But also several line ministries such as the BMI, BMBF and the CulturalContact network, the Ministry of Defence and Sports (BMLVS), the Federal Ministry of Labour, Social Affairs and Consumer Protection (BMASK) and the Federal Ministry of Agriculture, Forestry, Environment and Water Management (BMLFUW) have a broad representation network in the region both for bilateral cooperation with partner countries in the region and for the promotion of regional cooperation and of closer networking of stakeholders in the six Western Balkan countries and in MD. Various agencies like the Environment Agency Austria (UBA), Austrian Agency for Health and Food Safety (AGES) and Agrarmarkt Austria (AMA) as well as other Austrian institutions are temporarily present in the region through their participation in EU Twinings. Commissioned by the BMBF, the CultureContact association is represented with a regional office for educational cooperation in Tirana, Albania, which is also responsible for Kosovo and Macedonia, with a regional office in Sarajevo, which supervises activities in Serbia and Montenegro, and with an education office in Chisinau/MD.

The Austrian Cultural Association (ÖKV) is represented by a regional office for science and culture in Sarajevo/BiH, which also serves as contact and service point in the areas of science, culture and intercultural and interreligious dialogue.

Furthermore, the promotion of regional cooperation on a strategic education policy level (particularly in the context of the ERI SEE and EUSDR) supports the exchange between the countries of the region and the EU. A modern public administration and a sound national budget are essential pre-conditions for the realisation of the various tasks of a state. Therefore, a modern public administration, guided by the principles of coherence, costeffectiveness and transparency plays an important role in this regard.

The BMLVS makes a significant contribution to the know-how exchange in the Western Balkans, both independently in the national context as well as in cooperation networks with other countries.

7.1. Partners

Austria will continue to enhance her role as a key player in the framework of the international Danube area/Western Balkans policy in cooperation with EU partners such as Slovenia, Croatia and the four Visegrad countries, as well as with Switzerland and Liechtenstein, within the framework of the trilateral Austerlitz-cooperation (AT-CZ-SK) and the quadrilateral cooperation (AT, CH, SI, FL) and above all through her active role in the Berlin-process.

The development of functioning rule of law structures, the promotion of regional cooperation and the strengthening of civil society, support development-partnerships with the Danube area/WBR. The EUSDR offers an additional strategic framework, especially in the areas of education, training, labour market and marginalised groups. Regional organisations, like the RCC based in Sarajevo and ERI-SEE based in Belgrade, or the Central European Initiative (CEI) based in Trieste, as well as the OECD and the CoE, in which Austria actively participates, belong to the most important multilateral actors, besides the EBRD and the EIB, the WB group and the EU, in the ADC priority region Danube area/Western Balkans.

The strengthening of democracy, rule of law and civil society and the involvement of the private sector and the extensive diaspora from WBR in Austria and in other European countries belong, in addition to a continued active EU policy towards the Danube area/WBR and the maintenance of a credible EU integration perspective, to the pre-conditions for a successful implementation of the regional strategy.

All state and non-state actors commit themselves, in the interest of coherence and the whole-of-government approach of the regional strategy, to the strategic development policy coordination and to the continuous exchange of information on planned and currently implemented development projects in the region.

ADA, as an agency of the Austrian development cooperation (ADC/OEZA), with coordination offices abroad in Tirana, Pristina and Chisinau, is responsible for the implementation of bilateral programs and projects in the partner countries and administrates the budget allocated to her for that purpose. CulturalContact Austria (BMBF) has two regional offices for educational cooperation in Sarajevo and Tirana and a project office in Chisinau, BMI, BMLVS, BMASK and the Austrian Federal Economic Chamber (WKÖ) with their representative network in the region, the BMF in cooperation with the IFIs, the OeEB, the Ministry of Justice (BMJ), the BMLFUW and UBA with their strong commitment to the Danube area/WBR, the BMWFW with the CEEPUS-program and with the lectors, furthermore, those institutions, which have already been very active in regional training programs for the Danube area/WBR like the Diplomatic Academy in Vienna, IACA in Laxenburg, universities and specialized colleges, non-university research institutions and numerous specialized tourism schools in Austria and also the Austrian provinces, cities, municipalities, CSOs and Austrian businesses contribute to the development of the region.

The initiatives of CSOs are focusing on capacity development of local partners and target groups to enable them to exercise their rights, to make best use of resources and services and to improve their income and thus their living conditions in a sustainable manner. Advocacy, knowledge management and exchange of experiences are essential to increase effectiveness. The initiatives are aligned with the strategic goals of ADC and the development strategies of partner countries. At the same time, the "right of initiative" must be guaranteed. This means that CSOs choose the thematic issues and geographic targeting of projects and programs based on their expertise and their local partnerships.

7.2. Instruments

In accordance with the foreign and development policy focus on the geographical priority region Danube area/WBR there are the ADA regional budget line, which doubled to EUR

4Mio in 2014, and all other projects planned by state and non-state actors in development cooperation available. Additionally to bilateral development cooperation, Austria also supports partner countries with other instruments, like for example with regional programs, business partnerships, NGO co-financing, OeEB-projects (financing, equity capital formations and project-accompanying technical assistance, so-called technical advisory programs), soft loans, academic exchange programmes as well as with participations in EU-financed Twinnings and other IPA-financed projects.

The continuation of the priority country Albania, besides Kosovo and MD, as well as the reinforced extension of cooperation with the civil society and the economy and the strengthening of civil society and the private sector in the partner countries of the region through collaborations with CSOs and with business partnerships, are essential elements to operationalize the strategy. The business partnerships financed by ADA constitute a co-financing program based on applications, which appeals to Austrian/European companies. The goal consists in the implementation of both for business management and development policy relevant projects in developing countries. Furthermore, the operationalisation of the strategy will be achieved through close cooperation with all state and non-state actors in the region, especially with the OeEB in the area of private sector development, as well as through local cooperation with active multilateral organisations. Regional development programs are in accordance with the criteria, which must be met for the EU integration. They should reverse regional inequalities and reduce the gap between the Western Balkan countries and MD towards the EU.

The newly established structures through regional development programs should ensure that future EU funding for regional development is implemented in an effective and transparent manner.

As a small donor and given the tight budgetary resources, Austria does not only have to seek harmonization with other donors and stakeholders, and meaningful international division of labour, especially within the EU, but above all also to achieve a national pooling of competencies and resources through a better interconnection and strategic cooperation of those Austrian institutions, which are cooperatively applying for EU funding. Austrian state and non-state actors in the region should therefore contribute their relevant expertise and their existing local implementation structures (representative offices in WBR and MD) and focus their project cooperation on the support of capacity building both at institutional and also at expert level.

The selection of contact persons (focal points) in the line ministries respectively in interested institutions that are responsible for inter-institutional harmonization/coordination and identification of suitable experts, as well as the establishment of a regularly updated project database on the websites of state and non-state development cooperation actors with the aim of providing information generally available to all ODA actors, shall not only help to facilitate and improve the coordination by the Federal Ministry of Europe, Integration and Foreign Affairs (FMA/BMEIA), but moreover provide a better overview of all Austrian activities in the region. In this sense, the maintenance and consultation of already existing senior expert databases, such as www.seniorexperts.bka.gv.at or <http://www.asep.at/> brings an added value.

The exchange of information between the focal points, which is coordinated by the BMEIA, in all thematic priority areas in the Danube area/WBR within the Austrian line ministries and

other institutions active in the region and the closer linkage between the local representative offices from line ministries, NGOs and the private sector in the region through the Austrian embassies and ADA coordination offices there, shall further promote coherence of all state and non-state actors in development cooperation in Austria and the region. The focal points and the already existing expert databases shall facilitate the deployment of consultants at the request of partner countries' governments respectively serve as the authorities' contact partners of for coordination purposes.

The regular inter-ministerial exchange of information and the use of the inter-linkage of the Austrian activities in the region, serve the coherence goal and the result-oriented, common focus on the most important region for Austria's foreign and development policy. Austria and the EU as reform engine for the EU integration perspective for the Western Balkan countries respectively for the EU association process of MD provide long-term support to the completion of European integration in the Western Balkans after the successful EU accession of Slovenia in 2004 and Croatia in 2013 as well as to the further EU integration of MD in the framework of the association agreement.

ADA is already handling funds from other Austrian stakeholders and finances individual regional projects of line ministries, like for example the ILECU program, implemented by the Ludwig Boltzmann Institute for Human Rights in cooperation with the BMI/Federal Criminal Police Office. In the interest of coherence ADA should take on the role as an agency of the federal government for development cooperation and as a service point for all state and non-state actors in the future development cooperation in the region.

7.3. Financing

The implementation of development cooperation projects in the Danube area/WBR requires a multi-year budget security, in order to ensure planning security for the purposes of this regional strategy and in favour of a medium-term joint programming of the donor community, particularly within the EU, to make use of the added regional value. Austrian ODA to all six Western Balkan states and MD, reported to the OECD-DAC, has reached an annual average of a total of approximately EUR 52 million from 2009 to 2014. The investments of Austrian companies in the region reached an average of around EUR 200 million per year, during the same period.

The maintenance of the Austrian development cooperation commitment at the current level of ODA and its expansion is subject to the availability of financial resources. The same applies to ADA, which, starting from the regional budget doubled to EUR 4 million in 2014, should increase its support for regional cooperation in accordance with resources available by 10% until 2020

7.4 EU and Multilateral Cooperation

The strategic orientation of EU development policy 2014 to 2020 is defined by the "Agenda for Change", which includes the following thematic priority areas: 1) human rights, democracy

and good governance and 2) inclusive and sustainable growth for human development. These include the reduction of inequality and the promotion of education in order to equip young people with the knowledge and skills that are in demand on the labour market and which they need as active members of a progressing society as well as for national, regional and international competitiveness.

With the areas of economic governance, rule of law, functioning of democratic structures, fundamental rights, bilateral issues and dealing with the past, the EC defines five challenges for the future of the Danube area/WBR. In the enlargement strategy 2014 the areas rule of law, public administration reform and economic governance and competitiveness have been anchored as the three priority pillars. In the area of fundamental rights the EC pursues to focus on the issues of freedom of opinion, Roma and LGBTI persons.

Rule of law remains a priority for the EU, the OSCE and the CoE and therefore requires close cooperation between these multilateral actors and the EU Member States (EUMS) with the six Western Balkan countries and MD. Most enlargement countries need ambitious judicial reforms, also and in particular with regard to fundamental rights standards and access to law. Deficits remain especially in the processes of nomination and assessment of judges and stricter regulatory frameworks for the fight against corruption and organized crime. The projects planned by the EC in this area, include the priority treatment of Chapter 23 Judiciary and fundamental rights and chapter 24 Justice, freedom and security in the accession process, the safeguarding of coordination of relevant bodies such as Europol, Eurojust and Frontex as well as the promotion of reforms in the justice sector through IPA II programs. The support of the EC to EU integration of the Western Balkan countries is provided through IPA under the multiannual financial framework of the Indicative Multi-Country Strategy Paper 2014 - 2020 and in the relevant national indicative country strategy papers 2014 - 2020 as well as through the involvement of civil society, inclusion of socially disadvantaged groups and through the promotion of rule of law structures (good governance). Gender equality and the environment are also being strengthened directly by projects.

Similarly, a strong substantial focus lies on human and children's rights. When cooperating in this region, ADC orients itself especially along the declared objective of all countries in the region to complete the transformation process with integration into EU structures. Regional activities should primarily contribute to the improvement of cooperation of the Western Balkan countries in the thematic priority areas. The solution of regional problems stands at the centre of all measures.

Austria tries to specialize in areas, where the country can provide the most experience and added value to the partner countries. Besides extended development effectiveness after Busan Austria will continue to stick to the indicators of the Paris declaration (aid effectiveness) such as increased untying, use of country systems and financing transparency. The Busan recommendations for effective development cooperation are met, inter alia, by the consequent strengthening of capacities in the region through contributions to multi-donor initiatives such as the trust fund of the WB "Umbrella Multi-Donor Trust Fund on Jobs", the support of the CEI-initiative as well as by transferring EU integration knowhow.

The promotion of the UN Women thematic priority area "gender-responsive policies" of the UN Entity for Gender Equality and the Empowerment of Women (UN WOMEN), the support of the UN Children's Fund (UNICEF) to improve early childhood development of disadvantaged groups or of the UNFPA for access to services of sexual and reproductive health build on already existing activities of these UN organizations and reinforces their impact. The development goals of the United Nations form Austria's development policy framework.

The WB, with its regional office for south-eastern Europe in Vienna, recommends to the governments of the six Western Balkan countries and MD, the following four priorities as measures against the economic and financial crisis in the region: Restoring macroeconomic and fiscal stability, increasing competitiveness and regional cooperation, enhancing skills and productivity, especially of young people and increased involvement of governments in these processes and reducing corruption. According to the WB, the region would need an annual growth rate of 6% until 2040, to catch up with the EU.

Austria, with her expertise, especially from the BMI, BMF and the Austrian Environment Agency (UBA), through EU-financed Twinning projects in the Danube area/WBR, has made a significant development policy contribution to the EU-integration of the partner countries in the ADC priority region Danube area/Western Balkans and in particular to the EU accession of Croatia. The regional strategy can therefore, complementary to the Austrian engagement in the region up to now, benefit from already existing networks and local authorities. Furthermore a stronger interest of the various line ministries and Austrian experts should be promoted in order to make a substantial contribution to the EU accession process of the Western Balkan countries as well as to the EU integration of MD in the framework of the association process in the interest of future-oriented networking with local experts in the region and to strengthen regional cooperation.

7.4.1 Delegated cooperation

The EC can transfer implementation tasks to the EUMS through Indirect Management (IM). In 2008 ADA has qualified as one of the accredited national agencies in an EU evaluation process. In return European agencies also transfer the implementation of joint projects to the EC. ADA is implementing various IM-projects in the Danube area/WBR through delegated cooperation: Three in Albania, where IPA-programming, finance management as well as water and sewage management are supported and two in Serbia (project budget: EUR 39 million in support of social and economic development of municipalities along the Danube, as well as flood protection. In Kosovo an IM-project is being implemented to better adjust the education sector (VET and higher education) to the needs of the labour market. In MD, through the commitment of the EU, ADA and Switzerland, 23,000 people receive a new drinking water supply (project volume Nisporeni : EUR 11 million), while the EUMS Czech Republic, in accordance with a division of labour in the EU, takes over the waste-water treatment in Nisporeni.

Based on the positive experience with delegated cooperations, Austria will increasingly focus on actively acquiring and managing IM-projects by using synergies with the EU and other donors in thematic priority areas, in which the various Austrian line ministries with their

representative network in the region can contribute and provide the Western Balkan countries and MD with concrete expertise and knowhow.

7.5 Regional Cooperation

The promotion of regional cooperation is the main goal of the RCC, headquartered in Sarajevo. The RCC strategy SEE 2020 "Jobs and Prosperity in a European Perspective" is based on the 2020 European Strategy on Growth. The RCC strategy promotes long-term growth impulses such as innovation, skills and trade integration (integrated growth, smart growth, sustainable growth, inclusive growth and governance for growth), which are all central to the socioeconomic policy framework in the Western Balkan countries and in MD, and which at the same time represent essential elements in the EU accession process. ERI-SEE, as institutionalized network of ministries of education in the region, assumed the coordination of educational agendas in the strategy SEE 2020 and represents an important strategic and operational interface.

The content and goal of the regional cooperation lies in the promotion of good neighbourly relations and of the local development of border regions through the implementation of cross-border programs within the region and with the EUMS as well as programs for transnational cooperation and macro-regional strategies (EUSDR, EU Adria-Ionic Strategy/EUAIS EU Strategy for the Alpine Region), connected to it. These also include support for initiatives to promote reconciliation between the Western Balkans countries and their dealing with the past as well as in MD with Transnistria and Gagauzia. Within the framework of the EUSDR, the BMBF and the BMASK coordinate the thematic priority measures in priority area "To Invest in People and Skills". Austria, respectively the city of Vienna assumes coordination in the EUSDR priority area "Institutional Capacity and Cooperation".

Regional Organizations like the RCC, the CEI, already founded in 1989, as well as the Southeast European Cooperative Initiative (SECI), the South-East Europe Media Organisation (SEEMO) and the Center for Democracy and Reconciliation in Southeast Europe (CDRSEE) and especially the cooperation platforms created by the EU and EUMS, like the EUSDR, ERI-SEE, EUAIS, but also institutions, founded in Austria and focussed on the Danube area/WBR, such as the Institute for the Danube Region and Central Europe (IDM), the Vienna Economic Forum (VEF), WUS, the Center for Advanced Studies (CAS) and the ERSTE Foundation have proved to be an important complement and extension of development potential in the region. In addition to these regional institutions, multilateral organizations such as the EU, the OSCE, the CoE, the World Bank Group and the United Nations are focusing on the region with the aim to promote regional cooperation, which therefore requires the best coordination possible between the donor community and partner countries in the region.

The so called political "Berlin process", initiated in August 2014 on a summit meeting on the Western Balkans, aims to arrange annual conferences until 2018 in order to set impulses in the following areas:

- Reconciliation, regional cooperation and security
- Progress in the economic and rule of law areas
- Support of specific infrastructure projects

Through it the regional integration of the Western Balkan countries shall be promoted and EU integration of candidate countries accelerated. In August 2015 Austria hosted the follow-up conference, which brought progress in regional cooperation and in the youth sector, in economic cooperation and above all in the infrastructure sector. In addition to the agreement on main regional transport corridors, the implementation of ten transport and energy projects with a volume of over EUR 600 million was agreed upon. Furthermore, bilateral and multilateral programs to establish dual vocational education systems are to be initiated in the Western Balkan countries. For this purpose, a "Matching Conference" with all relevant stakeholders will be held in the first half of 2016 in Vienna. The summit was preceded by a meeting of CSOs with representatives from all participating countries.

The BMLVS cooperates with partners in the countries of the WBR and MD both in the international and regional framework. The latest initiative is a planned visit of the defence ministers of the Central European Defence Cooperation (CEDC), consisting of Austria, Czech Republic, Slovakia, Hungary, Slovenia and Croatia in Sarajevo. In 2016, the BMLVS takes over the one-year presidency of CEDC and will set a priority focus on security policy in WBR. This includes an enhanced cooperation in the area of the use of military capacities in disaster relief.

8. Coherence and Coordination

Whole-of-government development policy cooperation: the BMEIA wants to increasingly support the strengthening of the coordination of all ODA actors, which have a relevant geographical and thematic interest and concrete experiences. Upon invitation from the BMEIA the needs for coordination and coherence by the main ODA actors, including those of humanitarian aid, are guaranteed.

A flexible coordination structure of country and regional teams connects the work of the BMEIA and the ADA, which is responsible for the operative area, as well as the Austrian missions abroad and the ADA coordination offices (KOBÜ) in Tirana, Pristina and Chisinau and the IM-project office in Belgrade, with the responsible entities of the partner countries and relevant state and private development partners.

The semi-annual reports of ADA offices abroad, according to the agreed reporting format between ADA and BMEIA, the ongoing reports from embassies and representative networks of the line ministries, in accordance with the approach used up to now and from the Austrian Federal Economic Chamber (WKÖ) in the region, form the basis of the coordination. ADA and the project coordinators of the line ministries are responsible for the implementation of the programs and for quality assurance.

A mid-term review of the regional strategy is planned for 2018. The jointly developed results-oriented indicators are to be reviewed and adapted and an updated result frame defined. As modalities of cooperation for the development of the region an efficient mix of different financing instruments comes into effect: program and project funding, cooperation with international and regional organisations and financial aid to support civil society as well as a stronger incorporation of the private sector and the diaspora in a regional context. The

close coordination with bilateral and multilateral donors (EC and local EU delegations, OSCE, CoE, EBRD, EIB, UN, etc.) and future joint programming in coordination with the respective partner countries, are necessary for the maximum policy coherence for development. An optimal inter-ministerial coordination in Austria and in the region as well as a functioning sectorial donor coordination, is a precondition for it.

9. Goals, Results, Indicators

Austria, like all the other partners, faces the challenge to assess her contributions to development cooperation in the context of concrete results and impact as well as to put them in writing and to communicate them to the public in a transparent way. The Austrian Development Cooperation must fulfil this task in cooperation with its partners in the priority countries and with the Austrian CSOs. Through systematic and precise description of results and impacts of development policy measures, the legitimacy and acceptance of publicly funded development cooperation will have a broader basis.

Within the framework of the overall strategy as well as the geographical and thematic strategies a systematic and transparent traceability of development results should contribute to control assessment and, if necessary, adapt the objectives, expected results and activities as well as accountability. The crucial element and compact overview of the respective strategic objectives, results and indicators form the following result frame, which constitutes the starting point for a strategic results-management cycle.

Following existing practice, the result frame of the 3YP will be updated annually and submitted to the Council of Ministers and to Parliament. According to the recommendations of the DAC Peer Review 2014 to strengthen the "Policy Coherence for Development", the result frame will be supplemented by an annual overview of the results of implementation and presented to the public.

Following international standards and recommendations, ADC commits herself to an effective and transparent monitoring and improved reporting. Both the result management and the whole-of-government coordination represent an important component in order to achieve the international goals of policy coherence for development.