



# Better together

*By supporting sustainable development in its partner countries in Africa, Asia, Central America, South-Eastern and Eastern Europe and the Caribbean, Austria contributes to poverty reduction, peacekeeping, environmental protection and resource conservation worldwide. Long-term programmes and projects provide help towards self-help.*

According to the figures on aid flows reported to the Development Assistance Committee of the Organisation for Economic Cooperation and Development (OECD/DAC), in 2016 Austria provided EUR 1,431.69 million in official development assistance (ODA) or 0.35 per cent of its gross national income (GNI).<sup>1</sup> This is the largest amount of ODA in absolute figures since records began. EUR 877.04 million of which allocated for bilateral and EUR 554.65 million for multilateral development cooperation.

## Reliable partners

Development cooperation in Austria is a task for the whole of the Federal Government and is coordinated by the Federal Ministry for Europe, Integration and International Affairs (MFA). The Development Cooperation Act provides the legal framework. The strategy is set out in the current Three-Year Programme for 2016 to 2018, which was jointly drawn up for the first time by the Federal Government, the federal states, social partners, civil society organisations (CSOs), business and industry and the scientific community.

As the operational unit of Austrian Development Cooperation, the Austrian Development Agency (ADA) executes bilateral development programmes and projects on behalf of the Federal Government. It cooperates here with public institutions, CSOs and enterprises. In 2016, it was able to draw on the highest operational budget since its foundation, nearly EUR 160 million (including third-party funding).

Numerous other actors, such as the Oesterreichische Entwicklungsbank (OeEB), also support the objectives of Austrian Development Cooperation.

## Cooperation between Austria and its partner countries

To ensure that funds are put to efficient use, the bilateral programmes and projects of Austrian Development Cooperation concentrate on the following regions, countries and themes.

### Geographical priorities

| Key regions                     | Priorities in region      |
|---------------------------------|---------------------------|
| Caribbean                       |                           |
| Himalayas-Hindu Kush            | Bhutan                    |
| Danube Region/Western Balkans   | Albania, Kosovo           |
| Black Sea Region/South Caucasus | Moldova, Georgia, Armenia |
| West Africa and Sahel           | Burkina Faso              |
| Southern Africa                 | Mozambique                |
| East Africa and Horn of Africa  | Ethiopia, Uganda          |
|                                 | Palestinian Territories   |

<sup>1</sup> The final figures for 2016 will not be available until autumn 2017.

Austria is, however, also engaged in other regions with cofinancing for CSO programmes and projects and support for business partnerships.

Austrian Development Cooperation is represented by local offices in the priority countries. These are attached to diplomatic missions and are run by ADA. They ensure that activities meet local needs and are coordinated with all the development partners and other donors.

### **Thematic priorities**

Austrian Development Cooperation is primarily engaged in areas where it can draw on its proven know-how and long-standing experience: education, ensuring peace and human security, human rights and migration, water supply and sanitation, energy and food security and private sector and development, with environmental and climate protection and gender equality as cross-cutting themes that are taken into account in all programmes and projects, from planning to evaluation. All programmes and projects attach special importance to involving women in decision-making and they **are also geared to** the needs of children and persons with disabilities.

### **Education**

#### **Project example: New quality standard for IT studies**

The Republic of Moldova is in urgent need of qualified junior personnel for the IT industry. So far, however, most IT graduates from vocational schools have only been working as simple operators, without any in-depth knowledge of programming or network and server administration. The majority also lacks the requisite special English language skills for IT. To provide the specialist qualification measures as quickly as possible for this, needs-based vocational school curricula have been drawn up in close cooperation with IT companies and experts.

Austrian Development Cooperation supports its partner country in improving teaching and modernising equipment. The quality of EDP training is being upgraded at about 30 vocational schools for subsequent testing in a pilot school trial. The schools have been provided with technical equipment and the teachers given further training in modern teaching methods. Future network technicians, programmers and other specialists are now being qualified in very well equipped computer laboratories and are also receiving training in technical English. They exchange with colleagues on study trips to partner countries, such as Austria, and benefit from their experience.

Austria is conducting the project in close consultation with the Technical University of Moldova, which is also being upgraded into a national centre of excellence for information and communications technology. As well as guaranteeing excellent training and providing a contact point for teachers and IT specialists, it will set an example for other vocational training institutions.

For the first time, close cooperation with the private sector will enable prospective IT specialists to complete traineeships and put their know-how to the test in a real working environment. Students at all vocational schools in Moldova will benefit from the improvements in long the term.

### **Ensuring peace and human security, human rights and migration**

#### **Project example: Early warning systems in West Africa**

The aim of the civil-society organisation, West Africa Network for Peacebuilding (WANEP), is to prevent conflicts at an early stage. It has assisted its 15 member states in setting up regional conflict monitoring systems. It cooperates closely with the Economic Community of West African States (ECOWAS), which has a transregional early warning system at its disposal. Local monitors at municipal level have been trained to draw up early warning and

conflict assessment reports that are channelled into the regional early warning system and passed on to other governments, public institutions, partners, civil-society organisations and UN agencies. This will enable them to make rapid and effective preparations for taking preventive measures.

Austrian Development Cooperation supports ECOWAS in stepping up regional cooperation in conflict prevention and peacebuilding and for ensuring human security.

So far, 100 conflict analysts across West Africa have been trained in collecting data and preparing analyses and rapid responses, including some with special skills in analysing electoral violence, natural resource conflicts and violent extremism. WANEP has also trained approximately 250 conflict monitors, including coordinators of its national early warning systems, contributors to the ECOWAS early warning system and community and electoral violence monitors. Over 225 teachers, more than 500 peer mediators and 700 peace animators have also received further training in peace education.

### Water supply, energy and food security

#### **Project example: Living with nature**

In North Gondar in Ethiopia's second poorest regional state, Amhara, population growth, depleted soils and overgrazed ranges have caused repeated food shortages. This is why Austrian Development Cooperation has for many years been supporting the integrated development of the zone, which is half the size of Austria.

Male and female farmers have learnt organic cropping methods for sustainable soil amelioration. They now grow a broader variety of fruit and vegetables and plant more robust grain varieties. Improved livestock breeding methods enable them to produce more milk and meat. Thanks to higher crop yields, they can build reserves or earn money by selling their produce. So they are better protected against periods of drought or crop failures. This has brought about sustainable improvements in the lives of altogether 176,000 households.

Better conditions of life make it easier for the villagers to cope well with the constraints involved in sustainable natural resource use: The ranges have been restricted and protected zones afforested to stem erosion and protect vegetation. People are no longer permitted to fell forest trees for firewood.

Attracting some 20,000 trekking fans a year, tourism in the Simien Mountains National Park affords an additional source of income. Owing to its unique beauty, the park is under special protection as a UNESCO cultural heritage. Its management offers jobs for tour guides, cooks and nature park keepers.

Altogether, the extensive measures have improved the conditions of life for about 500,000 people in 12 districts.

The aim of expanding the programme to include the entire administrative division is to reverse the current trend and shift towards economic transformation in North Gondar Zone, with specific support given to the following sectors in particular:

- Livestock breeding for the market
- Integrated water resource management
- Alternative earning opportunities (e.g. fattening farms, beekeeping)
- Strengthening land management
- Community-based tourism development
- Improving national park infrastructure and management

Developing institutional capacities through research and knowledge management

## Private sector and development

Sustainable poverty reduction is closely bound up with economic progress. This calls for investments, private sector engagement and a suitable framework. Austrian and/or European enterprises can make a contribution to this.

### **Project example: A training centre for everyone's benefit**

The Southern Indian region around Chennai has made steady development progress over the last decade, especially its economy, but marginalised groups, such as underqualified youth, have so far hardly been able to benefit at all from increasing economic growth. At the same time, local carpenters and furniture manufacturers complain of a shortage of skilled labour in their branch.

The Tyrol family business, Felder KG, saw this as an opportunity: With support from the Austrian Development Agency and in collaboration with the Don Bosco Technical Campus in Chennai, it now trains youth in wood technology. In a modern training centre in Chennai, 25 young people a year learn the craft of carpentry and are then directly placed at local enterprises so that these can manufacture higher-quality products for the Indian market.

There are plans to provide this overall training in other regions of India as well.

These and other good business ideas are promoted by ADA and the Oesterreichische Entwicklungsbank via the business partnership programme. The projects have a major leverage impact: With funding amounting to EUR 40 million since 2004, projects have been initiated worth a total of EUR 88 million.

## **Oesterreichische Entwicklungsbank**

The Oesterreichische Entwicklungsbank (OeEB) finances investment projects by private enterprises in developing and emerging countries that are commercially viable and make a developmental contribution. It operates on behalf of the Federal Government. Via long-term loans, equity capital investments and special programmes, it promotes private-sector development in target countries.

Since 2008, OeEB has provided finance for businesses and banks employing more than 200,000 people.

### **Project example: Wind of change in Panama**

Panama has many hydropower stations, but in the dry season it has to resort to oil and gas to secure power supply. This season is especially windy, affording potential for windpower use. Together with partners, OeEB is therefore financing the largest windpark in Central America.

Some 100 kilometres southwest of Panama City, the first wind turbines have already been erected. In its first development phase, the windpark now generates 55 megawatts of clean electricity and another 215 megawatts of capacity will be installed in subsequent phases. OeEB has granted a loan of US\$ 25 million for this.

This will make Panama less dependent on oil and gas imports. The windpark will meet 5 per cent of electricity demand. A monitoring plan has been drawn up to meet particularly strict environmental standards to protect local bird and bat populations from colliding with the turbine vanes.

## Humanitarian aid

In 2016, armed conflicts escalated further in Syria, Iraq, Yemen and South Sudan, the situation in East Ukraine remained precarious and a food crisis also broke out in East Africa. Austria therefore primarily supported humanitarian measures in these countries. It also assisted numerous host communities for refugees, in Lebanon or Jordan, for example.

Besides classical relief aid with food, water and health care and psycho-social assistance for frequently traumatised people, the trend in 2016 was increasingly towards helping victims to return as soon as possible to leading self-reliant lives. For this, they are given emergency grants in the form of cash, so that they can decide themselves what they need most. This also helps support local markets, which can supply them more rapidly, but also offer products that better meet their needs. Other measures that make a major contribution are demining and reconstruction of infrastructure, such as schools or water supply.

The programmes and projects were implemented by international humanitarian aid organisations, such as the UN Refugee Agency, the World Food Programme, the International Committee of the Red Cross, the United Nations Development Programme and the Austrian aid organisations CARE, Caritas and the Austrian Red Cross.

### **Project example: Aid for Aleppo**

The humanitarian situation has deteriorated further in Syria in particular, where approx. 13.5 million people depend on humanitarian aid alone. At least 6.3 million Syrians are internally displaced and almost 5 million are registered as refugees in other countries in the region. Over 400,000 have lost their lives so far in the war. More than 4.5 million live in besieged and almost inaccessible regions. The fighting in Aleppo has been a major cause of flight.

Under the Austrian relief programme, Food Support for Aleppo, people were supplied with basic necessities: The staff of the International Committee of the Red Cross and volunteers from the Syrian Arab Red Crescent distributed food, drinking water, blankets, mattresses and children's clothing. Three mobile health teams from the Red Crescent provided medical care. With EUR 350,000 from the Austrian Foreign Disaster Aid Fund, the Austrian Red Cross obtained food for 40,000 people in Lebanon and transported it overland to Aleppo. The goods were then distributed by the Syrian Red Crescent.

In addition, Austria makes contributions to the EU Regional Trust Fund in Response to the Syrian Crisis (Madad) and the EU Facility for Refugees in Turkey.

## Global cooperation

Multilateral development cooperation plays a major role in the overall strategy of Austrian development policy. Austria supports international organisations with direct contributions.

### **European Union (EU) - largest donor worldwide**

The EU (the European Commission and EU member states) is the largest donor worldwide. Austria helps to frame European development policy and makes financial contributions. In 2016, 20.89 per cent of Austrian ODA was allocated to EU development cooperation and the European Development Fund.

### **Delegated cooperation**

To ensure an efficient division of labour, the European Commission delegates funds for project implementation to qualified development agencies. ADA is one of these and has so far been entrusted with implementing EUR 101 million from the EU.

In 2012, the European Commission delegated EUR 30.5 million to ADA to improve drinking water and sanitation facilities in small rural towns and municipalities in Uganda. Some 370,000 people will benefit from this.

Austrian Development Cooperation provides approx. EUR 4 million every year for the water sector in Uganda. Another 60,000 people benefit from this each year.

### **International financial institutions (IFIs)**

Based on a strategy by the Federal Ministry of Finance (FMF), Austria co-plans IFI policy. In 2016, it paid in about EUR 226.11 million to IFIs, such as the World Bank or the regional development banks in Africa, Asia and Latin America. This is primarily used to finance investment projects and Austrian participation in international infrastructure projects.

### **Cooperation as part of the United Nations (UN)**

Austria is also involved in development policy and cooperation under the auspices of the UN. In 2016, EUR nearly 39.72 million of Austrian ODA went to UN organisations. For example, Austria supported the UN Development Programme (UNDP) in 2016 with a core contribution of approximately EUR 1.6 million.

Besides its compulsory contribution, Austria paid a total of EUR 500,000 into the UN Industrial Development Organisation's (UNIDO) Fund for Industrial Development in 2016. It also supported UNICEF with a contribution of around EUR 1 million.

### **Project example: Austria and UNIDO create prospects for people where they live**

The current crises have forced many people to flee their homes and many others are under acute pressure to migrate. Together with UNIDO, Austria promotes training and earning opportunities in home and transit countries. In northern Jordan, for example, it helps run needs-based skilled labour and crafts training programmes and start-up programmes for small enterprises. This benefits both Syrian refugees and the local population. Jobs are being created in the food processing sector in the Erbil region in Iraq for Syrian refugees, internally displaced Iraqis and the local population. Prospective young entrepreneurs in Afghanistan acquire basic knowledge at secondary schools in Kabul. The planned processing of cactuses in drought-prone regions affords the inhabitants of northern Ethiopia and Eritrean refugees additional sources of income.

## Austria's official development assistance in figures

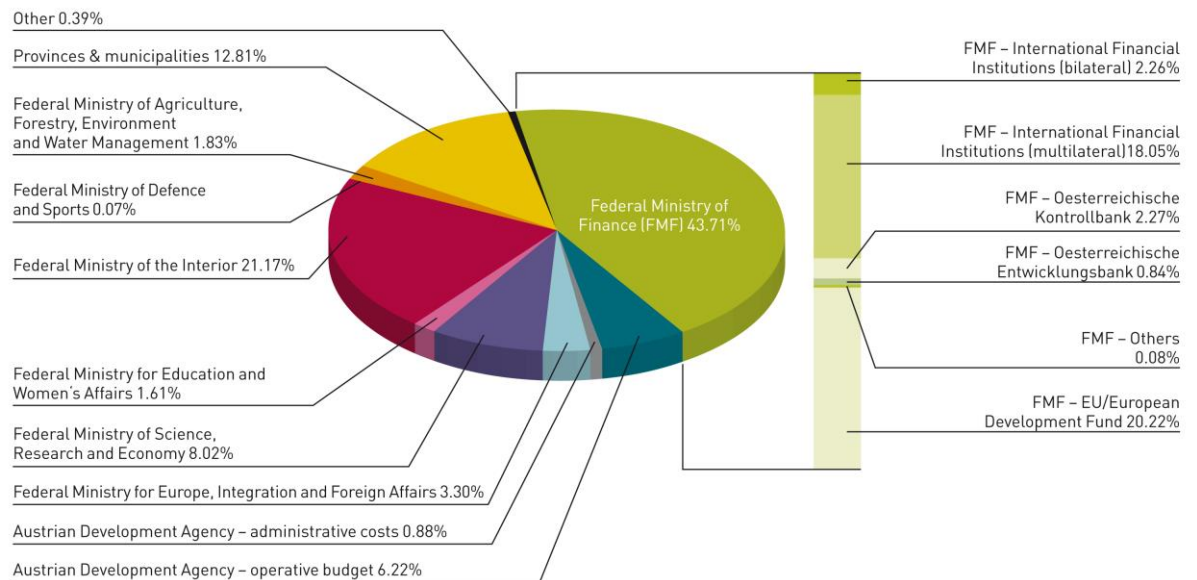
### Austrian ODA 2011–2016<sup>2</sup>

| ODA         | 2011 | 2012 | 2013 | 2014 | 2015  | 2016  |
|-------------|------|------|------|------|-------|-------|
| EUR million | 795  | 861  | 881  | 931  | 1,195 | 1,435 |
| in % of GNI | 0.2  | 0.2  | 0.2  | 0.2  | 0.3   | 0.4   |

The figures for the pie charts for 2016 will not be available until autumn 2017.

### Financial sources of Austrian ODA 2015

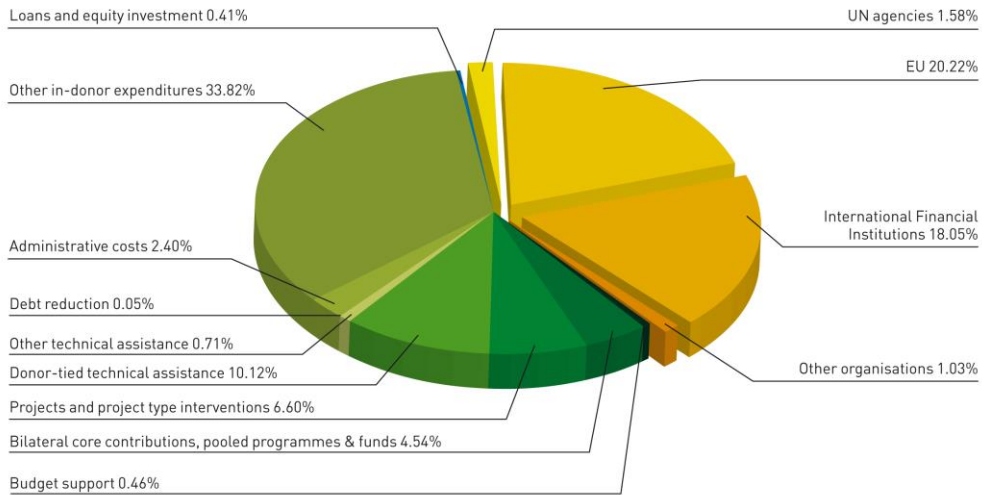
Disbursements in %



<sup>2</sup> The final figures for 2016 will not be available until autumn 2017.

## Main components of Austrian ODA 2015

Disbursements in %



|                             | € mill.  | in %   |   | € mill. | in %  |
|-----------------------------|----------|--------|---|---------|-------|
| Bilateral ODA               | 705.42   | 59.12  |   |         |       |
| Grants                      | 700.50   | 58.71  | Budget support  | 5.50    | 0.46  |
|                             |          |        | Bilateral core contributions, pooled programmes & funds | 54.21   | 4.54  |
|                             |          |        | Projects and project type interventions                 | 78.77   | 6.60  |
|                             |          |        | Donor-tied technical assistance                         | 120.75  | 10.12 |
|                             |          |        | Other technical assistance                              | 8.52    | 0.71  |
|                             |          |        | Debt reduction  | 0.56    | 0.05  |
|                             |          |        | Administrative costs                                    | 28.64   | 2.40  |
|                             |          |        | Other in-donor expenditures                             | 403.55  | 33.82 |
| Loans and equity investment | 4.93     | 0.41   |   |         |       |
| Multilateral ODA            | 487.72   | 40.88  | UN agencies   | 18.83   | 1.58  |
|                             |          |        | EU  | 241.20  | 20.22 |
|                             |          |        | International Financial Institutions                    | 215.41  | 18.05 |
|                             |          |        | Other organisations                                     | 12.27   | 1.03  |
| Total ODA                   | 1,193.15 | 100.00 |   |         |       |
| 0.35% of GNI                |          |        |   |         |       |