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Three-Year Programme

on Austrian Development Policy
2009–2011

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Written and published by

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

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Foreword

I am pleased to present the Three-Year Programme on Austrian Development Policy for 2009 to 2011. It deals with current challenges facing Austrian, European and international development policy and highlights new aspects of how we can master these together. I would like to point to some innovations in particular.

The new Three-Year Programme attaches special importance to the explicit involvement of all public actors in Austrian development policy. Development cooperation is the responsibility of the entire Austrian Federal Government. With the spread of global networking, we must learn to perceive development policy more clearly as global structural policy and as a multi-sectoral task spanning many policy fields. This is why we are seeking to harness greater synergies between development policy and other policy fields, such as industry and commerce, environment, climate change or agriculture. This is the only way we can make our development cooperation even more effective. To underline this new policy direction, we address the issue of security and development for the first time and look at the scope for fruitful interaction between culture and development.

Development policy must also find joint answers to the global economic, security and ecological crises. The present Three-Year Programme takes an important step forward on the way towards an all-Austrian strategy in development cooperation.

Dr Michael Spindelegger

Federal Minister for European and International Affairs

Vienna, December 2009



Abbreviations

AAA	Accra Agenda for Action
ACP	African, Caribbean and Pacific States
ADA	Austrian Development Agency
ADC	Austrian Development Cooperation
AfDB	African Development Bank
AfDF	African Development Fund
AFDRU	Austrian Forces Disaster Relief Unit
AfT	Aid for trade
AIT	Asian Institute of Technology
AMCOW	African Ministerial Conference on Water
AP	Advisory programme
APSA	African Peace and Security Architecture
ASF	African Standby Force
AU	African Union
BOKU	University of Natural Resources and Applied Life Sciences, Vienna
CAAST-Net	Network for the Coordination and Advancement of Sub-Saharan Africa-EU Science & Technology Cooperation
CABEI	Central American Bank for Economic Integration
CABSI	Central Asia Border Security Initiative
CAC	Consejo Agropecuario Centroamericano
CARICOM	Caribbean Community
CCAD	Comisión Centroamericana de Ambiente y Desarrollo
CDERA	Caribbean Disaster Emergency Response Agency
CEDAW	UN Convention on the Elimination of All Forms of Discrimination against Women,
CENPROMYPE	Centro para la Promoción de la Micro y Pequeña Empresa en Centroamerica
CEWARN	Conflict Early Warning and Response Mechanism
CGIAR	Consultative Group on International Agricultural Research
CIAT	International Centre for Tropical Agriculture
CIFOR	Centre for International Forestry Research
COPUOS	Committee on the Peaceful Use of Outer Space
CREDP	Caribbean Renewable Energy Development Programme
CSR	Corporate social responsibility
DAC	Development Assistance Committee (OECD)

DAW	United Nations Division for the Advancement of Women
DCF	Development Cooperation Forum
DG DEV	Directorate General for Development of the European Commission
DG	Directorate General
DRC	Democratic Republic of the Congo
EAC	East African Community
EAD	European External Action Service
EBRD	European Bank for Reconstruction and Development
EC	European Commission
ECHO	European Commission Humanitarian Aid Office
ECOSOC	Economic and Social Council
ECOWAS	Economic Community of West African States
EDF	European Development Fund
EEP	Energy and Environment Partnership with Central America
EFSE	European Fund for Southeast Europe
EIB	European Investment Bank
ENDA	Environnement et Développement du Tiers Monde
ENP	European Neighbourhood Policy
ENPI	European Neighbourhood Policy Instruments
ERN	European Research Network
ERI SEE	Education Reform Initiative of South Eastern Europe
ERP	European Recovery Programme
EPAs	Economic Partnership Agreements
ETC	European Training Centre for Democracy and Human Rights
ETF	European Training Foundation
EU	European Union
EUMM	European Union Monitoring Mission
EUBAM	European Union Border Assistance Mission
EULEX	European Union Rule of Law Mission in Kosovo
EUPM	European Union Police Mission
EUPOL COPPS	European Union Police Mission for the Palestinian Territories: Coordinating Office for Palestinian Police Support
EUSEC DRC	European Union mission to provide advice and assistance for security sector reform in the Democratic Republic of the Congo
FAO	United Nations Food and Agricultural Organisation
FDI	Foreign direct investment
FIAN	Food First Information and Action Network
FIAS	Foreign Investment Advisory Service
FMAFEWM	Federal Ministry of Agriculture, Forestry, Environment and Water Management
FMEAC	Federal Ministry for Education, Arts and Culture
FMEIA	Federal Ministry for European and International Affairs
FMEFY	Federal Ministry of Economy, Family and Youth
FMF	Federal Ministry of Finance
FMI	Federal Ministry of the Interior
FMJ	Federal Ministry of Justice
FMNDS	Federal Ministry of National Defence and Sport
FMSR	Federal Ministry of Science and Research

FMTIT	Federal Ministry for Transport, Innovation and Technology
GFSE	Global Forum on Sustainable Energy
GLOF	Glacial Lake Outburst Flood
GNI	Gross national income
GTZ	Deutsche Gesellschaft für Technische Zusammenarbeit
HARDs	Heads of Agriculture and Rural Development
HLF	High level forum
HTMTI	Hotel and Tourism Management Training Institute
ICARDA	International Centre for Agricultural Research in the Dry Areas
ICIMOD	International Centre for Integrated Mountain Development
ICM	Indirect Centralised Management
ICO	International Civilian Office
ICRC	International Committee of the Red Cross
ICRISAT	International Crops Research Institute for the Semi-Arid Tropics
ICT	Information and communications technologies
IDA	International Development Association
IDB	Inter-American Development Bank
IDPs	Internally displaced persons
IFC	International Finance Corporation
IFI(s)	International financial institution(s) (World Bank Group)
IFRC	International Federation of Red Cross and Red Crescent Societies
IGAD	Intergovernmental Authority on Development
IIASA	International Institute for Applied Systems Analysis
IIC	Independent Inquiry Committee
IITA	International Institute of Tropical Agriculture
ILRI	International Livestock Research Institute
IMF	International Monetary Fund
INCAF	International Network on Conflict and Fragility
INSTRAW	International Research and Training Institute for the Advancement of Women
IO	Internationalisation Offensive
IPA	EU Instrument for Pre-Accession Assistance
IPA	Immediate plan of action (under FAO)
IRENA	International Renewable Energy Agency
ISAF	International Security Assistance Force
ISFP	Initiative Soaring Food Prices
IUCN	International Union for Conservation of Nature
JPO	Junior professional officer
KFOR	Kosovo Force
LDCs	Least developed countries
LICs	Low income countries
MDG	Millennium Development Goal
MINURCAT	United Nations Mission in the Central African Republic and Chad
MINURSO	United Nations Mission for the Referendum in Western Sahara
MOPAN	Multilateral Organisations Performance Assessment Network
MoU	Memorandum of understanding
NBCBN	Nile Basin Capacity Building Network
NCD	Non-communicable disease

NGO	Non-governmental organisation
ODA	Official development assistance
OeAD GmbH	Austrian agency for International Mobility and Cooperation in Education, Science and Research
OECD	Organisation for Economic Co-operation and Development
OeEB	Austrian Development Bank
OeKB	Austrian Control Bank
ÖFSE	Austrian Research Foundation for International Development
OHCHR	Office of the High Commissioner for Human Rights
OLADE	Organización Latinoamericana de Energía
OOSA	Office for Outer Space Affairs
OSAGI	Office of the Special Advisor on Gender Issues
OSCE	Organisation for Security and Cooperation in Europe
PBSO	United Nations Peacebuilding Support Office
PCD	Policy coherence for development
PEGASE	Palestino Européen de Gestion et d'Aide Socio Economique
PfP	Partnership for Peace
PIC	Peace Implementation Council
PNA	Palestinian National Authority
PPP	Public-private partnership
PROAGRI	Agricultural Sector Public Expenditure Programme
RAAN	North Atlantic Autonomous Region
RCC	Regional Cooperation Council
RECs	Regional economic communities
REPARIS	The Road to Europe: Programme of Accounting Reform and Institutional Strengthening
RUTA	Regional Unit for Technical Assistance
SADC	Southern African Development Community
SALW	Small arms and light weapons
SC	United Nations Security Council
SEE.ERA-NET plus	Coordination and Support Action funded by the European Community's Programme for International Cooperation
SICA	Sistema de la Integración Centroamericana
SMEs	Small and medium-sized enterprises
SSR	Security sector reform
UN	United Nations
UNCDF	United Nations Capital Development Fund
UNCTAD	United Nations Conference on Trade and Development
UNDG	United Nations Development Group
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organisation
UNFPA	United Nations Population Fund
UNHCR	Office of the United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organisation
UNIFEM	United Nations Development Fund for Women
UNMIN	United Nations Mission in Nepal

UNRWA	United Nations Relief and Works Agency for Palestine Refugees in the Near East
UN SPIDER	United Nations Platform for Space-based Information for Disaster Management and Emergency Response
USAID	United States Agency for International Development
WB	World Bank
WBC-INCO.NET	Coordination of Research Policies with the Western Balkan Countries
WBI	World Bank Institute
WFP	United Nations World Food Programme
WHO	World Health Organisation
WKO	Austrian Federal Economic Chamber
WTO	World Trade Organisation



Introduction

The present Three-Year Programme outlines the strategic framework for Austrian Development Cooperation up to 2011. In implementing its development cooperation policy, Austria takes a **multilateral** approach (EU, UN, IFIs), while also providing **bilateral** technical assistance via the Austrian Development Agency (ADA).

EU: Austria makes a substantial contribution to the EU budget for development cooperation and takes active part in planning the programmes of the Commission and the European Development Fund (EDF), paying special attention to its bilateral priority countries and key regions. Under the auspices of the EU, Austria brings its known expertise gained in bilateral work to bear in the water and energy sectors, advocates gender equity, works towards a closer integration of peace, security and development and collaborates closely on issues of rural development and food security.

UN: As host state to the United Nations, Austria is particularly committed to the work of the UN. The voluntary Austrian contributions strengthen the core competencies of UN agencies and programmes. Austria supports UN reform efforts in economic, social and environmental sectors (Delivering as One; reform of ECOSOC; coherence of development architecture). In its earmarked contributions to UN programmes, Austria seeks synergies with bilateral programmes in the priority countries and supports policy initiatives for peace, security and development.

IFIs: Austrian cooperation with the international financial institutions is based on the FMF Strategic Guideline, which concentrates collaboration with the IFIs on three core sectors. In two of these – renewable energy/energy efficiency and water supply and sanitation – Austria has also gained a reputation in the donor community for expertise through its bilateral development cooperation and has even been entrusted with thematic leadership. In the third core sector, trade for development, a strategy development process has been started between FMEIA and FMEFY to improve Austrian bilateral capabilities. IFIs are likely to play a growing future role in coping with the global financial and economic crisis. Austrian contributions to IFIs will also gain in importance during the programme term, particularly due to the forthcoming capital increases in multilateral development banks.

In its **bilateral development cooperation**, Austria concentrates abroad on geographical and thematic priorities complemented by non-localised business partnerships and NGO cooperation. Great importance is attached to inner-Austrian educational and advocacy work. In the bilateral programmes agreed on with the partners, Austria deploys a mix of financing arrangements, which are detailed in the programme matrix. To complete its set of development instruments, Austria also makes use of the financing facilities of the Austrian Development Bank and grants soft loans.



I. Strategic framework

During the preparation of this Three-Year Programme, the global financial and economic crisis has shown some initial signs of abating. It has had a considerable impact on developing countries and Austrian priority countries and key regions have also been severely affected.

The European Union has initiated a number of measures to support the developing countries hardest hit by the crisis through frontloading finance and implementing special mechanisms.

The deterioration of the environment and vital natural resources, exacerbated by climate change, poses great challenges to the developing countries. Mainstreaming the preservation of the environment and the conservation of natural resources is one of the major tasks of development cooperation as stipulated in Austrian legislation. The Strategic Guideline on Environment and Development has been adopted to support Austria's active and coherent commitment to assimilating these aspects in development policy. It defines the following areas as thematic fields of activity and goals: sustainable natural resource management, combating desertification and preserving biodiversity, sustainable chemicals and waste management, climate protection and water supply and sanitation. The relevant resolution by the Council of Ministers was passed on 8 September. The Conference of Parties to the UN Framework Convention on Climate Change in December 2009 is expected to pass resolutions on international transfer payments to developing countries, primarily for adaptation measures, but also for mitigation. These will also be of major relevance for Austrian Development Cooperation (ADC).

The Federal Finance Acts 2009 and 2010 as well as the Federal Financial Framework Act 2010–2013 set the financial parameters for the future course of Austrian development policy and cooperation over the programme term – see the forecast scenario on this (page 60). All contributions, programmes, projects and plans of the Three-Year Programme will be implemented in keeping with the budgetary framework.

The application of the first multi-year federal budget plan also affords ADC the opportunity to draw up multi-year financial plans. This will help improve the predictability of ODA flows, as long demanded by the partner countries.

Given the limited budget scope available to ADC, the efficient and effective use of funds is all the more important. When implementing international recommendations and EU decisions, this Three-Year Programme therefore places special stress on management for results and division of labour.

In particular, it proposes drafting a national planning instrument as a white paper for Austrian development policy, bringing together all relevant actors eligible for ODA activities to adopt a joint approach. The extended programme matrix already provides information on contributions by ADC and other Austrian actors in partner countries and key regions.

Due to the shortage of administrative funds, coordination offices will be closed in Cape Verde and Dakar as well as in Montenegro and Macedonia between mid-2009 and mid-2010. As announced in the Three-Year Programmes for 2007–2009 and 2008–2010, programme operations in Cape Verde and Senegal will be phased out in 2010. With the termination of Cape Verde's priority country status and in response to its own interest in entering into a privileged partnership with the EU, cooperation will continue with its sectoral focus during phase-out. As of 2010, diplomatic responsibility will be shifted from Dakar to Lisbon. Since the ECOWAS Centre for Renewable Energy and Energy Efficiency supported by Austria will be located to Praia, Cape Verde, as decided by the ECOWAS member states, close developmental relations will also continue between Austria and Cape Verde in 2009–2011.

The savings on administrative costs in Montenegro and Macedonia will not yet affect programme implementation over the next few years, which will be ensured through appropriate management measures, depending on country. A final decision on cooperation with Montenegro and Macedonia beyond 2011 will be made contingent on hopeful progress in the convergence process of both countries with the EU during the next Three-Year Programme. In the meantime, ADC will seek to step up support for convergence via mechanisms such as twinning.

Austrian ODA is the collective product of all public actors engaged in development policy and cooperation. The involvement of the federal states in all-Austrian development cooperation is also depicted for the first time in the present Three-Year Programme (see page 18 ff). Increased cooperation with the municipalities will be sought in the planning period.

In keeping with the major importance of contributions by NGOs for development policy and cooperation, this Three-Year Programme also contains information on the role of civil-society engagement in the Annex (page 73).

The present Three-Year Programme covers the essential new contents for the planning period.

Geographical priorities

The priorities to date will in any case be retained up to 2010. Consideration can only be given to possible new priorities when total funding has been increased or new funds made available have been reallocated (approximately as of 2011).

ADC key regions	ADC priority countries
<ul style="list-style-type: none"> ■ Africa (AU) ■ East Africa ■ Southern Africa ■ West Africa/Sahel ■ Himalayas-Hindu Kush ■ South Caucasus ■ South Eastern Europe/Western Balkans ■ Central America/Caribbean 	<ul style="list-style-type: none"> ■ Ethiopia, Uganda ■ Mozambique ■ Burkina Faso ■ Bhutan ■ Albania, Bosnia and Herzegovina, Macedonia, Serbia, Kosovo, Montenegro, Moldova ■ Nicaragua ■ Palestinian Territories

A major aspect of developmental engagement in Africa during the programme term will be active cooperation in the wide-ranging Energy Partnership, the Partnership for Peace and Security (African Union and AU Commission) as well as more intensive work with the regional organisations in West (ECOWAS) and Southern Africa (SADC). Under the Partnership for Peace and Security, ADA is tasked in particular with actively seeking ways of cooperation with the AU Commission.

In the Himalayas-Hindu Kush key region, ADC will concentrate in future on challenges in environment/ climate and energy. A regional strategy is planned for 2010. Priorities in South Caucasus are conflict prevention and management, improving security and judicial systems and strengthening civil society with the focus on youth, women and the promotion of journalists.

Under the regional strategy for Central America, cooperation will be continued with SICA (Sistema de la Integración Centroamericana) in enlarging access for farming and small business enterprises to national and regional markets, in energy and in ensuring legal certainty for underprivileged groups. In the Caribbean, cooperation will be continued with the Caribbean Community (CARICOM) in disaster relief, drugs enforcement and in climate and energy issues.

As of about 2011, a comprehensive regional strategy will be implemented in South Eastern Europe/Western Balkans. Bilateral framework agreements are planned with all priority countries of the region.

Multilateral cooperation with the Pacific Islands in the energy sector has proved worthwhile and will be continued to achieve sustainable results in the planning period.

Thematic priorities

The thematic priorities will also be retained.

ADC thematic priorities

- Education and science
- Energy
- Governance, including peace and security, conflict prevention
- Rural development
- Private-sector development
- Water supply and sanitation

Energy issues are being addressed by ADC in bilateral and multilateral programmes in Africa, Central America, Himalayas-Hindu Kush and South Eastern Europe.

Via the Global Forum on Sustainable Energy (GFSE – www.gfse.at), ADC will also seek to enlarge its thematic leadership in global dialogue on energy for sustainable development. In cooperation with UNIDO and IIASA, it envisages holding the Vienna Energy Conference every two years, following the first conference in June 2009 (www.viennaenergyconference.org).

The chairmanship (jointly with Germany) of the EU-Africa Energy Partnership, one of the seven partnerships adopted at the Lisbon Summit in 2007, affords ADC the opportunity to coshape development-policy debate on energy in Africa and it also facilitates cooperation with private-sector actors in implementing strategy.

Austria has played an active part in founding a new international organisation for the promotion of renewable energy, the International Renewable Energy Agency (IRENA). At the meeting of the IRENA Preparatory Committee in Sharm el-Sheikh, it was decided to domicile the agency in Abu Dhabi, set up an innovation centre in Bonn and a liaison office for international organisations and UN Energy in Vienna. This decision enhances Vienna's role as an international hub for energy issues and allows ADC to step up work with partner countries in renewable energy in cooperation with Austrian technology suppliers.

Austrian Development Bank

The Austrian Development Bank (Oesterreichische Entwicklungsbank AG – OeEB) started business in 2008. Due to the financial crisis and its impacts on developing and transition countries, its activities have taken on special importance. To help offset the loss of private flows of finance, OeEB can provide support through finance facilities and also the resources of the Advisory Programme (technical assistance measures). This way, OeEB makes a contribution to crisis prevention and resolution. This is a new aspect of OeEB activities that contributes to strengthening and stabilising economic growth in developing and transition countries. At present, OeEB and FMF are looking into ways of enlarging the OeEB's set of financing instruments in the planning horizon of the present Three-Year Programme.

A short summary of the activities of OeEB since its foundation is appended in the Annex. Its sectoral alignment and geographical priorities as described in the Three-Year Programme for 2008–2010 remain unchanged.

Development information, education and communication

Austria will continue to actively pursue its task of informing the public about development policy and conveying a transparent picture of its contribution to reducing poverty in developing countries. Several Austrian ODA actors work together here, such as FMEAC, FMSR, FMEIA as well as ADA. These activities are also conducted in pursuance of the recommendations of the OECD/DAC Peer Review for soliciting greater public support for development cooperation. A wide-ranging scheme for ADC public relations is in preparation.

In their advocacy efforts, NGOs also help give developing countries a voice to express their concerns and communicate these more clearly to the population so as to enlist their active support for measures in development cooperation.

Development cooperation and gender

As in the past, the gender aspect will continue to be systematically mainstreamed as a cross cutting issue in all ADC activities during the planning period from 2009 to 2011. The specific role of women in post-conflict situations, the prevention of violence against women, including traditional practices, medical aid, support for building an enabling business environment at micro level as well as political participation number among the development and foreign policy measures for promoting gender equality and non-discrimination.

ADC will take active part in international efforts to further develop the regime of SC Resolution 1325.

Peace, security and development

Security and development are interdependent: Where there is no security, there can be no development and vice versa. Respect and support for human rights are key for sustainable peace and development. Peace and security is also a central issue in the EU-Africa Strategy. In keeping with international debate on new forms of peacebuilding and statebuilding and the prime goals of the Development Cooperation Act, ADC therefore places due emphasis on this sector. Development cooperation is also of great relevance for the national security in donor nations, because strategies for dealing with problems such as illegal migration or drug trafficking have no prospect of success if they fail to cater for promoting development in the countries of origin. Taking account of the political climate in the respective target regions, work is being done in close cooperation with FMNDS and other ODA actors on drafting a joint strategic guideline (see p.64 f).

Culture and development

International organisations and the EU advocate accounting for culture in all policy fields, including development cooperation. Culture and development is also accorded increasing attention and importance in ADC. The intention is also to contribute to strengthening cultural diversity and mutual understanding among societies.

Developmental commitments of the federal states

The Development Cooperation Act sets out the legal framework for development cooperation in Austria. It entrusts prime responsibility to central government, but federal states and municipalities and suitable NGOs are also called upon to contribute to achieving the goals of Austrian Development Cooperation.

Regulations on application and approval criteria differ in the individual federal states, but a certain relevance to the federal state is frequently a prerequisite for the receipt of assistance (see table).

The federal states exercise their developmental responsibility in a globalised world. In the various federal state or government resolutions on

- Climate Alliance
- Global Marshall Plan – Balance the world with an eco-social market economy
- Fair Trade
- Action against Child Labour

They underscore their commitment to the UN MDGs and also plan courses of action for their implementation.

With these initiatives totalling about EUR 18.8 million, the federal states make a contribution to a viable and more equitable future world order (global) and to the sustainable development of the respective state (local and regional) with global responsibility.

Federal state	Priorities	Priority countries and/or themes	Handling of applications
Tyrol	Development cooperation is funded in line with the guidelines decided on by the federal state government on the basis of open applications. Eligible for assistance are NGOs or private individuals carrying out projects with federal-state relevance.	No explicit priority countries are cited in the federal state government guidelines, but ODA recipients in the OECD/DAC list are specified as targets. In funding practice, precedence is given to projects in ADC priority countries. The priority themes are in keeping with general policy in modern development cooperation.	No firm deadlines are set for submitting applications. The approval criteria are set out in the funding guidelines. The decision on applications for assistance is made by the department in charge of development cooperation affairs in the federal state government office.
Vorarlberg	Priorities are set based on applications with federal-state relevance.	Instead of countries, priority is attached to themes, such as school education, medical care, water management and agricultural projects or job creation for women and youth.	No deadlines are set for submitting applications. The approval criteria are based on internal guidelines. Decisions are made at policy level.

Federal state	Priorities	Priority countries and/or themes	Handling of applications
Carinthia	Development cooperation is based on open applications. An important criterion for awarding public funds to NGOs is distinct federal-state relevance.	Due to a limited annual budget for development cooperation projects, Carinthia sets no special country or thematic priorities.	Application deadlines for development cooperation projects are 31 March and 31 October respectively. The development-policy advisory board advises the federal state of Carinthia. The final decision is taken at policy level.
Upper Austria	The criterion for aid to a development project is distinct federal-state relevance. Both organisations and individuals are eligible for funding.	No priority is attached to countries. Target regions are those identified in the OECD/DAC ODA Recipients List and by Austria. Themes are poverty reduction, promoting sustainable economic and social development and ensuring humane conditions of life, particularly drinking water supply, basic education, improving maternal health and implementing the MDGs.	The application form and the guidelines are available on the Internet. The approval criteria are cited in the guidelines. The responsible officer decides on funding up to EUR 20,000. For assistance above EUR 20,000, a government resolution is required.
Lower Austria	Priorities are set in accordance with the Development Cooperation Act.	The priority country is Ethiopia. Other areas of development cooperation: sub-equatorial Africa (e.g. Mozambique, Uganda, Malawi, ...) and certain other countries in Africa (e.g. Mali, Senegal, ...); also South Eastern European countries that are not (yet) members of the European Union (e.g. Macedonia, Albania). Priority themes are alternative energy, agriculture, health, education (non-European countries), waste management, decontamination, air-pollution control, national parks (South Eastern European countries).	Decisions are made in the individual case at policy or civil servant level (depending on contract value). There are no formal prerequisites or conditions and no formal decision-making body.

Federal state	Priorities	Priority countries and/or themes	Handling of applications
Vienna	Projects for funding are submitted in response to regular calls for proposals. Eligible to apply are legal entities, such as associations, foundations or development organisations domiciled in Vienna as defined in Section 3(2) of the Development Cooperation Act.	Defined as target countries/continents in the current call are MOEL, Africa and Asia.	The projects submitted are presented to the responsible district council committee and the Viennese District Council for approval at policy level.
Styria	The general contents of development cooperation are geared to Section 1 (2 to 4) of the Development Cooperation Act. The goals stipulated there are reflected in the funding guidelines for development projects and form the basis for assessing the eligibility for assistance of submitted project proposals by Styrian NGOs, associations or charitable organisations.	Assistance is given to development projects in line with the partnership principle, with no geographical priorities. Nor are additional thematic priorities set beyond the general goals in the funding guidelines to allow for support to diverse projects by Styrian NGOs, associations, etc. that attest to pronounced personal dedication and honorary activities. Beyond this, development education projects are also promoted and/or basic assistance granted for development education institutions.	Applications for funding can be made four times a year to the submission deadlines published on the website. After a formal preliminary appraisal and possible additional information, the contents of the project applications are discussed in the advisory board for development cooperation (24-member body of experts) and assessed in line with the funding guidelines of the federal state. The advisory board prepares proposals for assistance, which are then submitted to the federal state government for decision. After the decision has been taken, an aid agreement is concluded with the aid recipient.
Burgenland	A flexible approach is taken to activities in development cooperation.		
Salzburg	Funding is based on open applications. Projects eligible for aid are those that conform with the Development Cooperation Act in the broadest sense, address the eight MDGs in the narrower sense and are submitted, managed and monitored by a group or individual established in the federal state.	Priority countries are the regions San Vicente in El Salvador and Singida in Tanzania, for which 20 per cent of all assistance funds are earmarked in the federal state budget. Another 20 per cent is allocated for development education and information work in the federal state.	No deadlines are set. An advisory board appointed by the federal state government appraises and recommends project applications with the help of criteria and a detailed questionnaire generally accessible on the federal state website www.salzburg.gv.at/eza .

II. Coshaping EU external relations

Austria's financial contribution to Community development cooperation makes up one of the largest single items in its ODA. In 2008, it contributed EUR 203 million to development cooperation under the EU budget and the European Development Fund, that is, 17 per cent of total Austrian ODA. Austria's influence on raising the amount and quality of Community development cooperation is therefore of great importance.

Accounting for about sixty per cent of all of international official development assistance, the EU as a whole (Member States and Commission) is the largest donor bloc worldwide. Through joint activities and the implementation of the European Consensus on Development, the EU is able to consolidate and enlarge its pioneering policymaking role in poverty reduction and sustainable development. Austria endorses the concentration of EU development cooperation on the least developed countries and advocates placing a heavier focus on the Black Sea region as part of policy on Eastern and South Eastern Europe.

The EU positions or commitments at the major international conferences (Monterrey 2002, Johannesburg 2002, Paris 2005, Accra 2008, New York 2008 and Doha 2008) already indicate that its common development policy is already taking successful shape. This is embodied in the European Consensus on Development with its emphasis on the 3 Cs – coordination, complementarity and coherence.

II.1 Key challenges for EU Development Cooperation in the coming years

Support for developing countries in coping with the global financial and economic crisis

The developing countries did not cause the world financial and economic crisis, but they are suffering severely from its repercussions. Much of the progress made towards attaining the Millennium Development Goals has been reversed by the crisis. At different levels, the EU is therefore committed to helping developing countries to surmount the crisis.

In development cooperation, for example, a decision was taken to provide more support to the developing countries hardest hit by the crisis through a so-called Vulnerability Flex mechanism and by frontloading financial assistance, replenishing the EU-Africa Infrastructure Trust Fund (energy, water, transport as well as information and communication technology) and quickly adapting the individual country strategies to the new situation. Coordination at international and EU level is of special significance in all these measures.

In the EU, Austria will continue to advocate taking specific measures to support developing countries and accounting for both short-term needs and medium-term to long-term financial requirements. Far greater and more specific support will be needed in the next few years to help developing countries overcome the crisis and achieve the Millennium Development Goals.

Climate change

Global climate change is one of the greatest environmental challenges of our time. The developing countries are particularly affected by the impacts of climate change in various ways and have to be able to make timely adaptations to these. At the same time, they have to take prompt action to lay the foundation for sustainable development, which must also minimise greenhouse gas emissions for the sake of ecological sustainability.

This is why the EU pays great attention to supporting developing countries in their efforts against climate change and its impacts. General improvements will be made for integrating environmental concerns in development policy EU-wide by 2011, particularly in response to climate change. Austria will provide active support in these efforts.

As part of longer-term bilateral programme planning, Austria will also press in discussions with partner countries for making climate protection – adaptation measures and emission reduction in the energy sector – a new priority in individual country strategies and ensure that greater account is also taken of this in its own fields of activity.

Lisbon Reform Treaty

The prospective entry into force of the Lisbon Reform Treaty will have significant repercussions both in terms of content and organisation. Of particular importance in this connection is the appointment of a High Representative of the Union for external and security policy and the planned foundation of a European External Action Service (EAD), whose primary task will be to improve the coherence of all external measures in the EU.

ADC would prefer one directorate general for development aid in the EC, placing development cooperation agendas in one hand. It also endorses the amalgamation of external financial instruments, particularly of the European Development Fund and the instrument of development cooperation.

Harmonisation and division of labour for greater aid effectiveness

The implementation of the EU Code of Conduct on Complementarity and Division of Labour adopted in 2007 will pose a special challenge for the EC and the EU donor countries in the coming years. At the conference in Accra in 2008, the successor conference to the 2005 Paris Declaration on Aid Effectiveness, the EU was able to live up to its spearheading role in harmonisation. Of increasing importance in future will be cross-border complementarity so as to avoid the extremely disparate distribution of external aid (aid orphans).

When drafting strategies for priority countries and key regions, Austrian Development Cooperation will concentrate more on the specific implementation of harmonisation and division of labour. In the EU bodies, Austria will also press for a qualitative improvement in European development assistance and for raising the effectiveness and efficiency of European development aid. Of special importance here is placing more emphasis on management for results.

Development policy coherence

To ensure the coherence of all development activities or policies affecting developing countries, a rolling EU work programme provides among other things for regular reporting on coherent actions by the member states as well. At national and EU level, Austria argues for taking greater account of developmental aspects in all policy fields.

Africa priority

Africa is at the centre of European development policy. The implementation of the Joint EU-Africa Strategy and the Action Plan (2008–2010) will therefore exert a key influence on the direction of European development cooperation over the next few years. The Action Plan provides for eight thematic partnerships between the EU and Africa. Austria will be actively involved in the partnerships for peace and security and energy. The next EU-Africa summit scheduled for autumn 2010 will analyse the outcomes of these partnerships and define additional common aims.

Africa is also an ADC priority with particular importance attached to thematic concentration on energy (especially renewable energy and energy efficiency), water supply and sanitation as well as peace and security.

Economic Partnership Agreements

After expiry of a WTO exemption provision for the preferential treatment of commercial goods from the ACP states in the EU at the end of 2007, the Economic Partnership Agreements (EPAs) will ensure new WTO-compatible trade arrangements between ACP and EU countries. Up to mid-2009, a comprehensive EPA could only be concluded with the Caribbean region, interim agreements having been reached with individual ACP states or sub-regions. Negotiations continue on comprehensive EPAs.

Core elements for Austria in the negotiations are the development aspects. It therefore endorses the warranted demands for prolonged transition phases and the exclusion of sensitive products while accounting for WTO provisions, strengthening regional convergence processes and the inclusion of civil society.

II.2 Priority themes in the EU

In the next few years, Austria will be committed to the following themes in particular at EU level:

Energy

Austria has been actively involved in recent years in the EU Energy Initiative and pressed for a re-endowment of the Energy Facility under the 10th European Development Fund. Together with Germany, it took over chairmanship of the implementation team for the EU-Africa Energy Partnership launched in 2007.

In future, ADC will engage in particular in the activity fields of renewable energy, energy efficiency and capacity development. It will also campaign for progressively treating energy security, energy poverty and measures to mitigate climate change as interconnected challenges when applying the EU's set of external instruments.

Water supply and sanitation

The EU Water Initiative was brought into being in 2002 with the intention of initiating policy dialogue for enhancing aid effectiveness in the sector. Together with the United Kingdom, the Netherlands, France, Germany and Belgium, Austria has taken an active role. A tangible outcome of the Initiative has been the creation of the EU Water Facility to finance programmes in water supply and sanitation. Austria has pressed for a re-endowment of the EU Water Facility under the 10th European Development Fund. In future, ADC will provide particular support for setting up a policy forum and dialogue between the EU and AU via the partner institution, the African Ministerial Conference on Water (AMCOW). It will also continue to stress the fundamental importance of sanitation in future.

Gender

Accounting for gender aspects in all policy fields is a special concern of ADC, which it has repeatedly petitioned for at EU level in the past and will continue to do so in future. Over the last few years, Austria has placed particular emphasis on the issue of women in armed conflicts and peace processes and initiated a study which was commissioned by the Slovenian EU Presidency and published in April 2008. The conclusions of the study have already been taken into account in drafting various EU strategies. In future, Austria will continue to advocate the ongoing implementation of the recommendations of the study and argue in general for taking full account of gender aspects and concerns. ADC takes active part in the EC's Expert Group on Gender and supports the preparation and implementation of the Gender Action Plan.

Peace, security and development

Improved coordination and coherence between security and development policy is also gaining importance at EU level. Austria will seek to intervene here in particular with its Security and Development Initiative – The Impact of International Missions on Local Society (see chapter on peace, security and development). An important approach here is anchorage in the EU Action Plan for situations of fragility. A plan for sustainable cooperation with the African Union and individual regional organisations is in preparation.

Rural development

ADC continues to participate in the EC working group, Heads of Agriculture and Rural Development (HARDs), with active involvement above all in international strategy development for land issues, international agricultural research and rural extension services.

Food security

ADC will continue with efforts in this sector to address the issue of global food security by adjusting and reorganising strategies and instruments. Leading concerns here are the promotion of socially and ecologically sustainable production and implementing the right to food.

Decentralisation and local development

Under its strategic options and programmes, ADC will implement the European Charter on Development Cooperation in Support of Local Governance. Together with the EC, ADC will also take part in future in the informal Development Partners Group on Local Governance and Decentralisation, which also involves consultations on approaches, methods and instruments in line with the principles of the Paris Declaration.



III. Coshaping multilateral development policy and cooperation

Austria is firmly established in the multilateral development policy network, on the one hand via the UN domicile in Vienna and on the other through its active involvement in relevant committees of the UN and the directorates of the international financial institutions. For the first time, it is applying for a seat on the UN Human Rights Council for 2011–2014.

III.1 United Nations level

As far as its finances and personnel capacities allow and in line with the substantive contents of the EU development agenda, multilateral ADC concentrates its activities in the United Nations Development Group (UNDG) on the following areas or thematic clusters:

Reform of the UN Development Group

Reform has already begun and is expected to reach completion in the next few years. It is primarily aimed at raising the efficiency of individual organisations, avoiding duplication and stepping up cooperation in the field thereby implementing the principles of the Paris Declaration of 2005 and the Accra Action Plan of 2008 in multilateral development organisations. The following specific reform measures are underway:

■ Systemic coherence

Beginning as early as the mid-1990s, efforts have been made to remedy the fragmentation of UN operational activities to make the work of the UN system more coherent. The reform of the gender architecture has made most progress and is nearing adoption. The UN units, DAW, OSAGI, UNIFEM and INSTRAW will be amalgamated under one Deputy Secretariat General, which will deal with women's rights issues. Austria has actively promoted this reform and will be monitoring its implementation particularly closely.

■ Delivering as One

The Delivering as One pilot initiative, which emerged from the Policy Coherence Initiative, aims at increased coherence and efficiency in the operations of the organisations of UNDG by establishing joint offices. It will identify ways to enable the UN to act in a more concerted way at national level and speak with a single voice (to deliver as one). In eight pilot countries under the leadership of the respective UNDP resident representative, the activities of UNDG organisations have been carried out in line with the so-called Four Ones (one programme, one budget, one leader, one office). The experience gained has been largely encouraging and these

pilot projects will now be extended to other (voluntary) partner countries. Multilateral ADC has provided financial and personnel support for these projects in two pilot countries (Cape Verde, Albania) and will continue to make special efforts in future towards more coherent and efficient cooperation among UNDG organisations. The reform also seeks to improve cooperation between UN agencies and governments in partner countries.

■ **Reform of ECOSOC/DCF**

The mandate of the Development Cooperation Forum (DCF) founded in 2007 by the UN Economic and Social Council (ECOSOC) comprises the implementation of the internationally agreed development goals and dialogue on effective modes of support. Topics such as effectiveness and coherence are discussed, along with policy documents and recommendations for improving international development cooperation. In preparation for the biennial forum meeting which first took place in 2008, a high-profile conference will be held in Vienna in November 2009 as an input for DCF 2010.

■ **UN relations with the international financial institutions**

In the course of discussions on the impacts of the global economic and financial crisis in the various multilateral platforms, the question of relations between the UN and IFIs and/or the role of the various institutions was repeatedly raised. Multilateral ADC will work towards ensuring harmonious collaboration among these organisations.

Follow-up International Conference on Financing for Development (Doha, December 2008) on the world economic and financial crisis

In the course of the recent economic and financial crisis, the question of financing development cooperation or the search for additional alternative sources of finance has taken on particular urgency. Austria has actively advocated taking account of gender budgeting and introducing a financial transaction tax on the basis of government programmes and will continue to emphasise these priorities in future as well.

Concerns of the least developed countries (LDCs)

In keeping with the poverty focus of ADC, the concerns and/or the development of the least developed countries is a central issue in its multilateral commitments. Special account is taken of this priority in both substantive and financial terms (through the suitable administration of voluntary multilateral funds). In this connection, multilateral ADC will also concentrate on the preparations for the Fourth UN Conference for the Least Developed Countries (UN-LDC IV) in 2011.

Unfortunately, progress in implementing the eight MDGs by 2015 has been unsatisfactory. Their successful implementation is, however, a prime concern of multilateral ADC, with special attention paid to MDG 1 (poverty reduction), MDGs 3-5 (women and children) and MDG 6 (combating HIV/AIDS, malaria and other diseases) with a view to the HIV/AIDS Conference in 2010 in Vienna, which will be organised by the International AIDS Society, the Austrian Federal Government, the city of Vienna and other international partners. Multilateral ADC expects the upcoming MDG Review Summit in September 2010 to provide strong impetus for the attainment of all MDGs and will step up efforts in this direction.

Multilateral ADC supports the activity of the UNDG organisations and the developmental work of the EU with financial contributions for the UN Junior Professional Officer Programme, for the UN Volunteers Programme and for junior experts in European Commission delegations.

Women and development

Strengthening the role of women in development and efforts to stem violence against women make up a long-term priority of Austrian foreign policy and ADC, with special attention paid to the implementation of SC Resolutions 1325 and 1820 as part of Austria's membership in the UN Security Council. Austria attaches great importance to the activities of organisations that contribute to the protection of children in armed conflicts, the improvement of social and economic conditions in conflict and post-conflict countries as well as safeguarding peace and human security in general. Multilateral ADC will therefore continue to support the work of UNICEF, UNIFEM, UNDP, UNFPA and UNCDF and their programmes or thematic funds that promote gender equality and women's empowerment, while accounting for poverty reduction and sustainable social and economic development, particularly in the LDCs. It is also looking to step up cooperation with OHCHR.

UNIDO

As the host country to UNIDO, Austria provides special support for the work of this organisation in sustainable poverty reduction through productive activities and strengthening trade and economic capacities, particularly in Sub-Saharan Africa. Austria also actively supports its activities in environment and energy, especially as the Director General of UNIDO, Kandeh Yumkella, chairs the UN Energy Coordination Group as of the beginning of 2008.

UNCDF

The United Nations Capital Development Fund concentrates on two special themes in LDCs, microfinance and local development, with a focus on women. UNCDF is therefore particularly closely aligned with the priorities of ADC. For this reason and thanks to the use of UNDP infrastructure in the field, funds are allocated in the most efficient way. Austria will therefore step up its cooperation with the Fund.

Support for the UN Office for Outer space Affairs (OOSA)

As host state to OOSA, Austria supports the work of the organisation in building technical, legal and scientific capacities and in the use of space-based applications for sustainable development. This is done especially in the Space Application Programme and the OOSA United Nations Platform for Space-based Information for Disaster Management and Emergency Response (UN SPIDER). Support is also given to the operations of the Legal Subcommittee of the Committee on the Peaceful Uses of Outer Space (COPUOS) in analysis and information exchange in national space legislation. This contributes to implementing the international legal obligations under the United Nations Outer Space Treaty (on principles governing the activities of states in the exploration and use of outer space, including the moon and other celestial bodies). FMTIT contributes to this programme through expert assignments.

Implementation of OECD/DAC recommendations

Among other things, the OECD/DAC Peer Review 2009 recommends that FMEIA also frame a strategy for multilateral cooperation. In a first step, multilateral ADC will pay closer attention to the evaluation of multilateral development organisations in the Multilateral Organisations Performance Assessment Network (MOPAN).

Collaboration in OECD's DAC also entails in particular coshaping DAC policymaking in the International Network on Conflict and Fragility (see Chapter V.1). Austria also supports the OECD Development Centre as part of multilateral ADC.

Austria's membership of FAO: strategy for 2009–2011

At present, the UN Food and Agriculture Organisation (FAO) is undergoing a process of reform in which Austria is actively involved as a long-standing member. As the supreme body, the FAO Conference adopted the so-called Immediate Plan of Action (IPA) in November 2008. IPA will be implemented in the planning period 2009–2011. As a member, Austria has to make an annual contribution amounting in 2009 to approx. US\$ 1.93 million and EUR 1.65 million (membership fees have to be paid in dollars and euros). Additional contributions to coping with the food and financial crisis will be made by a high-level FAO summit of heads of state and government. Together with FMEIA, the Ecosocial Forum and FIAN, FMAFEWM helps to raise Austrian public awareness on this issue every year on 16 October, World Food Day (in 2009, for example, by inviting the UN Special Representative for the Right to Food in addition to FAO experts).

In response to the exorbitant rise in food prices in large parts of the world, FAO launched the Initiative Soaring Food Price (ISFP) in 2007. In answer to this appeal, Austria provided the FAO with EUR 2 million for projects in Ethiopia, Armenia, Kyrgyzstan and Ukraine at the beginning of 2009 and WFP with EUR 790,000 for projects in Chad and Ghana.

Contribution to the International Food Aid Convention and WFP

As part of its commitments under the International Food Aid Convention of 1999, Austria makes an annual contribution of approx. EUR 1.5 million. With these funds, FMAFEWM subsidises selected projects of various organisations (e.g. FAO, WFP, ADA) in priority countries co-identified with FMEIA (e.g. Gaza, Myanmar, Madagascar). Austria also makes additional contributions to projects by WFP within its budget scope.

III.2 International financial institutions

The Federal Ministry of Finance recently published its Strategic Guide for International Financial Institutions, which applies until at least the end of 2011. This is a revision of the Guideline first published in 2005 and sets out the framework for promoting special activities and substantive interventions by Austria in IFIs. It is also an instrument for Austria-wide coherence and international transparency. Besides regular finance (primarily the periodical replenishment of funds for awarding concessionary loans), cooperation with IFIs also involves substantive issues that require additional finance. As part of its IFI programming, FMF seeks to concentrate cooperation with IFIs on certain core sectors to enhance synergies, effectiveness and visibility. These are:

- Renewable energy and energy efficiency
- Water and sanitation
- Trade for development

This set of priorities underlines the close complementary, substantive cooperation between FMF and ADC. As a member country, Austria also bears co-responsibility for the activities and policies of IFIs and intervenes at this level in discussion and reform processes.

New challenges facing IFIs

Besides the more medium-term challenges IFIs have been facing for some time now (dealing with new donors, support for scaling up ODA funds, global and regional public goods, shift towards knowledge banks), other short-term tasks have moved to the fore due to the crisis. Concentration on poverty reduction, safeguarding economic progress to date (especially in middle-income countries) and the reform of governance in IFIs themselves now pose the most urgent challenges.

Particularly in times of crisis, the key concern of reducing poverty and safeguarding economic development calls for rapid and determined counteraction by IFIs, which are obliged to take active anticyclical measures. Not only the direct economic impacts of the recession, but also the decline in ODA contributions by many countries and in particular the slump in trade and loss of private flows of capital (remittances by migrants; FDI) have resulted in a dramatic rise in capital requirements for developing and transition countries. The main countercyclical measures IFIs can take are therefore to meet this demand for credit and support endangered countries with financial rescue packages. IFIs have the advantage here of continuing to provide capital on the most favourable terms and conditions in times of crisis but, unlike many bilateral donors, they can also increase their funding by a multiple at short notice and for a limited period and hence finance investments, secure jobs, stimulate demand in local economies and provide the poor with better social security. Where IFIs run projects and programmes via pay-in funds (e.g. IDA or AfDF), they can frontload loans and subsidies more easily and make these available for very rapid and flexible use. IFIs did this during the food crisis and adapted their approaches to raise food security by improving agricultural productivity. Frontloading can, however, also entail early replenishments.

Due to increased lending as compared with the years before the crisis, IFIs exert much more influence on global developmental practice again and the IMF and World Bank in particular thus play central roles in the needed realignment of global development policy. These institutions function as global think tanks and must learn and apply the lessons from the recent world economic crisis. IFIs were able to make a very rapid analysis of the effects of the world financial and economic crisis on developing countries and devise appropriate countervailing instruments. They should now point out ways to facilitate a shift from a growth model based on global imbalances to an economically, socially and ecologically more viable development regime. Whether they can do this and play a similar innovative role in development policy to the World Bank under McNamara and Wolfensohn remains to be seen.

Capital increases and governance reform

This larger financial stake will be attended by a major increase in the influence exerted by IFIs, but will also bring them to the limits of their financial resources sooner or later. International flows of private capital cannot be expected to return to their pre-crisis level for a long time, either, leaving considerable gaps in finance. Decisions have already been taken or are in negotiation to increase capital and take other measures for strengthening the capital base in all multilateral development banks. These will guarantee that IFIs can continue to discharge their development mandate after the crisis and provide finance in the long term slightly above the pre-crisis level. IMF was already promised a replenishment of its funds by up to US\$ 750 billion in April 2009. In pursuance of the IMF mandate, these will mainly be used to meet the need for short-term finance to cope with the crisis. At the same time, however, the general development mandate of IMF has also been strengthened.

Parallel to this, the global crisis has contributed to giving a fresh impetus to the reform of IFIs in the course of the G 20 process. Decisions have already been made on a quota adjustment in IMF and strengthening the position of the poorest countries in the World Bank (enlarged basic voting rights, additional seat for Sub-Saharan Africa in the Directorate). Current efforts aim to grant developing and transition countries more quotas and/or capital shares and voting rights in the Bretton Woods institutions in keeping with their larger world-economic role. A decision here is expected by April 2010.

Further reforms entail enhancing transparency, improving customer relations through decentralising country operations, integrating the various IFIs and harnessing synergies, stepping up dialogue and cooperation with civil societies, diversifying personnel and making basic changes to the two top positions in the institutions. Evaluation mechanisms will also be strengthened throughout.

Role of Austria

Austria generally supports the intent behind these reforms, while paying special attention to the economically weaker and smaller countries, which are in danger of further marginalisation. The positions of the major developing countries take hardly any account of the needs of poor and small countries, particularly in Africa, and the crisis-torn nations of Eastern Europe.

Austria will also share the costs of capital increases. In development banks where this has not yet been decided, it generally advocates increasing capital to ensure the long-term financial stability and operational effectiveness of these institutions. Lowering the quality or substantially raising the costs of lending for borrower countries must be avoided in the crisis.

With the Vienna Initiative, Austria has shown that it performs an important function as a link among the private sector, IFIs and the countries of Central and Eastern Europe for economic stability and cooperation in the region. These kinds of efforts will remain a major concern of FMF in future, also with a view to safeguarding the long-term benefits of investments already made in the economic development of these countries. In the course of the decentralisation of individual units of the World Bank Group (REPARIS, FIAS), Austria has also proved to be a reliable partner and ideal location for the establishment of international organisations.

IV. Priorities of bilateral programming

Depending on the availability of the requisite resources, strategies for the individual priority countries and key regions are scheduled for completion by 2011/12. In 2009, major progress was made in drafting strategies for Mozambique, Uganda, Bhutan, Bosnia and Herzegovina, Serbia and Albania. Strategy documents have been prepared up to 2013 for Burkina Faso (key elements), Ethiopia and Central America and regional strategies have been updated.

More than to date, the focus in framing country and regional strategies will generally be placed on impacts and results in keeping with the priorities stipulated under law. This is also manifest for the first time in the ODA matrix on priority countries/key regions, which reflects the special profile, the comparative advantage and the developmental interests of ADC. Details for impacts and results needed for operationalisation (such as baselines and benchmarks, etc.) are cited in the respective regional/country strategies.

In keeping with developments in the donor community and in line with the priorities set by partner countries, Austria will retain a mix of various modalities during the planning period.

Due to the closures of four coordination offices between 2009 and 2010 as decided in 2009, priority will be attached to developing exit/reallocation strategies (to other development cooperation instruments and frameworks) in these countries. Roadmaps and action plans for these will be agreed with government leaders in the respective countries. These new directives are also relevant for the development of regional strategies.

Regional cooperation

AFRICA

The thematic focus of cooperation with the AU and RECs will be continued with its consistent continental and regional emphasis on the themes, MDGs, energy and peace and security with due respect for human rights. Under the EU-Africa Partnership, Austria (with Germany) chairs the Energy Partnership. A central concern of Austria's here is to strengthen regional institutions to promote frameworks and activities for the development of renewable energies and energy justice.

Multi-year MoUs have been signed with SADC in the priority areas of infrastructure, rule of law and decentralisation (2008) and with ECOWAS in conflict prevention (2006) and renewable energy (2009).

Contingent on progress in implementing the agreement between the parties in Zimbabwe, consideration will be given as part of **cooperation with SADC** to how far the special issue of food security can be addressed better in future at regional level based on this country case (formerly the prime maize exporter in Africa).

In response to the current situation in the **ECOWAS region**, Austria will concentrate in peace and security on post-conflict reconstruction as well as combating organised crime in the Sahel region with selective small contributions in Sierra Leone and Mali.

In the third key region, **East Africa**, the weakness of regional institutions continues to impede efforts to devise a regional strategy, although there are many other reasons for developing this instrument (such as financial priority, historical tradition, the Austrian profile and the intensity of cooperative relations in qualitative terms).

HIMALAYAS-HINDU KUSH

ADC supports common concerns in the regions and will concentrate in future on two of the great challenges in the Himalayas-Hindu Kush: climate/energy and environment. Cooperation is carried out via the relevant regional institutions. In particular, the fruitful collaboration with the International Centre for Integrated Mountain Development (ICIMOD) will be continued. Except for Bhutan, ADC will not enter into any bilateral cooperation with individual countries in the region. Nevertheless, programme projects will be implemented in ICIMOD member countries (e.g. Nepal, Afghanistan) via ICIMOD. Cooperation with multilateral institutions (UNDP, UNFPA) in the region will be stepped up and support given to the operations of regional NGOs. A regional ADC strategy will be prepared in 2010.

CENTRAL AMERICA

In the planning period, ADC will implement the first regional strategy (2008–2013) for institutional support and strengthening of SICA in strategic areas (see ODA matrix).

The regional ADC strategy for 2008–2013 aims at reducing poverty and inequality. Support will be given to the participation of as many actors as possible in economic, social and political life. For this purpose, ADC promotes and advises regional organisations in raising their developmental effectiveness. It will address three areas: strengthening regional supply chains to raise national income, promoting organic farming to enable outreach to rural, marginalised areas and facilitating access to and finance for affordable, ecologically compatible energy through cooperation between the public and private sector, also in rural areas, to give an impetus to sustainable economies.

SOUTH EASTERN EUROPE/WESTERN BALKANS

Historically and in foreign, security and economic policy terms, South Eastern Europe/Western Balkans is of special importance for Austria. To improve the institutionalisation of ADC, bilateral framework agreements will be concluded with all priority countries.

ADC IN THE DANUBE AND BLACK SEA REGION

ADC sees great potential for bilateral and multilateral projects and programmes in the Black Sea region. It will complement classical bilateral technical assistance in this region, which is presently largely confined to Moldova, through mobilising more resources via business partnerships, (EU) cofinance, twinnings, the implementation of ENPI and IPA funds, IFI and UN initiatives etc. As part of the continued Internationalisation Offensive (IO) 2009, FMEFY is also engaged in the International Regional Strategy, whose first pilot measure encompasses the Black Sea region.

The potential for implementing business partnerships via OeEB, which was first founded in the previous year, is still in the process of development. Austria has already been very successful with twinnings in some partner countries, but there is still a backlog in others. ADC participation in EC programmes is also at an early stage. Indirect Centralised Management (ICM) affords great opportunities here. ADA was certified by the EC in 2008 as one of the first European development cooperation agencies for implementing these kinds of EU project.

The foundation for the ADC connection of the Danube and Black Sea regions has already been laid by previous programmes in the Western Balkans key region, in Moldova and (on still a limited scale) in South Caucasus as well as through transregional initiatives, such as the Balkan Case Challenge (case-study contest and jobs fair for students from South Eastern Europe), EcoNet (networking practice enterprises in South Eastern Europe), building police capacities for combating human trafficking or support for development NGO platforms in the countries of the regional partnership.

The aim now is to build on this promising foundation, where bilateral development assistance funds made available due to the EU accession of certain partner countries can act as catalyst. The plan is to allocate these funds largely in South Caucasus and also to open at least one coordination office in the long term.

ODA matrix

The ODA matrix depicts priorities for ADC (programmable ODA). For the first time, it specifies anticipated results for programmes (Column 3) financed via ADA, cites programmes of other Austrian development actors, such as ministries, OeEB, universities and technical colleges, NGOs etc., as well as relevant Austrian engagements with multilateral partners (Column 5). This column therefore also contains complementary activities to the guidelines for ADA.

Region/Country/ Operational area	Programme priority/ Fields of activity	Results	Implementation 2008–2010		Other ODA actors and major partners of ADC
			Specific measures, instruments, institutions	Programme document	

DEVELOPMENT COOPERATION SOUTH AND EAST

Central America key region	Support for Central American convergence process	Improvement of regional consultative process	Cooperating with SICA and its sectoral agencies as well as with regional NGOs (CENPROMYPE, CAC, OLADE, etc.) Promoting the harmonisation process (AAA)	ADC regional strategy 2009–2013	NGOs
	Enabling framework for the participation of small business and farming enterprises in the regional convergence process	<ul style="list-style-type: none"> - Enhanced competitiveness - Closer integration of small producers in inter/national markets - Economic policy advice to national governments in organic farming - Improved framework for forms of renewable energy (above all in rural areas) 	<ul style="list-style-type: none"> Promoting production chains, access to markets and sustainable technologies Cooperating with CENPROMYPE, RUTA, SICA-CCAD Multi-donor partnership and Indirect Centralised Management (EC) 		<ul style="list-style-type: none"> Business partnerships Cooperation with Finland EC FAO Trade Office/WKO OeEB (Trust Fund at CABEL) FMF (IDB trust fund in the water sector, all of Latin America; IIC trust fund)
	Strengthening marginalised sections of the population in claiming their social and human rights	<ul style="list-style-type: none"> - Better capacities for ensuring greater legal certainty 	Promoting projects by civil society for capacity building		<ul style="list-style-type: none"> FAO NGO cofinancing EC

Region/Country/ Operational area	Programme priority/ Fields of activity	Results	Implementation 2008–2010		Other ODA actors and major partners of ADC
			Specific measures, instruments, institutions	Programme document	
Nicaragua priority country	Promotion of micro, small and medium-sized enterprises (supply chains)	<ul style="list-style-type: none"> - Improved competitiveness - Income generation - Formalised informal sector 	Promoting supply chains Providing business development services Introducing energy-efficient production methods		FMSR (science and research cooperation) Business partnerships UNIDO, IDB, EC, WB
	Health	<ul style="list-style-type: none"> - Broad access to public health care services - Greater local capacities - Heightened HIV/AIDS awareness and improved public welfare services 	Sectoral budget support for health Regional development RAAN Education/Capacity development National and departmental HIV/AIDS commissions Third-country cooperation and networks		UN (JPO) WHO NGOs
Palestinian Territories priority	Peace in the Middle East, two-state solution		Statebuilding measures, both for West Jordan and Gaza, strengthening personnel and institutional capacities (Palestinian sectoral ministries, NGOs, PNA)	ADC country strategy 2009–2013*	NGO cofinancing
	Water supply	<ul style="list-style-type: none"> - Access to clean water: 1. Institutional framework for the agricultural use of treated water in Gaza; 2. Large-scale investments in rural treatments plants in the West Bank 	<ul style="list-style-type: none"> - Sewage treatment and reuse, strengthening local and regional water management, co-chairing the Washcluster sectoral sub-group 		EC UNDP WB

* Document in preparation

Region/Country/ Operational area	Programme priority/ Fields of activity	Results	Implementation 2008–2010		Other ODA actors and major partners of ADC
			Specific measures, instruments, institutions	Programme document	
Palestinian Territories priority	Health services	- Access to health services, prevention awareness	- Chronic Disease Centre, National Centre for Non-communicable Diseases; donor coordination in the NCD sectoral sub-working group (co-chair); coordination with Flagship (USAID) - Contribution to the EC financing instrument PEGASE to support single mothers - Implementation of the Austrian Action Plan with the focus on women (SC Resolution 1325), capacity building - Support for NGOs	MoU with Ministry of Health	UNRWA
	Humanitarian aid Mainstreaming gender, conflict sensitivity and capacity building	- Satisfaction of basic needs	EUPOP COPPS		FMI: readiness to second two senior sergeants to the European Union Border Assistance Mission Rafah – EUBAM – as soon as the border crossing is opened
Himalayas- Hindu Kush key region	Strengthening institutional capacities at regional level, i.a. via applied research in renewable energies, climate and environment Mountain ecology	- Improved ability to respond to environmental and climatic events - Dissemination of renewable energies	Cooperation partners: ICIMOD, UNDP (GLOF) AIT (phase-out: consolidation of personnel decisions)	ADC regional strategy for Himalayas-Hindu Kush 2009–2013*	FMSR (science and research cooperation) NGO cofinance FMNDS (UNMIN election monitoring)

* Document in preparation

Region/Country/ Operational area	Programme priority/ Fields of activity	Results	Implementation 2008–2010		Other ODA actors and major partners of ADC
			Specific measures, instruments, institutions	Programme document	
Bhutan priority country	Contribution to implementing the 10th five-year plan in Bhutan:		Bilateral consulta- tions, multi-year work programme as of 2009 Round table (biennial)	ADC country strategy 2009–2013 10th Five-Year Plan	
	Energy	- Improved access to modern forms of energy also in remote areas	Rural electrification, promotion of in- stitutional and personnel capacities in hydropower station construction and operation		FMF Trade Office/WKO Business partnerships
	Tourism	- Quality training in the tourism sector	- Erection of and didactic guidance for the Hotel and Tourism Manage- ment Training Institute (HTMTI)		UN (JPO)
	Governance: decentralisation	Income generation for rural munic- ipalities: - Improved capacities of local administration for promoting democracy - Improved capacities in the judicial system	Promotion of institutional and personnel capacities in local governments and in the judicial system Erection of two district courts and a judicial academy Pooled funding		
Africa overall	Infrastructure - Water supply and sanitation - Energy	- Improved access to reliable and affordable energy and water services	Cooperating with regional organisations and programmes Participating in EU initiatives	Austrian Africa Strategy as complement to EU-Africa Strategy	FMF: - Water supply (WB JPO) - Private-sector development (WB, trust fund)

Region/Country/ Operational area	Programme priority/ Fields of activity	Results	Implementation 2008–2010		Other ODA actors and major partners of ADC
			Specific measures, instruments, institutions	Programme document	
Africa overall	Governance and conflict prevention	<ul style="list-style-type: none"> - Improved capacities for monitoring and influencing poverty reduction and/or national development strategies - Improved capacities in civilian crisis management 	<p>Cooperating with the African Water Facility of AfDB, EU/EIB Trust Fund, the Private Infrastructure Development Group and the Water and Sanitation Programme of WB</p> <p>Support for parliaments and civil society/media</p>		<p>OeEB (Grassroots Business Fund, Shorecap Exchange – SME promotion)</p> <p>FMNDS (MINURCAT, MINURSO, EUSEC DRC; training in SSR and peacebuilding at ASPR)</p> <p>FMSR (science and research cooperation, CAAST-Net)</p> <p>Federal State Government of Vienna</p> <p>FMEAC (strengthening capacities in foreign language learning and early literacy)</p>
West Africa key region	<p>Conflict prevention</p> <p>Energy</p> <p>Local development schemes and regional convergence</p>	<p>Regional peacekeeping</p> <p>Improved access to reliable, modern and affordable energy services and increased use of renewable energies</p>	<p>Cooperating with regional institutions (ECOWAS, Sahel and West Africa Club/OECD, ENDA, etc.)</p> <p>Cofinancing with other donors (especially UN)</p>	ADC regional strategy 2009–2013	<p>NGO cofinancing</p> <p>FMNDS (Sierra Leone, SALW)</p> <p>Business partnerships</p>

Region/Country/ Operational area	Programme priority/ Fields of activity	Results	Implementation 2008–2010		Other ODA actors and major partners of ADC
			Specific measures, instruments, institutions	Programme document	
Senegal partner country	Rural regional development	Poverty reduction and improved conditions of life for the rural population through sustainable development of agriculture, livestock farming and skilled crafts	Consolidation of ongoing projects	Feuille de route for phase-out	Microloans (OeKB) Federal State Government of Lower Austria
Cape Verde priority country	Integrated resource management Decentralisation, municipal coopera- tion and regional development on Santiago Island	Sustainable use of natural resources complying with environmental policy standards Ability of munic- ipalities to meet the requirements of modern decentralis- ed administration and abide by the principles of good governance	Strategic partnership with EU Sectoral budget support for environment Consolidation of ongoing projects	Feuille de route for phase-out	Town twinnings Cultural exchange
Burkina Faso priority country	Sustainable rural development Skilled crafts, micro and small business promotion Technical and vocational education and training	Improved quality of life for rural population Sustainable improvement in the framework for agricultural production and small entrepreneurs Availability of national educational facilities to meet economic and social educational needs	Bilateral consultations Cooperating with national actors at central and local/ regional level and with NGOs Setting up/Support- ing local, regional and national devel- opment funds in all three sectors Strengthening the Regional Council and municipalities for planning and imple- menting regional development in the Boucle de Mouhoun key region	Bilateral cooperation agreement (PIC) 2008–2013	FMF – IITA (CGIAR) in cooperation with national university institute: plant pest control Microloans (OeKB) NGO cofinancing Humanitarian aid when required

Region/Country/ Operational area	Programme priority/ Fields of activity	Results	Implementation 2008–2010		Other ODA actors and major partners of ADC
			Specific measures, instruments, institutions	Programme document	
Uganda priority country	Water supply and sanitation	<ul style="list-style-type: none"> - Improved access to water supply and sanitation for the small-town rural population - Sustainable water supply and sanitation through strengthened institutions, private-sector participation and training in the water sector 	<ul style="list-style-type: none"> Engaging in bilateral programme dialogue Conducting dialogue and measures with a division of labour in the donor community Programme and sectoral budget support in cooperation with several donors Capacity development, scientific cooperation Complementary single projects with non-governmental actors (initiatives by local partners, calls for proposals, etc.) Geographical priority on North Uganda 	ADC country strategy 2009–2013	<ul style="list-style-type: none"> NGO cofinancing Humanitarian aid when required Measures in economic cooperation (private sector and development, etc., especially business partnerships) FMF: <ul style="list-style-type: none"> - Biodiversity in cooperation with national research institutes, Makerere University: maximising yield in banana cropping - ICRISAT in cooperation with national research centres, private sector: value added through sesame cropping - CIAT in cooperation with national agricultural research and advisory institutes; ecologically sustainable production Federal State Government of Lower Austria
	Governance (rule of law, justice and public order)	<ul style="list-style-type: none"> - Institutions of law and order and transitional legal mechanisms in post-conflict regions strengthened - Access to justice assured, particularly for poor and marginalised sections of the population - Human rights approach established in law and order institutions, particularly for the rights of women, children and youth 			

Region/Country/ Operational area	Programme priority/ Fields of activity	Results	Implementation 2008–2010		Other ODA actors and major partners of ADC
			Specific measures, instruments, institutions	Programme document	
Ethiopia priority country	Geographical priority: North Gondar Zone - Reduction of rural poverty through food security and sustainable resource management	Income-generating measures improved Natural resource management practices upgraded Institutional capacities strength- ened and gender equality promoted Capacity of SRHB to provide technical and administrative support consoli- dated and promoted	Bilateral programme dialogue Cooperating with regional states and districts Programme and project assistance Capacity development and scientific cooperation	ADC country strategy 2009–2012 Bilateral cooperation agreement 2008–2012	NGO cofinancing Humanitarian aid Mine Action Programme (via ICRC Special Fund for the Disabled) Business partnerships FMF: - CIFOR in coop- eration with local research centres: sustainable resource manage- ment (forest use) - ICARDA in coope- ration with nation- al ministries and local research centres: sustain- able water management - ICARDA/ILRI in cooperation with national and local research centres: improving sheep breeding
	Geographical priority: Somali Region - Health: improving public health services and conditions of life for the rural population	Capacity of the beneficiary districts (woredas) to deliver good basic health services strength- ened Health services promoted for pastoralists Gender equality in the health sector improved			UNCDF (decentrali- sation and local development)
	Complementary field of activity: - Governance (human rights, measures against traditional violence against women) - Energy (renewable energy and rural electrification; North Gondar)	Electric power supply to small towns and villages improved			FMAFEWM: Climate protection 2010: capacity building REDD – measures for reducing tropical deforestation FMSR (MoU in the higher education sector) FMNDS (SALW) Federal State Government of Lower Austria

Region/Country/ Operational area	Programme priority/ Fields of activity	Results	Implementation 2008–2010		Other ODA actors and major partners of ADC
			Specific measures, instruments, institutions	Programme document	
Southern Africa key region	<p>Infrastructure: energy, transport</p> <p>Governance: - Rule of law and human rights - Decentralisation - Land issues</p> <p>Peacekeeping and conflict prevention</p>	<p>- Improved access to affordable energy and transport services for under- privileged rural and urban population</p> <p>- Strengthening rule of law as a prerequisite for human security and poverty reduction</p>	<p>Projects and programmes with regional scope (Mozambique, Zimbabwe, Republic of South Africa, Namibia)</p> <p>Cooperating with SADC and SADC partners</p> <p>Strengthening management capacities in the SADC Secretariat and SADC partner institutions</p>	MoU with SADC 2008–2010	<p>NGO cofinancing</p> <p>Business partnerships</p> <p>Humanitarian aid when required</p>
Mozambique priority country	<p>Geographical priority: Sofala Province</p> <p>Decentralisation with thematic focus on water and sanitation, agri- cultural production and local basic infrastructure</p>	Improved public service delivery as a contribution to poverty reduction in Sofala Province	<p>Bilateral programme dialogue</p> <p>General budget support</p> <p>Sectoral budget support for agriculture (PROAGRI)</p>	ADC country strategy 2009–2013*	<p>FMF: - Diverse coopera- tion of CIAT with national agricultu- ral research and advisory institutes</p> <p>NGO cofinancing</p> <p>Humanitarian aid when required</p> <p>Mine Action Programme</p> <p>Business partnerships</p> <p>FMNDS (SALW)</p> <p>Federal State Government of Lower Austria</p>
South Eastern Europe/ Western Balkans key region	Education and science	<p>- Sections of the population better qualified</p> <p>- Increased cooperation among educational institutions in the Western Balkans</p>	Regional education initiatives, e.g., Balkan Case Challenge	Strategy paper for South Eastern Europe 2009–2015 (in preparation)	<p>FMEAC: - Promotion of EU convergence process (Wider European Area of Education)</p>

* Document in preparation

Region/Country/ Operational area	Programme priority/ Fields of activity	Results	Implementation 2008–2010		Other ODA actors and major partners of ADC
			Specific measures, instruments, institutions	Programme document	
<p>South Eastern Europe/ Western Balkans key region</p>	<p>Private sector and development: focus on employment</p> <p>Environment: water supply/ sanitation, renewable/ alternative energy</p>	<p>- Lower unemploy- ment figures - Reduced brain drain</p> <p>- Higher number of people with access to healthy drinking water</p>	<p>Dialogue and cooperation with Investment Compact</p>		<p>FMEAC: - Systemic reforms, strengthening insti- tutional and per- sonnel capacities (general and voca- tional education) - Regional networks (RCC, TF Building Human Capital, ERI SEE) - Poverty-reducing educational meas- ures for strengthening social cohesion and democratic values</p> <p>FMSR (bilateral regional and European higher education and re- search cooperation)</p> <p>FMEFY (ETC South East Europe Pro- gramme: support for Austrian project part- ners in economics, technology, innova- tion and renewable energies)</p> <p>OeEB (C Tranche and Development Facility of the European Fund for Southeast Europe – EFSE)</p> <p>OeKB</p> <p>FMAFEWM</p> <p>FMF: - WB: capacity building for climate friendly energy policy - Cofinance for IFC Solid Waste Management Programme - Cofinance for FIAS Investment Genera- tion Programme (Vienna Office)</p>

Region/Country/ Operational area	Programme priority/ Fields of activity	Results	Implementation 2008–2010		Other ODA actors and major partners of ADC
			Specific measures, instruments, institutions	Programme document	
Bosnia and Herzegovina priority country	Education: vocational training and higher education	Improved placement and employability through reformed and modernised educational system	Modernising vocational schools and university cooperation	ADC country strategy 2009–2014 Bilateral framework agreement under negotiation	FMEAC (see SEE) FMSR
	Private sector and development: focus on employment	Higher youth employment through further training and support in jobseeking Improved invest- ment climate for SMEs			
	Governance: strengthening national identity (statebuilding)	Strengthening of the overall state apparatus through increased efficiency, transparency and visibility as well as introduced and implemented EU standards	Land registration development; youth employment programme Support for the Supreme Court; demining		FMI (current second- ment of 5 law enfor- cement officers to the European Union Po- lice Mission – EUPM) FMJ (twinning projects) FMNDS (ALTHEA, forces as part of operative reserves and support of NGOs in their devel- opment projects)
Macedonia priority country	Environment: water supply/sanitation	- Improved access to safe drinking water - Quality assurance in water management	Projects in water supply/sanitation	Phasing-out strategy 2010–2012 Bilateral framework agreement under negotiation	Federal Environment Office Federal State Government of Lower Austria
	Energy – renewable energy and energy efficiency	- Enabling environ- ment for introdu- cing energy effi- ciency in buildings - Use of thermal water as an alter- native energy source (heating)	Programme for raising energy efficiency Geothermal energy: use and rehabilita- tion of geothermal resources in Kocani		

Region/Country/ Operational area	Programme priority/ Fields of activity	Results	Implementation 2008–2010		Other ODA actors and major partners of ADC
			Specific measures, instruments, institutions	Programme document	
Macedonia priority country	Private sector and development: focus on employment Governance: capacity devel- opment with a view to EU convergence	- Strengthened capacities at the Agency for the Promotion of Entrepreneurship - Higher number and competitive- ness of SMEs	Programme for strengthening the Agency for the Promotion of Entre- preneurship Programme of Accounting Reform and Institutional Strengthening (REPARIS) together with WB		FMEAC (see SEE) FMSR
Serbia priority country	Private sector and development: focus on regional develop- ment in Vojvodina and South Serbia Education: vocational training and higher educa- tion geared to the labour market Environment: water supply/sanitation, bio-energy Governance	Institutions strengthened and EU standards introduced Increased employment and investment activity - Reduced brain drain - Curricula geared to labour market needs - Masters studies geared to the labour market Improved water supply at local level	Twinning Strengthening municipal and regional institutions; strengthening regional civil society; strengthening labour market services Supporting universities; Experiencing Europe (Zoran Djindjic scholarship grants) Applied research cooperation in biogas, biodiesel, farming, transport Administrative know-how transfer; land law reform; occupational reinte- gration of persons with disabilities	ADC country programme 2006–2008; Evaluation 2008 ADC country strategy 2009–2014 Bilateral framework agreement under negotiation	FMLSACP NGOs Federal State Governments of Vienna, Styria FMEAC (see SEE) FMSR FMNDS (civil defence and disaster manage- ment training and building a centre of excellence)

Region/Country/ Operational area	Programme priority/ Fields of activity	Results	Implementation 2008–2010		Other ODA actors and major partners of ADC
			Specific measures, instruments, institutions	Programme document	
Kosovo priority country	Education: focus on higher education	Creation of a modern system of higher education to European standards	Institutional part- nership with FMSR and the Kosovan Ministry of Education	ADC country strategy 2008–2011	FMSR (support for reforms in higher education and research) FMEAC (see SEE)
	Private sector and development	Improved frame- work for private- sector development and SME promotion	Project for streng- thening the national SME agency; institu- tional partnership with the Kosovan Ministry of Trade Business partner- ships	Bilateral framework agreement in preparation	Federal State Government of Tyrol
	Regional development (focus on Suhareka/Suva Reka Municipality)	Sustainable contribution made to regional devel- opment through capacity development	Regional Development Programme for Suhareka/Suva Reka		
	Governance: focus on conflict prevention; gender		Conflict prevention through reconcilia- tion, human rights education and combating human trafficking Measures for raising awareness of gender equity		FMI: current secondment of 17 law enforcement officers to the Euro- pean Union Rule of Law Mission Kosovo – EULEX FMJ (twinning project) FMNDS (KFOR and forces as part of operative reserves, ICO, OSCE second- ments as well as support of NGOs in their development projects) NGOs

Region/Country/ Operational area	Programme priority/ Fields of activity	Results	Implementation 2008–2010		Other ODA actors and major partners of ADC
			Specific measures, instruments, institutions	Programme document	
Montenegro priority country	Private sector and development: focus on regional development of tourism in north-eastern Montenegro	<ul style="list-style-type: none"> - Higher number of tourists in northern Montenegro - Touristic products diversified - Season extended - Quality of service improved - Higher tax revenue for municipalities - Lower unemployment 	<p>Cooperating with 11 municipalities in the region, focus on agricultural development</p> <p>Touristic infrastructure in Biogradska Gora National Park</p>	<p>Phasing-out strategy 2010–2012</p> <p>Bilateral framework agreement signed on 2 July 2007</p>	<p>Business partnerships (example: Wild Beauty Express)</p> <p>NGO cofinancing</p>
	Education: vocational training geared to the labour market; higher education	<ul style="list-style-type: none"> - Educational institutions cooperating more with the private sector - Higher number of students in vocational training establishments 	<p>Cooperation with the political science faculty at Montenegro University</p> <p>Copenhagen and Bologna processes implemented</p>		<p>FMEAC (see SEE)</p> <p>FMSR</p> <p>University of Vienna</p>
	Environment: national park management; sanitation; eco-efficient energy	Higher number of laws adopted	<p>(Awareness/) Educational measures for reducing the adverse environmental impact of tourism</p> <p>Implementation the EU Aquis: eco-efficient construction of UN headquarters (pilot project)</p>		
	Governance: capacity development in administration with a view to EU convergence		EU-aligned training of Montenegrin administrative specialists		<p>FMJ</p> <p>Diplomatic Academy</p>

Region/Country/ Operational area	Programme priority/ Fields of activity	Results	Implementation 2008–2010		Other ODA actors and major partners of ADC
			Specific measures, instruments, institutions	Programme document	
Moldova priority country	Education: vocational training taking special account of labour market requirements	<ul style="list-style-type: none"> - Teachers, trainers, etc. able to impart their newly acquired knowledge - Students able to apply their acquired competencies 	<ul style="list-style-type: none"> - Developing and supporting agricultural colleges and vocational training establishments - Training students, teachers and trainers in line with the labour market - Procuring modern teaching materials 	<p>ADC country strategy 2009–2014*</p> <p>Bilateral agreement signed on 21 October 2008</p>	<p>FMEAC (see SEE)</p> <p>NGO cofinancing</p>
	Environment: water supply/sanitation in rural areas	<ul style="list-style-type: none"> - Strengthened capacities of the National Environment Fund - Improved water supply and sanitation for about 50,000 people in rural areas 	<p>Drafting an action and/or implementation plan for the national water strategy</p> <p>Water supply/sanitation projects in rural areas</p>		
	Governance: focus on migration	<ul style="list-style-type: none"> - Vocational training for voluntary returnees stepped up - Peaceful co-existence between the two regions fostered through confidence-building measures 	<p>Support for returning migrants (business start-ups, training, courses)</p>		<p>FMI (liaison officer to the Austrian Embassy in Chisinau)</p> <p>FMJ (twinning projects)</p>

* Document in preparation

Region/Country/ Operational area	Programme priority/ Fields of activity	Results	Implementation 2008–2010		Other ODA actors and major partners of ADC
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EASTERN EUROPE AND CENTRAL ASIA

<p>South Caucasus key region</p>	<p>Governance (conflict prevention and resolution, strengthening civil society, human security)</p>	<p>More effective operation of NGOs in the border region between Georgia and Armenia to meet the needs of the people in rural development through improving abilities and know- ledge; capacities of NGOs improved</p> <p>Improved coopera- tion (exchange, learning and cooperation for effective approaches in rural develop- ment) between NGOs and local administrations to meet local needs in Armenia and Georgia</p>			<p>FMF (Water and Sanitation Trust Fund at the Asian Development Bank; EBRD Early Transi- tion Countries Fund for the Energy Efficiency Pro- gramme – ETC and IFC Advisory Services Fund for the Energy Efficiency Programme)</p> <p>OeEB (capacity development in the financial sector, Armenia)</p> <p>FMEFY (strategic regional programme for the Black Sea region)</p> <p>FMI: Support for the Border Manage- ment Programme for Central Asia, CABSI</p> <p>FMEAC (strengthen- ing civil society in education, access to education and chil- dren at risk; promo- tion of regional cooperation)</p> <p>FMNDS (EUMM Georgia)</p>
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Region/Country/ Operational area	Programme priority/ Fields of activity	Results	Implementation 2008–2010		Other ODA actors and major partners of ADC
			Specific measures, instruments, institutions	Programme document	

DEVELOPMENT COOPERATION GLOBAL

Global	Promotion of selected globally relevant development measures	<ul style="list-style-type: none"> - Harmonisation in EU 27 strengthened (focus: new EU member states) - Increased donor harmonisation in training through support for Train4Dev - Cross-border environmental risks minimised - Energy policy framework for sustainable energy improved - Improved capacities in climate protection - Greater adaptation to climate change through support for local initiatives - Civil society strengthened for the prevention of armed conflicts through support for networks and early warning systems 	<ul style="list-style-type: none"> - Aid Effectiveness Agenda - Global environmental concerns - Sustainable energy - Development education in parliaments - Conflict prevention and peacekeeping 	<p>Strategic Guideline on Environment and Development</p> <p>Strategic Guideline on Security and Development (in planning)</p> <p>ADC policy documents on securing peace and preventing conflict</p>	<p>Including Slovak Agency</p> <p>FMF (trust funds at WB):</p> <ul style="list-style-type: none"> - Policy advice in water supply and sanitation - Energy policy advice - Sustainable energy generation - Capacity building for debt management in LICs <p>FMF/OeEB (IFC advisory services under the Financial Crisis Response)</p> <p>OeEB (support for microfinance institutions through the Rating Initiative and the Microfinance Enhancement Facility)</p>
Cooperation with the private sector	<p>Harnessing synergies with the European/Austrian private sector</p> <p>Improving the framework</p> <p>Mobilising private resources, maximising beneficial development effects of investments</p>	<ul style="list-style-type: none"> - More private funds available for development - Know-how transfer - More and better investments 	<p>Financing instrument:</p> <ul style="list-style-type: none"> - Business partnerships <p>Strengthening corporate social responsibility (CSR)</p>	<p>Policy document on private sector and development</p> <p>Guideline on Business partnerships</p>	

Region/Country/ Operational area	Programme priority/ Fields of activity	Results	Implementation 2008–2010		Other ODA actors and major partners of ADC
			Specific measures, instruments, institutions	Programme document	
Aid for Trade	Austrian contribution to implementing the EU Aid for Trade Strategy	Integration in fair international trade relations; enhanced competitiveness	<ul style="list-style-type: none"> - Cofinancing with multilateral organisations for measures at macro level - Fair trade initiatives - Business partnerships 		<p>FMF (Trust Fund at WBI for capacity building for trade)</p> <p>FMEFY (Aft Initiative; Doha Global Trust Fund)</p>
Cooperation with NGOs	<p>Promotion of NGO projects</p> <p>Complementary to regional bilateral programmes of ADC; smaller funding amounts allocated outside the geographical priority</p>	<ul style="list-style-type: none"> - Closer programme alignment of NGO framework programmes - Clarification of Aid Effectiveness for Civil Society Development - Structured dialogue 	<p>Finance instruments:</p> <ul style="list-style-type: none"> - Microprojects - Individual NGO projects - NGO framework programmes - EU cofinancing - Personnel development cooperation <p>Support for Aid Effectiveness & Civil Society processes with a view to HLF IV</p>	ADC policy document on NGO cooperation	Austrian NGOs and their partner organisations; international NGOs
Education and science	<p>Capacity development</p> <p>Vocational training and higher education in country strategies</p> <p>Science/Research cooperation on ADC thematic priorities</p>	<ul style="list-style-type: none"> - Implementation of the strategy on higher education and scientific cooperation gradually completed by 2012 - Measures geared to priority countries and key regions - Institutional cooperation programmes used by partner institutions 	<p>Institutional cooperation</p> <p>South-South cooperation</p> <p>Scholarship programmes</p>	Strategy for higher education and scientific cooperation	<p>FMEAC (cooperation in multilateral context, such as OECD, UNESCO, Council of Europe, ETF)</p> <p>FMSR (bilateral and multilateral cooperation)</p> <p>Universities and technical colleges</p>

Region/Country/ Operational area	Programme priority/ Fields of activity	Results	Implementation 2008–2010		Other ODA actors and major partners of ADC
			Specific measures, instruments, institutions	Programme document	
Humanitarian aid	<p>Programme priority:</p> <ul style="list-style-type: none"> - Emergency humanitarian measures - Measures for rehabilitation and reconstruction after humanitarian crises <p>Other fields of activity:</p> <ul style="list-style-type: none"> - Prevention of humanitarian crises <p>All fields of activity primarily conducted in ADC geographical priorities</p>	<p>Satisfaction of basic needs and restoration of humane conditions of life</p> <p>Strengthened resilience to disasters, disaster-preparedness and reduced disaster threats</p>	<p>Specific measures</p> <ul style="list-style-type: none"> - Emergency humanitarian measures geared to needs and rehabilitation after humanitarian crises - Long-term humanitarian aid for chronic crisis areas in East Africa <p>Instruments:</p> <ul style="list-style-type: none"> - Guidelines on financing emergency humanitarian aid measures - Foreign Disaster Fund 	ADC policy document on humanitarian aid	<p>FMI</p> <p>FMAFEWM (food aid)</p> <p>FMNDS: AFDRU missions (when required) and training as part of international humanitarian and disaster relief</p> <p>NGOs</p> <p>UN</p> <p>EC (above all ECHO)</p> <p>ICRC and IFRC</p>
Western Sahara special programme	<ul style="list-style-type: none"> - Humanitarian measures - Refugee aid - Education (capacity development) 	<ul style="list-style-type: none"> - Stronger programme focus on humanitarian aid and capacity development - Structured dialogue with Austrian NGOs engaged in Sahrawi refugee camps 	<p>Long-term humanitarian and socio-economic support for Sahrawi refugees:</p> <ul style="list-style-type: none"> - Meeting basic needs of Sahrawi refugees - Creating humane conditions of life and future prospects through training 		<p>UNHCR</p> <p>WFP</p> <p>EC (ECHO)</p> <p>NGOs (with local partners)</p>
Afghanistan special programme	Phasing-out	Contribution to reconstruction (democracy/ women's rights, drugs enforcement)	Consolidating results of engagements		FMNDS (ISAF)

Region/Country/ Operational area	Programme priority/ Fields of activity	Results	Implementation 2008–2010		Other ODA actors and major partners of ADC
			Specific measures, instruments, institutions	Programme document	
Mine actions, including cluster bombs	<p>Fields of activity priority in Africa and the Balkans:</p> <ul style="list-style-type: none"> - Demining - Support for mine victims - Information on the danger of land mines (mine risk awareness) <p>Global initiatives on implementing the Ottawa Convention on the Prohibition of Anti-Personnel Mines and the Oslo Convention on Cluster Munitions</p>	<p>Contribution to implementing the Ottawa and/or Oslo Convention, above all:</p> <ul style="list-style-type: none"> - Reduction in affected areas - Strengthening the rights and econom- ic opportunities of mine victims - Greater readiness for compliance with and imple- mentation of the Ottawa and Oslo Conventions - High effectiveness of actions main- tained through geographical focus 		ADC Mine Action Programme 2006–2009 (continuation for 2010–2014 in preparation)	

AUSTRIA

ADC information and communication	Information and communication on programmes and projects of ADC accounting for current develop- ment-policy themes and ADA corporate communication	Enhanced synergies with development partners (e.g. NGOs, private sector, OeEB), structured dialogue with stakeholders Thematic priorities 2010: Africa, capacity building	Closer cooperation with development partners (NGOs, private sector, OeEB), media project North and South, modern communication tools, success stories Internal communica- tion	Communication plan (2010)	
Development communication and education	Promotion of information, education and public relations work by private organisations	<ul style="list-style-type: none"> - Interest in and lively communica- tion on develop- ment-policy issues in the Austrian public domain - Developmental commitments by the Austrian population - Institutional and financial recogni- tion of this field of activity 	Thematic priorities: global learning, intercultural dialogue, human rights, gender equity, world/fair trade, CSR, Ke Nako Africa (2010)	Strategy for Development Communication and Education in Austria	<p>FMEAC:</p> <ul style="list-style-type: none"> - Development education work - Global Learning Strategy - Intercultural dialogue with the home countries of persons with a migration background <p>FMAFEWM FMSR Federal states</p>

Region/Country/ Operational area	Programme priority/ Fields of activity	Results	Implementation 2008–2010		Other ODA actors and major partners of ADC
			Specific measures, instruments, institutions	Programme document	
Evaluation	Evaluation of country strategies, sectoral program- mes, instruments			Two-year evaluation programme	
	Meta evaluation				

Forecast scenario 2009–2011¹

Total ODA (EUR millions)		2008 Results	2009	2010 Forecasts	2011
1	Bilateral ODA	855	367	621	616
1.1	Total ADC/ADA	115	102	102	102
	Budget for operational measures	93	82	82	82
	ERP funds	10	8	8	8
	ADA administrative costs	12	12	12	12
1.2	Other official donors	740	265	519	514
1.2.1	Federal government, other ministries	721	243	497	492
	Investment projects	1	0	0	0
	Programme aid (thematic, earmarked bilateral contributions from FMF, FMEIA)	16	1	1	1
	Technical assistance: study grants and other, federal government	27	20	20	20
	Technical assistance: imputed students' costs	67	60	60	60
	Humanitarian aid ²	23	13	8	8
	Debt relief	508	43	283	277
	<i>of which: Interest rate reductions</i>	33	14	11	11
	<i>Other debt reductions</i>	476	29	272	266
	Grants for loan finance	20	18	38	43
	Other grants	59	89	87	84
	<i>of which: Administrative expenditure (FMEIA, FMF)</i>	15	15	15	15
	<i>UN peacekeeping missions³</i>	13	12	10	7
	<i>Asylum seekers, federal government</i>	19	20	20	20
	<i>Other (food aid, closely earmarked bilateral contributions by FMEIA and/or FMF, OeEB, etc.)</i>	12	42	42	42
1.2.2	Federal states & municipalities	19	22	22	22
1.3	Bilateral loans and equity investment⁴	0	1	1	1
2	Multilateral ODA	333	443	410	440
2.1	Contributions to UN agencies	29	23	23	23
	<i>of which: FMEIA voluntary contributions to UN agencies</i>	13	13	13	13
2.2	International financial institutions	98	206	165	175
2.3	Other organisations	2	2	2	2
2.4	EU	203	212	220	240
2.4.1	<i>of which: Budget</i>	119	120	120	120
2.4.2	<i>of which: EDF</i>	85	92	100	120
3	Total ODA as % of GNI	1,188 0.43%	810 0.30%	1,031 0.37%	1,056 0.37%
	GNI in EUR millions	277,386	272,640	278,150	283,713

Notes:

¹ The figures cited here are without prejudice to provisions to be made by the National Council under financial law.

² Including the humanitarian Chad mission in 2008 (protection of refugees); as of 2009/10, including the Foreign Disaster Fund, where ODA-eligible.

³ Excluding FMNDS humanitarian missions subsumed under the humanitarian aid item.

⁴ At present, these are ODA-eligible investments by OeEB in C shares (first loss capital) in funds for development purposes.

V. Policy coherence

Policy coherence for development (PCD) is embodied in the Federal Act on Development Cooperation in Article 1(5) and in the EU Consensus on Development of 2005. In its own purview, every ministry in Austria is obliged to ensure development policy coherence. The concern here is to avoid adverse impacts on developing countries through Austrian policy measures, harmonise the ODA contributions of the various ministries and maximise the beneficial contributions of other policy fields to development in partner countries.

PCD mechanisms	Institutional implementation and instruments
	<ul style="list-style-type: none"> ■ Working group on coherence at civil servant level ■ Ad hoc consultative meetings ■ Informal contacts (ongoing) ■ Dialogue with parliament, including joint visits to priority countries (e.g. Bhutan 2009) ■ Structured dialogue with NGOs ■ Advisory Council on Development Cooperation ■ Private Sector and Development Platform, including joint trade delegations in ADC priority countries (e.g. in 2007, Kenya/Uganda, Ethiopia, Mozambique, Nicaragua) ■ Austrian Development Bank: Private Sector and Development Committee ■ Oesterreichische Kontrollbank: Export Finance Committee for Soft Loans
Strategic level/Themes	Thematic implementation
Three-Year Programme on Austrian Development Policy	<p>A coherence chapter has been included in the Three-Year Programme since 2006. Coherence agenda:</p> <ul style="list-style-type: none"> ■ Pursuit of an all-Austrian ODA approach ■ Process of setting priorities in coherence themes ■ The respective chapter sets out procedures for selected themes with all ODA actors.
ADC strategic guidelines	<ul style="list-style-type: none"> ■ Concerted thematic policy line with relevant ministries over a multi-year period

Strategic level/Themes	Thematic implementation
ADC policy documents (in effect)	ADC policy documents are prepared in consultation with all ODA stakeholders <ul style="list-style-type: none"> ■ Energy ■ Gender ■ Governance ■ Humanitarian aid ■ Peacekeeping and conflict prevention ■ Human rights ■ NGO cooperation ■ Poverty reduction ■ Water supply, sanitation, water resources
Regional strategies, country strategies, country sectoral programmes	<ul style="list-style-type: none"> ■ Concerted programme planning for priority countries
Current priority dossiers	Goals/Methods
Gender (especially women in peace processes)	<ul style="list-style-type: none"> ■ Action Plan of the Austrian Federal Government for the Implementation of SC Resolution 1325/2000 ■ Evaluation (first report on implementation in 2008)
Environment and development	<ul style="list-style-type: none"> ■ Strategic Guideline on Environment and Development (with the involvement of relevant ministries) ■ Coplanning at all multilateral levels ■ Numerous events in Austria
Security and development	<ul style="list-style-type: none"> ■ Strategic Guideline on Security and Development (with the involvement of relevant ministries; planned) ■ ADC policy documents on human rights, peacekeeping, conflict prevention and good governance in 2006 ■ Collaboration in all-Austrian policy on deployments abroad ■ Joint positions with FMNDS and other ODA actors at UN, EU and OECD level, particularly the 2009/2010 initiative, Security and Development – the Impact of International Missions on Local Society
Private sector and development	<ul style="list-style-type: none"> ■ ADC policy document in preparation ■ Medium-term strategy for the key region South Eastern Europe/Western Balkans in preparation ■ EU level: ongoing Article 133 and Cerepor coordination ■ Joint finance of projects in priority countries
Amendment of the Development Aid Workers Act	<ul style="list-style-type: none"> ■ FMLSACP is the lead ministry in substantive issues, FMEIA is to propose the amendment ■ Involvement of NGOs
Culture and development	<ul style="list-style-type: none"> ■ Appointment of an interministerial working group with the involvement of experts from civil society

At policy and strategic level development-policy coherence is promoted by FMEIA via an inter-ministerial working group, which usually meets in plenary session twice a year and in smaller groupings where appropriate. Members of this group are the various ministerial focal points for PCD, which make up the Austrian PCD network. Based on its discussions, the Strategic Guideline on Environment and Development was prepared, which was submitted to the Council of Ministers for approval on 8 September 2009. The Strategic Guideline on Development and Security is in preparation.

The strategic guideline format shows how various actors can proceed together to raise aid effectiveness in a more efficient, appropriate way based on division of labour. The process is monitored by the interministerial working group for PCD. Public debate and parliamentary and civil-society involvement can help improve the results.

At regional and country programming level, ADC also seeks to adequately depict the ODA-eligible contributions of other ministries and record the contributions of Austrian NGOs. This facilitates clear planning for the respective partner country, while also enhancing the visibility of Austrian development cooperation.

A study by the Austrian Research Foundation for International Development (ÖFSE) on development-policy coherence and the OECD/DAC Peer Review revealed a number of areas for improvement in Austrian coherence work. In particular, it proposes drafting a national planning instrument as a white paper for Austrian development policy, bringing together all relevant actors eligible for ODA activities with a view to adopting a joint approach. The extended programme matrix already provides information on contributions by ADC and other Austrian actors in partner countries and key regions.

Since the current Development Cooperation Act requires FMEIA to prepare a three-year programme and present it to parliament every year, a basic programmatic chapter will be prepared in dialogue with all relevant government and non-governmental agencies on the all-Austrian position on development cooperation and policy with a multi-year timeframe for the next Three-Year Programme (2010–2012). The annual update required by the Development Cooperation Act will complement the basic chapter, which will contain policy statements that could then culminate in a white paper on Austrian development policy after adequate public debate.

Parliamentary North-South Dialogue

Parliaments perform a key function in poverty reduction and development in a country. To be able to discharge this function properly, parliamentarians need sound information on the developmental situation in a country on the one hand and on the other a professional administrative apparatus with operational and technical/sectoral support as well as appropriate financial and personnel resources.

Important here is not just support for parliamentary work in countries of the South, but also the institutionalisation of development-policy issues and international cooperation in the daily work of the Austrian parliament. Promoting developmental themes and the Parliamentary North-South Dialogue in the Austrian National Council therefore forms part of Austrian Development Cooperation.

Through events, discussions and trips organised around development-policy issues and new developments in the key regions and countries of Austrian Development Cooperation, the so-called Parliamentary North-South Dialogue aims to inform Austrian National Council members and promote dialogue and partnerships with parliamentarians in the South.

The interaction of security and development policy and an initial positioning in cultural and development policy and private sector and development policy will be outlined in the following.

V.1 Peace, security and development

Development is another name for peace

The reciprocal relationship between security and sustainable development is now generally acknowledged. Economic, social and political disparities, scarce natural resources and the recent impacts of climate change pose a grave threat to global security. Safeguarding peace and human security are prime goals of Austrian development policy (Article 1 of the Federal Development Cooperation Act). This is why ADC also supports good governance, which also entails conflict prevention, human rights and peacebuilding.

The strategies of the international community in addressing the interfaces between development and security policy still differ greatly. Particularly in countries with weak state institutions – so-called fragile or failed states – the concerted alignment of security and development policy is of special importance.

Following the Accra Conference on Aid Effectiveness (September 2008) and in line with the policy document on peacekeeping and conflict prevention (2006), ADC is increasingly engaged in close cooperation with FMEIA and FMNDS as well as other relevant ministries (FMI, FMJ, etc.) at the interface of security and development. The aim for 2010 is to draft a strategic guideline to support and promote policy coherence for Austrian activities in both fields.

ADC also plays a part in framing the all-Austria foreign deployment scheme. This cooperation aims to ensure that Austrian participation in international deployments takes adequate account of development aspects.

International priority: peacebuilding and statebuilding

International discussion on peacebuilding and statebuilding is mediated by the OECD International Network on Conflict and Fragility (INCAF), in which Austria takes an active part. In parallel, Austria is also engaged in reforming the peacekeeping operations of the United Nations. Austria supports reappraising the mandate of the Peacebuilding Commission and is seeking an operational partnership with the relevant part of the UN Secretariat (PBSO), particularly for African target areas. Austria supports the development of peacekeeping into so-called integrated missions with multidimensional mandates.

In this connection, Austria also takes part in initiatives within the EU and NATO-PfP towards a comprehensive approach. This aims at coordinating civilian-military cooperation among the various actors including the partner countries (local ownership) and civil society throughout all phases of crisis management. International peacekeeping forces are increasingly entrusted with multidimensional mandates, which besides traditional military capabilities also include stabilisation tasks to support and (re)instate government functions (peacebuilding and statebuilding).

This transition needs to be development-sensitive, which is why particular account must be taken of the mutual impacts of stabilisation operations and development cooperation. The planned Strategic Guideline on Security and Development will devote particular attention to this question.

Socio-economic impacts of peacekeeping operations

In this context, the Austrian initiative on the socio-economic impact of peacekeeping operations raised the question of how international peacekeeping missions can best contribute to local socio-economic development. Besides traditional military stabilisation tasks, multidimensional peace-keeping operations also comprise support for (re)instating government functions (peacebuilding and statebuilding). This transition needs to be development-sensitive.

ADC has prepared a policy paper that seeks to draw international attention to this opportunity and include it in all the relevant discussion platforms, particularly in the process of reforming UN peacekeeping and the EU Action Plan for situations of fragility and conflict. A forum is also planned for consultations with non-governmental organisations on this in 2010.

Working with (sub-)regional organisations in Africa

Strengthening regional peacekeeping capacities and cooperation between the United Nations and regional organisations are essential for conflict prevention in Africa.

The Joint EU-Africa Strategy adopted in December 2007 at the EU-Africa summit contains an action plan (2008–2010) with eight defined priorities, so-called partnerships. The first of these, the Partnership for Peace and Security contains three lines of action: first, stepping up dialogue between the two continents on peace and security, second, implementing the African Peace and Security Architecture (APSA), including the African Standby Force (ASF), and third, sustainable finance for Africa-led peacekeeping operations. As a member of the Partnership for Peace and Security, Austria intends to underpin this engagement with tangible ADC projects in cooperation with African institutions (African Union, sub-regional organisations).

ADC will step up its commitments with the African Union and sub-regional organisations, such as ECOWAS and SADC, and seek to improve links between the continental and regional units. In this connection, ADA will send an expert to Addis Ababa in response to a request by the AU Commission. Aiming in the same direction is development assistance for IGAD/Cewarn in setting up a sub-regional early warning system and collaboration in peacebuilding in the Great Lakes Region. In the Mano River region, ADC collaborates with the United Nations and IIASA on improving social resilience against conflicts.

Other regional strategies in security and development

The aim of similar medium/long-term considerations as part of an all-Austrian policy on deployments abroad is to frame strategies for security and development in regions of particular importance to Austria and the international community. These will look to co-align the specific ministerial approaches and needs as closely as possible and thus contribute to the requisite policy coherence. A corresponding list of criteria for this will be drawn up based on work on the strategic guideline.

Education, science and research in South Eastern Europe

The Austrian position on cooperation in higher education and science with developing countries was outlined in the Three-Year Programme 2008–2010. Austria will continue to take the thematic lead in education, science and research in European networking, coordination and cooperation initiatives for and with the Western Balkan countries. As an initiator of the Steering Platform on Research for the Western Balkan Countries, the central discussion platform, think tank and interface among the EC, the EU 27, the associated countries and the Western Balkan countries, FMSR will actively monitor the aims of this platform to increase the participation of the Western Balkan countries in the 7th EU Research Framework Programme, prepare for their accession to the EU in research and science and align the numerous ongoing science and research programmes, projects and initiatives of the various actors in the Balkans (Regional Cooperation Council, ERA Western Balkans Plus project, SEE.ERA-NET, SEE.ERA-NET plus, etc.). As a consortium partner in these EU cooperation projects and the WBC-INCO.NET, FMSR coshapes bi-regional dialogue with the Western Balkans and supports the implementation of joint calls for projects. In a coordinated division of labour here, FMEAC and FMSR support regional cooperation in South Eastern Europe at policy-strategic level as co-chair of the Task Force for Fostering and Building Human Capital in the Regional Cooperation Council (RCC), which apart from a comprehensive education agenda also deals in particular with science, research and innovation aspects. Austria also sets a regional cooperation priority as part of the Education Reform Initiative of South Eastern Europe (ERI SEE) and promotes exchange between countries of the Western Balkans and the EU in educational cooperation.

Supplementing the engagement of sectoral ministries, ADC implements a wide-ranging package of measures as part of its country strategies for South Eastern Europe in vocational and higher education. ADC activities in higher education also aim at integrating the Western Balkan countries into the European Higher Education and Research Area.

Developmental contributions by universities and technical colleges

Universities and technical colleges are major actors in ADC priorities throughout the regions. They play a special role in implementing the strategy for higher education and scientific cooperation.

V.2 Culture and development

Introduction

Even if culture is not explicitly cited in any of the Millennium Development Goals, there is broad agreement in theory and practice about its direct or indirect influence on poverty, education, gender or health. Views differ, however, on how these factors interconnect and on where to set strategic priorities. In development-policy practice, reference is usually made to the broad concept of culture chosen at the UNESCO world conference, MONDIACULT (Mexico City, 1982), which defined culture as “the whole complex of distinctive spiritual, material, intellectual and emotional features that characterise a society or a social group.” Proceeding from this definition, culture (cultural heritage) is the basic ‘software’ of a society.

From the development-policy standpoint, three interconnected aspects of culture can be distinguished:

■ Culture as an aspect of development

In its broad interpretation, culture entails values, norms, attitudes or knowledge that influence the behaviour of persons or social groups and have beneficial and adverse consequences on development in a region or a country. For ADC, the systematic integration of cultural factors of influence as an analytical category in programming, implementing and monitoring development processes is therefore of great importance. These factors include:

- Ethnicity and religion, that is accounting for the rights of indigenous peoples and minorities, their languages, religions and cultural forms of expression
- Systems of values and norms, such as family relations or the role of generations
- Gender sensitivity, i.e. accounting for different effects of interventions on gender, social roles and the scope for change
- Accounting for prevalent institutions and (patrimonial) power relations, where culture can also be abused as a pretext for cementing undemocratic social conditions
- Integration of local knowledge and appropriate technologies

Culture-sensitive development cooperation should not, however, be confused with culturalisation, of conflicts or gender issues, for example. Most conflicts are still caused by economic or power relations, even though ethnicity or religion can incite people to violence. The advancement of women’s rights frequently encounters opposition from local traditions that often conflict with international standards, national constitutions and modern laws.

■ Culture as creativity, a form of expression and communication

Based on a narrower definition of culture, the concern here is primarily with the material and immaterial cultural heritage and contemporary handicraft and artistic forms of expression.

Culture can foster **individual human development**. This is not just confined to artistic creativity; in this context it also has to do with individual problem-solving capabilities, that is, with developing people’s abilities, so-called soft skills (MDG 2: Education).

Promoting **social development** has only gained in importance in developmental theory and practice in recent years. Confidence in social institutions, acceptance of common basic values and norms as well as social cohesion are essential for development. Culture therefore plays a central role in conflict prevention and resolution.

All ADC partner countries have a diverse and rich cultural tradition. Harnessing this wealth of resources in most ADC partner countries also affords scope for economic development, for creating jobs, income and growth (MDG 1).

Ultimately too, **democratic development and respect for human rights** are closely bound up with freedom of speech and artistic interventions. Artists often voice the concerns of groups that after suffering oppression under colonial rule, dictatorship and elitist democracy find it difficult to break their silence. They are also better able to address taboo subjects such as bad governance, corruption or domestic violence.

■ Culture as intercultural dialogue

In terms of its goals, development cooperation can also be seen as part of intercultural dialogue. Misunderstandings and contradictions due to different cultural backgrounds are frequent causes for the failure or ineffectiveness of development cooperation. Transparency, participation, communication, ownership and local competencies, in contrast, are essential constituents of a culture of cooperation. What do these concepts mean, though, in societies with different ways of communicating and exercising authority, different patterns of conflict and thought as well as other attitudes towards work and time? A culture-sensitive approach must therefore include the willingness to consider other points of view and respect for the right to adopt other lifestyles.

Another – second – level of intercultural dialogue is the scope afforded by cultural exchange in the narrower sense, aimed at fostering closer relations between partner countries and Austria and its civil society. This enhances public visibility and support for development cooperation, beyond the blinkered view confined to the usual images of poverty, misery and disaster. Cultural exchange thrives on cooperation between equal partners and must also address institutional discrimination and real power relations.

Prospects for culture and development in Austrian Development Cooperation

Section 1(4.2) of the Austrian Federal Development Cooperation Act specifies that development cooperation “shall take into consideration ... the integration of measures into the social environment, with specific regard being paid to cultural aspects.” Under Section 2(3.c) of the Development Cooperation Act, development cooperation projects/programmes are also meant to include cultural and scientific cooperation, exchange of information and transfer of technology.

Though not defined as a sectoral priority, aspects of cultural cooperation have long had a place in ADC. Complementing its thematic priorities, Austria has successfully supported initiatives in several partner countries for many years, largely in cultural heritage. These projects are located in Nicaragua (Casa de los Tres Mundos), Bhutan (Trongsa Dzong), Nepal (Patan Darbar Temple and Museum), Bosnia and Herzegovina (National Library), Uganda (Ndere Cultural Centre and a development theatre network). A discussion on prospects in Austria will therefore take account of experience gained in this engagement as well as the recommendations of the evaluation on the role of cultural heritage in ADC dating from 2005, which also contains key issues for future discussion.

Finally, the concern in finding the best way to assimilate culture in development cooperation is also to harness the potential for interaction between development cooperation and other institutions in this sector. The division for cultural policy at FMEIA is in charge of framing, updating and implementing Austrian foreign cultural policy, which comprises holding cultural and scientific events abroad, engaging in scientific-technical cooperation and performing cultural tasks in cooperation with multilateral organisations. In practice, this is mediated via the Austrian cultural forums and Austrian embassies and consulates general, which operate worldwide. Scientific-cultural policy exchange also takes place through the activities of FMSR, implemented by the agency for international mobility and cooperation in education, science and research, OeAD GmbH. The mutual use of facilities and contacts in the partner countries and joint planning generate synergies. Beyond this, ADC also sees opportunities for specific approaches with other actors, such as FMEAC and the UNESCO Commission. With its focus on cultural development cooperation (Article 12–18), the Convention on the Protection and Promotion of the Diversity of Cultural Expressions provides new avenues of cooperation. Other international actors are UNDP and UNCTAD as well as OECD and the World Bank, which emphasise the creative industries and/or the formation of social capital as major contributors to development.

At European level as part of recently intensified efforts by the European Commission/DG DEV, Austria will position itself accordingly. In Article 27, the Cotonou Agreement cites the promotion of cultural heritage, intercultural dialogue, local culture industries and access to the European market and the European Commission places increasing stress on cultural cooperation with third states for the protection of human rights and cultural dialogue as an instrument of peace.

Decisive for the future (improved) integration of culture in development cooperation and for its acceptance as an essential component of development is the inclusion of civil society both in the partner countries and in Austria, here especially in the arts and cultural sector. Those working in this area are able to convey other impressions than the familiar images of poverty and hardship and also offer new forms of cooperation.

Through cultural services, the partner countries must be helped to look beyond the confines of their own culture and gain a broader perception of themselves and others. This is why ADC promotes these kinds of measures and enables cultural workers in partner countries to communicate these insights.

With a view to more systematic and successful integration of culture in development cooperation (discourse, networking, international dialogue, communication and cooperation with civil society) an interministerial working group will be established with the involvement of experts from civil society under the leadership of the Department for Development Cooperation and Cooperation with Eastern Europe at FMEIA.

V.3 Private sector and development

**Doha Declaration on Financing for Development: outcome document of the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus*

Private sector and development is a field of activity of ADC that places heavy demands on coherence and internal consultation. There is broad international agreement that sustainable socio-economic development can only be achieved through the participation of the private sector. Economic growth is essential for sustainable national development and poverty reduction. Private sector and development seeks to support the private sector in performing this role. On the one hand, ADC therefore supports private-sector development in the partner countries with interventions for improving the framework and directly strengthening the local private sector. As a rule, it cooperates here with international organisations, local public partners or with NGOs. On the other, ADC also sees the private sector as a partner for achieving development goals. Together with enterprises, it defines and finances programmes and projects that can address a broad gamut of developmental concerns or themes. Through the instrument of business partnerships, this approach has already been successfully practised in cooperation with Austrian business and industry. ADC thus pursues international development-policy goals for the inclusion of the private sector, as last set out in the Doha Declaration on Financing for Development.* The business partnership approach, however, can essentially function regardless of the origin of the respective enterprise. ADC is thus seeking to establish programme-based, business partnerships as a new instrument. For the implementation of ADC country and regional strategies, the potential of cooperation with local enterprises will be harnessed and specific projects jointly financed and carried out. Under this new approach, the local private sector will act as an important partner of development cooperation besides the public sector and civil society. Programme-based business partnerships will be applied as a supplementary measure to the already established instrument of business partnerships aimed at involving Austrian business and industry. In both cases, development cooperation will benefit from the know-how and management capabilities of the enterprises, while mobilising private funds for development-policy processes and goals.

Besides the substantive breadth of private sector and development as outlined, the potential synergies among the Austrian actors also underline the importance of coherence in this field of activity. On the one hand, there is a need for interministerial consultations in foreign trade policy. The FMEFY Internationalisation Offensive is an important initiative in this connection. This does not just involve support to Austrian enterprises in their foreign-trade activities – coherence with development cooperation also generates major synergies. Also as part of the possible prolongation of the Internationalisation Offensive to 2014, major priority should be attached to private sector and development. Besides consultation with the relevant ministries, devising coherent strategies in the private sector and development field of activity also requires cooperation with representatives of business and industry and civil society. Major platforms for this kind of multi-stakeholder dialogue are the Austrian Global Compact Network promoted by ADA and the Private Sector and Development Information Office set up by FMEFY as part of the Internationalisation Offensive.

Aid for trade (AfT) is a theme that calls for inner-Austrian coherence in special measure. As detailed in the Three-Year Programme 2008–2010, AfT-relevant measures can be located at all three private sector and development levels of intervention: improving the framework for private sector involvement, strengthening the private sector in partner countries and harnessing the potential of Austrian industry and commerce. The central concern of developing the enabling framework is to improve the investment climate in South Eastern Europe. Of special interest to ADC, FMF and FMEFY are two projects by international organisations: the World Bank REPARIS programme aimed at bringing accountancy and invoicing standards in South Eastern Europe up to those in the European Union and the Investment Compact for South East Europe run by OECD devoted to the diverse aspects of improving the investment climate. In

the medium term, this latter initiative will be entrusted in full to those responsible in the region under the auspices of the Regional Cooperation Council. Austria will also take an active part in the transition phase now underway from OECD to RCC. An established instrument is available for harnessing the potential of Austrian business and industry, the business partnerships. With a view to the large developmental impacts and the current synergies in foreign trade, AfT will be strengthened further in future. These interconnections and the intervention opportunities they afford will be explicitly identified as part of a common strategy. Discussion on the field of activity of import promotion will also be included here.

Besides foreign trade policy, there is also a special need for consultation in financial development cooperation. As access to financial services is essential for successful private-sector development, it is also a major concern for ADC. With a view to providing loans and venture capital at close-to-market terms and conditions, a major new actor entered the development scene last year, the Austrian Development Bank. Consultation between ADC and OeEB is especially important in microfinance. The general ADC geographical focus is on the established key regions and contentwise on capacity building in microfinance institutions and markets as part of business development services. Credit lines can only be provided in certain exceptional cases. OeEB measures in technical assistance, however, are carried out in close substantive alignment to complement and prepare its lending and equity funding business.



Annex

Cooperation with non-governmental organisations and aid effectiveness

Actions taken by governments are not enough to cope with all the challenges of development cooperation. For sustainable improvement, governments must cooperate more with other actors, e.g. civil society. Often, NGOs can provide basic services where governments fail (keyword: fragile situations). Civic organisations can exhort governments to provide services for the poorest parts of the population and hold them to account. In the developmental and humanitarian sector, Austrian NGOs are valuable strategic partners for development cooperation in Austria and in partner countries.

Aid effectiveness is being increasingly discussed by all actors and at all levels, including NGOs. The Accra Agenda for Action (AAA) recognises the role of civil society as an independent actor in international development cooperation and provides the frame of reference for the relevant discussion on civil society and aid effectiveness. ADC will play an active role here at international and national level and provide due support for these processes. Creating an enabling framework for civic involvement, raising the effectiveness of NGOs, enlisting their collaboration in development-policy processes and building capacities are some of the core themes that need to be addressed in the partner countries, in Austria and at international level.

Effective cooperation with NGOs in development projects and programmes will also be continued in the current modalities.

Austrian Development Bank as an ODA actor

Since its foundation in March 2008 on behalf of FMF and FMEIA, the Austrian Development Bank (Oesterreichische Entwicklungsbank AG/OeEB) operates as the official development bank of the Republic of Austria. The foundation of OeEB completes the set of Austrian development policy instruments in **financial development cooperation**. Lack of access to financial facilities and services in developing countries is often a major cause of persistent income disparities and growth constraints.

Successful financial year 2008

In the first financial year, OeEB implemented five investment finance projects with commitments amounting to EUR 71.5 million. All project commitments till now have strengthened the financial sector – a priority of OeEB, because the efficiency and accessibility of financial services are crucial to national economic development and poverty reduction. Together with other investors, OeEB has in these projects made a contribution to securing approx. 21,000 direct jobs and approx. 14,600 indirect jobs in enterprises.*

*These figures are based on the corporate-policy rating tool (GPR ©) and are updated annually.

Finance projects	Project amount	Target country or region
A shares in the European Fund for Southeast Europe (EFSE)	EUR 25.0 million	South Eastern Europe
B shares in the European Fund for Southeast Europe (EFSE)	EUR 5.0 million	South Eastern Europe
Credit line at the Central American Bank for Economic Integration (CABEI)	EUR 15.0 million	Central America
Pro Credit Bank Georgia	US\$ 23.5 million	Georgia
Pro Credit Holding AG (Eastern Europe, Latin America, Africa)	EUR 10.0 million	22 countries, of which 3 LDCs

In 2008, approx. EUR 14.1 million in programme funds was earmarked for the Advisory Programme, a third each for Africa, South Eastern Europe and the Caucasus region. The Advisory Programme projects so far have been in close alignment with the development-policy and foreign-trade mandate of OeEB. Except for a small study, they all count as official development assistance (ODA) and thus contribute to Austria's development quota.

First half of 2009

The following investment finance was committed in the first six months:

Finance projects	Project amount	Target country or region
Microfinance Enhancement Facility	EUR 20.0 million	Global
JSC Commercial Bank Center-Invest	US\$ 10.0 million	Russia
JSC Unibank Commercial Bank	US\$ 10.0 million	Azerbaijan

In the same time period, approx. EUR 11.5 million was made available for the Advisory Programme. Of these projects, 13 are located in ADC key regions and twelve also catered for the foreign-trade mandate in the sense of market preparation for Austrian enterprises. In ten projects, Austrian companies (consultants) are operating as contractors or subcontractors.

An example of the interaction between the finance projects with the Advisory Programme is OeEB's participation in the Central American Bank for Economic Integration (CABEI). The credit line of EUR 15 million is used to finance medium-term and long-term private-sector projects in Central America. A supplementary trust fund has also been set up with Advisory Programme funds, with which CABEI supports small and medium-sized enterprises in the renewable energy priority sector. In addition to the synergy between the credit line and the trust fund of OeEB, there is also an Energy and Environment Partnership (EEP) with Central America, in which Austrian Development Cooperation is also involved.

For further information on OeEB and current projects, see www.oe-eb.at.





