



ADA Third-Party Funding Strategy

Executive Summary

Development cooperation (DC) as a whole has had to continue to adapt to a number of global developments over the last few years, as have individual development agencies, such as the Austrian Development Agency (ADA), the operational unit of Austrian Development Cooperation (ADC). These include the steady growth in the number of development actors and the attendant need for better coordination and cooperation at national and international level and also more effective DC.

ADA has also adjusted to these changes. For some years now, it has, for example, taken greater part in collective DC efforts, such as the joint implementation of projects with other donors, the European Union (EU) or the Austrian federal states and will in future also undertake them under the Green Climate Fund (GCF). The implementation of these so-called third-party funds is always aimed at making a contribution to international development goals and more effective DC. This, however, must also primarily complement the deployment of funds provided by the Federal Ministry for European and International Affairs (FMEIA). It also forms part of ADA's statutory mandate under the Austrian Development Cooperation Act.

To take advantage of the opportunities and possibilities afforded by this approach, but also to meet the strategic, organisational and institutional challenges involved, the ADA Third-Party Funding Strategy was drafted in 2020 in close collaboration with FMEIA. In the coming years, this will provide ADA with a guideline on its way from a funding organisation towards an agency that also implements projects. It is based on more than ten years of practical experience that has revealed the many synergies generated by third-party funded projects in the respective priorities in ADC country and regional strategies, but also the major contribution they have been able to make to the reputation of Austria and ADA as a reliable partner.

This way, ADA is primarily looking to gain greater recognition as a sought-after international implementing agency in ADC priority countries and key regions by 2025 and make quantitative and qualitative contributions to effective development cooperation and the implementation of the Sustainable Development Goals (SDGs) and the Paris Agreement. Through high-quality, effective, efficient and professional work, the aim is to expand third-party funding and set up or rationalise the requisite organisational and institutional capacities. The strategy accordingly sets numerous objectives to be achieved in the coming years. Besides improving cost calculations, this will also include better in-house operations and procedures.

The strategy also defines conditions and criteria for ADA to take decisions on which countries and regions to engage in and what issues to address in third-party funding. Under certain circumstances, it also allows for implementing projects in non-ADC priority countries, key regions or priorities. It also specifies strategic aspects of finance and budgeting as well as major actors and organisational divisions concerned with implementing third-party funded projects. The strategy will undergo a review every five years and possible revision where needed.