



GZ: RL/6-OE/2017

# EU Co-financing in Developing Countries

Co-financing of EU co-funded development projects

## Funding Guideline



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Please note that the present document is not a certified translation. In case of any discrepancies the German version shall prevail.

## 1. Background and Aims

Within the framework of the bilateral programme and project support of the Austrian Development Cooperation (ADC), projects are promoted which sustainably improve the living conditions and development perspectives of the population in developing countries and contribute to poverty reduction. The principles and objectives of international targets such as the Agenda 2030 (Sustainable Development Goals, Addis Ababa Action Agenda and the Busan Partnership for Effective Development Co-operation) are taken into account and all ADA projects shall contribute to their achievement.

The funding instrument for EU co-financing is intended for organisations based in Austria that apply for co-financing within the relevant European Commission budget lines.

## 2. Legal basis

- Relevant provisions of the Commission of the European Communities in their most recent version
- Development Cooperation Act, Federal Legal Gazette (BGBl.) I No. 49/2002 (DCA) in its most recent version
- Three-Year Programme on Austrian Development Policy in its most recent version

## 3. Eligibility of applicants

**Development organisations<sup>1</sup> based in Austria** approved by the European Commission (EC) for co-financing and with suitable administrative and project implementation capacities and able to contribute the required rate of own resources<sup>2</sup>.

Applications may be submitted by:

- Development organizations which have **submitted their funding application to the EC** and which, if approved, would enter into a contract with the EC.
- Development organizations which have not submitted a funding application to the EC themselves but which are **consortium** or **other partners** in such a funding application. In this case, the organization applying for funding to the EC has to be based in a country which qualifies as ODA-recipient according to OECD-DAC criteria.

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<sup>1</sup> “Development organisations are non-profit legal entities under private law, provided that development cooperation is among its statutory objectives and its de facto operational activities. Institutions which carry out development cooperation as defined by Section 2, Subsection 3, in particular institutions of legally recognised churches and religious communities, regional and local governmental and administrative authorities and bodies governed by public law as well as businesses, shall be deemed equivalent to development organisations.”

<sup>2</sup> The applicant must contribute to the total project costs through its own resources raised in Austria (see also Annex A1. Definitions).

## 4. Funding criteria

### 4.1 Geographical criteria

Funding is available for projects in developing countries on the current list of the Development Assistance Committee (DAC) of the OECD<sup>3</sup>.

Projects in **defined ADC priority countries and regions**<sup>4</sup> qualify for a higher funding rate than projects in other developing countries (*see also chapter 4.4.*).

### 4.2 Thematic focus and quality criteria

The thematic focus is based on the EC tenders; Funding applications are appraised by EC representatives regarding their thematic focus.

ADA appraises funding applications particularly based on the following quality criteria:

- significant contribution to the Sustainable Development Goals (SDGs)
- participation of project partner(s) in project planning and implementation, interaction with the applicant;
- coordination of the project with the development plans/programmes of the partner country;
- cooperation with other relevant stakeholders (national, local governments, authorities, etc.);
- capacity development on local and regional level;
- knowledge transfer between relevant stakeholders;
- policy dialogue and advocacy;
- sustainable impact of the project after conclusion;
- consideration of ADC cross-cutting themes (gender equality, environmental protection and inclusion of disadvantaged populations such as children, elderly persons and persons with disabilities).

Projects for raising public awareness on development issues in Austria can be supported by the ADA unit "Development Communication and Education in Austria". The respective Funding Guidelines can be found on the ADA website.

**No funding is provided for measures that**

- refer exclusively to cultural aspects or research;
- fall under humanitarian aid within EC ECHO programmes

Exceptions:

- disaster prevention and preparedness activities;
- long-term capacity development measures for people affected by emergencies (upon approval by CSI Unit).

### 4.3 Formal criteria

Funding applications must be submitted via e-mail to ADA ([zivilgesellschaft-international@ada.gv.at](mailto:zivilgesellschaft-international@ada.gv.at)) (*see section 5 for detailed information*). Only complete applications which are submitted on the standard forms and within the prescribed time limit will be considered for the selection process.

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<sup>3</sup> The DAC list of recipient countries can be found on the ADA website.

<sup>4</sup> <http://www.entwicklung.at/en/actors/civil-society/>

The funding application may be submitted in German or English. The submission of documents in other languages requires prior consultation with ADA. An informative short description of the problem, goals, target groups and activities in German is to be included in the funding application<sup>5</sup>.

Project parameters such as financing volume, administrative expenses and project duration are based on the EC requirements. The EC is responsible for verifying the competency of the funding applicant, intervention logic, timetable and reasonableness of project costs; these criteria will not be assessed by ADA.

#### 4.4 Budgetary criteria

The itemization of project costs is based on EC requirements. Only costs incurred after the date defined in the contract with the EC will be co-financed.

The maximum amount funded by ADC is EUR 500,000 per project. Organisations applying for funding must also contribute their **own resources** (see also Annex A.1. definition of applicants' own resources)

For all EC budget lines a higher ADC funding rate applies for projects in ADC priority countries and regions listed on ADA website / Civil Society International than in other developing countries.

The actual quota and amount of funding provided depend on the following:

- the rate and amount of funding provided by the EC
- the thematic focus of the planned intervention
- the budget funds available at ADA.

For **projects in ADC priority countries and regions** the following **reference values** apply:

EC contribution	Minimum applicant's own resources	Max. ADC contribution
90 %	5 %	5 %
85 %	5 %	10 %
80 %	5 %	15 %
75 %	5 %	20 %
etc.		

Interventions **in other developing countries** qualify for a **reduced funding rate**. The actual funding rate depends on the thematic focus and quality of the grant application, the EC funding instrument and the target country / region.

Interventions in more than one developing country (e.g. **multi-country calls**) are awarded the maximum ADC contribution, provided that all countries concerned are ADC priority countries. For projects targeting both ADC priority countries and non-ADC priority countries a reduced (mixed) funding rate applies. The applicant's own resources must be at least 5 % of the total project costs, the rest may be financed through third-party funding.

Separate regulations apply to applications by those organizations which are consortium or other partners in projects submitted to or approved by the EC (see also Annex A.1. definition of applicants' own resources).

<sup>5</sup> The summary in German is to be submitted to ADA only after approval of the application by the EC with the final updated funding application (application including logical framework, project budget and EC funding contract).

## 5. Submission deadlines and timetable

The application to ADA is contingent on the EC submission deadlines.

### 5.1 Procedure before application to the European Commission

Before the application to the EC the applicant must inform the about the project to be submitted to the EC via e-mail as follows.

For projects which fall under the “automatic funding<sup>6</sup>” mechanism, the applicant should submit information on the EC budget line, project country, project title, duration and planned financing via e-mail to ADA ([zivilgesellschaft-international@ada.gv.at](mailto:zivilgesellschaft-international@ada.gv.at)).

Where “automatic funding” is not applicable, the following submission procedures apply:

- **for single-stage EC procedures**

The applicant submits the funding application in accordance with the ADA format to the timely before submission of the complete application to the EC, in order to ensure the assessment of the proposal by ADA.

- **for two-stage EC procedures**

The applicant submits the funding application in accordance with the ADA format to ADA ([zivilgesellschaft-international@ada.gv.at](mailto:zivilgesellschaft-international@ada.gv.at)) after approval of the Concept Note by the EC timely before submission of the complete application to the EC, in order to ensure the assessment of the proposal by ADA.

Timely submission of the proposal enables ADA to consult with the applicant on questions or comments on the application that might be of relevance to the EC submission.

ADA will review the application and inform the applicant of its decision. Upon positive ADA assessment, a funding reservation<sup>7</sup> is made.

### 5.2 Procedure after funding decision by the European Commission

The applicant must notify ADA without delay via e-mail of the EC decision, even if the application is rejected.

If the project is approved by the EC, the applicant should submit its funding application to ADA ([zivilgesellschaft-international@ada.gv.at](mailto:zivilgesellschaft-international@ada.gv.at)) as soon as the contract has been signed with the EC.

The funding application consists of:

- funding application in ADA format (with updated details, for example on financing, including short description in German)
- logical framework (as per EC application)
- project budget (as per EC application)
- copy of the funding contract with the EC (first pages to signature)
- Copy of the „Partnership Agreement“ (in case the application is submitted by a consortium or other partner)

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<sup>6</sup> For applications submitted within defined budget lines for an ADC priority country or region (see *Annex A.1 Definitions*)

<sup>7</sup> The funding reservation means that ADC funding is ensured if the EC co-finances the project and ADC budget resources are available (see *Annex A.1 Definitions*).

- Financial Identification

### **5.3 Procedure after signing the funding contract with ADA**

For EU co-financing, ADA bases its procedures on those of the EC. ADC instalments are calculated in aliquot part to the EC instalments and are paid out in accordance with § 5 of the funding contract.

As soon as the funding contract between the applicant and ADA has been signed, ADA will pay out the first instalment of ADC funding to the contractual partner. Further ADC instalments will be transferred after receipt of proof of payment of the corresponding EC instalment and presentation of required reports in accordance with the EC format. These documents are to be sent to ADA via e-mail; the reports may be written in German, English, French, Spanish or Portuguese. The final instalment of 10 % of the total costs will be paid after approval of the project conclusion by the EC and submission of the final report in the EC format to ADA.

## **6. Visibility of ADC**

The contractual partner must include the ADC logo and indication of ADC in a visible place in accordance with the most recent version of the ADC visibility guidelines in all publications and funded equipment and installations. In reports the contractual partner must inform the ADA about how the visibility of ADC was ensured.

## **7. Legal claim**

The decision to grant funding is made by the ADA exclusively based on the present Funding Guidelines and availability of budget resources. There is no legal right to funding.

## **8. Final provisions**

Entry into force: 01 October 2004

Amended: 31.07.2017 with GZ: RL/6-OE/2017

The ADA unit Civil Society International (ZGI) is responsible for the further development of the guidelines.

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# Annex

## A.1 Definitions

### Own resources

- The applicant must contribute at least 5 % of the total project costs from its own resources, which must come primarily from Austria. Apart from this the own resource provisions are based on the EC requirements for the budget line in question, which must be complied with and demonstrated.
- Applicants to and **contract partners of the EC** have to contribute resources of their own of at least 5 % of the total project costs.
- Organizations which are **consortium** or **other partners** in a funding application submitted to the EC must contribute resources of their own of at least 5 % of their part of the budget. If such organizations submit projects not targeted at ADC priority countries or regions, they have to contribute more than 5 % of their own resources.

### Automatic funding

Automatic funding means that ADA will follow the EC funding decision if the project is within any of the EC budget lines listed below and carried out in an ADC priority country or region:

- DCI - Civil Society Organisations and Local Authorities (CSOs & LA)
- DCI – Global Public Goods and Challenges (GPDC)
- European Instrument for Democracy and Human Rights (EIDHR)
- Instrument contributing to Stability and Peace (IcSP)
- Thematic EC Calls to strengthen and develop capacities of CSOs (e.g. Civil Society Facility Programmes)

**Automatic funding does not apply** to projects targeting several different developing countries (e.g. **multi-country calls**) and projects submitted by **consortium** or **other partners**.

### Funding reservation

“Funding reservation” means that the ADC funding is secured provided that the EC co-finances the project and ADC budget resources are available. The actual funding approval becomes effective only if the EC approves the project. The funding is no longer reserved if the EC does not approve the project. In this case, **ADA is to be informed of the rejection by the EC.**



## A.2 Eligible budget lines of the European Commission

Within the EC budget lines aimed at **reducing poverty** as part of sustainable development in **developing countries**, projects can be co-financed from ADC resources as part of this budget line. The relevant EC budget lines include geographical and thematic instruments such as:

- Development Cooperation Instrument (DCI)
- European Instrument for Democracy and Human Rights (EIDHR)
- European Development Fund (EDF)<sup>8</sup>
- Instrument for Pre-Accession Assistance (IPA)

Projects submitted within ECHO Programmes may also be considered for funding, as described under Par. 4.2.

Calls for proposals for geographical and thematic instruments are posted on the EC website. Questions regarding the funding eligibility of a budget line should be addressed to ADA / Civil Society International.

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<sup>8</sup> Calls for proposals open to CSOs

### A.3 Application procedure

