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## ***Business Partnership Challenge 2024***

### ***Challenge for Sustainable Business Practices in Developing Countries***

#### ***Call for Proposals***

*based on the Business Partnership Programme of the  
Austrian Development Agency (ADA)*

An instrument of  
Austrian Development Cooperation (ADC)

*March 2024*

 Austrian  
Development  
Agency

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# Call for Proposals: Business Partnership Challenge 2024

## Challenge for Sustainable Business Practices in Developing Countries

Partner countries/regions: global (all ODA recipient countries, referred to as partner countries)

Applicants: Enterprises registered in Austria, in the European Economic Area (EU, Norway, Liechtenstein or Iceland) or in Switzerland – hereinafter referred to as “Austria/EEA+”.

The “Business Partnership Challenge 2024 – Challenge for Sustainable Business Practices in Developing Countries” is an initiative of the Austrian Development Agency (ADA), the operational unit of Austrian Development Cooperation, based on the ADA Business Partnership Programme.

In line with the United Nations’ Agenda 2030 and its [17 Sustainable Development Goals \(SDGs\)](#), the Austrian Development Agency’s objectives are combating poverty, promoting peace and protecting the environment.

According to these objectives, ADA supports business partnerships between enterprises registered in Austria/EEA+ and the private sector in countries of the Global South as these partnerships can contribute significantly to local economic development and to improving the living conditions in these countries.

To incentivise sustainable business practices, ADA initiated the Business Partnership Challenge 2024. With this call for proposals, ADA now offers grants up to € 1,000,000 to enterprises registered in Austria/EEA+, co-financing up to 50% of the costs of eligible development projects designed and implemented by applicants and their local partners.

Following the principles of the [Inclusive Market System Development Approach](#) (IMSD), ADA encourages enterprises registered in Austria/EEA+ to submit project proposals for both socially and environmentally sound projects in partner countries.

This call for proposals will be implemented by means of a two-staged process (more information under section 4). Project funding is subject to creditworthiness and the commercial viability of the project-related business plan as well as applicants’ experience in the partner country.

### Amount of available funds

A total amount of EUR 5,000,000 has been earmarked for the Business Partnership Challenge 2024. ADA provides grants between EUR 500,000 (min.) and EUR 1,000,000 (max.) per project and contributes a maximum of 50 percent of the total project costs. In every case, applicants must contribute at least 50 percent of the total project volume.

### Submission deadline

Companies which meet all formal requirements are encouraged to apply for the Business Partnership Challenge 2024. The submission deadline is [03.06.2024 at 23:59](#). The minimum project length is three years, the maximum length five years.

# 1. Developmental Objectives of the Business Partnership Challenge 2024

## Strategic Objectives and Guiding Principles

The overall goals of ADA are combating poverty, promoting peace, and protecting the environment. The Business Partnership Challenge 2024 contributes to these goals by supporting projects that,

- try to act as systemic as possible, facilitating lasting structural change, e.g. by building institutional capacities, connect local and international partners, and implement international norms and standards.
- are as inclusive as possible, collaborate with many local stakeholders and thereby reach a large number of beneficiaries, e.g. by involving local enterprises, public stakeholders and civil-society organisations (multi-stakeholder approach).
- trigger innovative processes or products aiming to find solutions for development-related challenges in the specific context of the respective partner country/countries.

### Sustainable Development Goals (SDGs):

Eligible projects must contribute to the SDGs and improve the living conditions of people living in countries of the Global South, preferably in least developed countries (LDCs). Contributions to each of the 17 individual SDGs are eligible. However, each project must include:

- SDG 8: creating decent jobs and generating income for the local partners and other local stakeholders and
- SDG 9: supporting local small and medium-sized enterprises (SME) and entrepreneurs.

Other SDGs the project may contribute to,

- generating income from sustainable agricultural production (SDG 2),
- providing demand-oriented vocational education and training (SDG 4),
- promoting gender equality (SDG 5),
- providing access to affordable, reliable, sustainable, and modern energy (SDG 7),
- applying sustainability principles to commercial operations (SDG 12),
- taking action to combat climate change and its impacts (SDG 13).

Based on the principles of the [Inclusive Market System Development Approach \(IMSD\)](#), the following aspects need to be taken into consideration when preparing a project proposal:

- Analysis of the local context and market system relevant to the project proposal

Each project relies on a clear understanding of the market system. ADA expects all applicants to conduct a thorough analysis (PESTEL + G, pt. 3 of the short application form) that provides a detailed picture of the socio-economic, political, economic, social, technological, environmental as well as legal context and encompasses gender aspects (i.e. within the market system) in which the project operates. Successful projects differentiate between causes and symptoms of market system failures.

- Definition of the applicant's role in the market system

ADA asks all applicants to define the role of their company (e.g. as a provider of a new product or service or as a key knowledge carrier) in the respective market system and be aware of it while implementing the project. This is the basis for implementing the project as well as for measuring and evaluating its progress and impact.

- Description of the desired changes in the market system

The overall goal of a project is that actors and functions of a local market system work more effectively. Therefore, systemic change is required, e.g. through sustainable and inclusive access to trainings, services, or information.

- Description of how the project will contribute to systemic change

ADA asks all applicants to detail all planned activities and approaches, and how they will contribute to systemic change in a local market system. This includes providing answers to questions such as:

- How is the projected implemented?
- Which measures will be taken?
- How are changes and results measured?
- Which indicators will help to monitor the progress and project results?
- Who will implement and contributes to the project apart from the lead partner?

ADA asks all participants that all interventions in a market system must be guided by the “do no harm” principle.

- **Monitoring**

Ongoing monitoring is needed to check if the implemented activities contribute to the goals of the project. To this end, ADA requests all applicants to establish result indicators and assess both achievements and changes against the project plan and on the basis of defined goals.

## 2. Requirements for Applicants

### Applicants

Eligible to apply for funding are, exclusively,

- enterprises,
- voluntary associations and non-profit foundations, under the proviso that development cooperation forms part of their statutory purposes and actual business activities, as well as
- chambers, under the proviso that they engage in development cooperation in the meaning of section 2 par. 3 of Austria’s Development Cooperation Act,
- in the European Economic Area (Austria/EEA+) or Switzerland.

The applicant has been in existence for more than three years and has the administrative, technical, and financial capacity to successfully carry out a project.

### Consortia

If at least one partner meets the requirements stated above, additional partners are qualified to participate in the project financially or with contributions of other monetary value. For calculation of the funding amount, the contributions made by these partners are also considered own contributions.

Only the above-mentioned entities are referred to as “applicants” in this document.

### Other Actors

In addition to consortium partners, local institutions such as government agencies, civil society organizations, research institutes or companies can also participate in the project and provide services of monetary value, although these contributions are not recognized as own contributions by ADA.

### Long-term commitment

ADA expects all applicants to convincingly demonstrate how they will engage in long-term commitments in countries of the Global South, for example by taking an investor role. Applicants must make sure that project interventions continue in a sustainable manner even after the respective business partnership project has been concluded. Therefore, all projects involving non-recurring exportation of goods and services from the European Economic Area not based on any other local activity of the enterprise are not eligible.

### Entrepreneurial benefit

Enterprises must convincingly demonstrate the cost effectiveness of projects. A project’s economic benefit(s) may be of direct operational advantage or long-term strategic value. Increased competitiveness or better business prospects for the applicant – a rise in production, for example -, access to new supplier and consumer markets or added profitability may advance a project’s eligibility.

### Responsibility

Based on the funding agreement, applicants assume responsibility for implementing the entire project, even though subcontracting is permitted for certain project elements. ADA's funding contributes to the costs of business partnerships. Consortium members are jointly and severally liable for the performance of the funding contract.

### **Compliance with legal provisions and conventions**

Applicants commit themselves to complying with the partner country's/countries' legal system(s) and abide by internationally recognised reference texts, in particular:

- the [International Labour Organisation \(ILO\)'s Tripartite Declaration](#) concerning multinational enterprises and social policy,
- The [Organisation for Economic Co-operation and Development \(OECD\)'s guidelines for multinational enterprises](#), and
- [the ten principles of the UN Global Compact](#).

International human rights, in particular the right to organise and bargain collectively, fair pay and working conditions for all, prohibiting forced labour and child labour as well as job discrimination on the grounds of race, colour, sex, religion, social class, political opinions, or personal preferences, must all be adhered to in projects funded by the Austrian Development Agency.

### **Exclusion list**

The project must not, either directly or indirectly, support the production or proliferation of weapons or munitions. Projects aiming at the production of or trading in dangerous goods or environmentally harmful substances are also excluded from funding. More information on the exclusion of certain goods and services can be found here: [Funding Guidelines on Business Partnerships](#) and the [EGSIM Exclusion list \(Annex, p. 31\)](#).

Projects that have potential, adverse, significant, irreversible and/or cumulative negative environmental, gender or social risks and impacts will not be considered for funding (more information: [EGSIM Manual p. 23](#)).

## **3. ADA Guidelines**

### **3.1 Legal and other frameworks**

- Current Development Cooperation Act, Federal Law Gazette. I No. 49/2002
- Current Three-Year Programme on Austrian Development Policy
- Current General Framework Guidelines for Granting Government Aid from Federal Funds 2014
- ADA Business Partnerships Guideline
- ADA Regulation on Budget Reallocations and Extensions of Project Duration
- ADA Guidelines for the Visibility of Austrian Development Cooperation
- Manual Environmental, Gender and Social Impact Management (EGSIM)
- Evaluation Policy of Austrian Development Cooperation
- ADA Guidelines for Programme and Project Evaluations

### **3.2 Disbursement**

A total amount of EUR 5,000,000 has been earmarked for the Business Partnership Challenge 2024. ADA will provide grants between EUR 500,000 (min.) and EUR 1,000,000 (max.) per project. Applicants must contribute at least 50 percent in cash of the total project costs.

Disbursements can be made on an annual basis in advance (upfront payments). The first disbursement will be made after signing the funding agreement. The other disbursements will be made after the applicant submits annually interim narrative reports and audited interim financial statements. The disbursements will be based on the actual need for funds evidenced in the mentioned reports after approval of the substantive and financial accuracy of the interim financial statements. In addition, semi-annual narrative reports must be submitted to the ADA.

### **3.3 Financial Reporting and accounting**

The minimum project length is three years, the maximum length five years.

Reporting must be carried out in accordance with ADA requirements and by using indicators that systematically and verifiably present a project's progress (output) as well as record its impact in the context in which the project operates (outcome). The reports must evidence the use of grant monies provided from ADA funding and of the progress achieved. Financial statements must contain a numerical breakdown income and expenditures in line with the budget which forms an integral part of the Project Document.

More details on budgeting can be found here: General Terms and Conditions, the Grant Agreement and the [Guidance on Budgeting](#).

### 3.4 Evaluation

Implementing partners commit themselves to plan and manage an evaluation in compliance with the quality standards and principles set out in the Evaluation Policy of Austrian Development Cooperation (2019) and [ADA's Guidelines for Programme and Project Evaluations](#).

The costs for this external evaluation will be covered by ADA in accordance with the procurement rules outlined in the General Terms and Conditions.

Within this framework, implementing partners undertake to:

- comply with the quality standards and principles according to [the Evaluation Policy of Austrian Development Cooperation \(2019\)](#), with independence, transparency and quality as central cornerstones;
- apply ADA'S Guidelines for Programme and Project Evaluations, in particular with regard to the guiding principles (Chapter 2), the roles and responsibilities of the evaluation manager (Chapter 3) including compliance with the intended work processes (Annex 1), the careful implementation of the 15 steps of the evaluation process (Chapter 4) and application of the checklists for quality control of the terms of reference (Annex 4), as well as with regard to the inception report (Annex 5) and evaluation report (Annex 6);
- use the budget sheet provided by ADA including instructions for evaluation budgeting;
- timely collection and provide all data and documents relevant for the project's evaluation and, if necessary, participate as a respondent in the respective data collection; and
- immediately provide the final evaluation products (i.e. terms of reference, inception report, evaluation report including the rating of achievement of results/RAF form to ADA after they have been completed.

## 4. Formal criteria for project applications

The allocation of funding under this call will be provided on the basis of the submitted funding applications. Applications have to be sent via email to [wirtschaft@ada.gv.at](mailto:wirtschaft@ada.gv.at) by **03.06.2024, 23:59**. Only applications submitted in English and meeting the formal criteria stated below will be considered.

**Standard templates** for the preparation of project proposals can be accessed here: <https://www.entwicklung.at/en/ada/calls>.

### 4.1. Formal criteria, procedures and requirements for each step of the selection process

#### Step 1:

- Every funding application must be drafted in English.
- Please submit the following documents, signed and completed, to [wirtschaft@ada.gv.at](mailto:wirtschaft@ada.gv.at):

Document	Comment/Signature	Format
Short Application Form	signed by an authorised signatory	pdf and MS-Word
Project Budget Form	signed by an authorised signatory	pdf and MS-Excel

Short CVs of key staff (project manager, accountant, experts for specific tasks)	-	pdf or MS-Word
Extract from the register of associations, the company register or equivalent (applicant(s))	-	pdf
Extract from the register of associations, the company register or equivalent (local partner(s))	-	pdf
ADA Financial Health Form including the documentation required therein.	completed and signed by an external/internal auditor or tax consultant,	pdf and MS-Excel
Proof of creditworthiness/financial soundness according to a recognised rating system	(e.g. by Creditreform, Kreditschutzverband 1870, Bisnode, Crif, Dun & Bradstreet, Schufa, Moody's, Fitch, DBRS)	pdf

### Step 2:

After reviewing the formal criteria, an evaluation commission will grade applications according to the qualitative assessment criteria presented under point 4.2. Selected projects will be invited to submit a full project proposal and a budget.

**Questions** regarding this Call for Proposals may be addressed via email to [wirtschaft@ada.gv.at](mailto:wirtschaft@ada.gv.at) until three weeks before the application deadline (cob).

ADA will publish answers and, if necessary, clarifications, to all queries by applicants on ADA's website [www.entwicklung.at](http://www.entwicklung.at) continuously or at the latest 14 days before the submission deadline.

### 4.2 Appraisal of applications

ADA's decision on granting funding is based on a set of priorities, with particular attention paid to the following:

#### I. Review of formal criteria:

- Meeting of deadline.
- Completeness of the proposal, in accordance with the invitation of the Call for Proposals and with the required formats, including annexes to the application (as outlined under point 4.1.).
- Project duration is between three and five years.
- Applicant provides an own contribution of at least 50 percent of the project costs.
- Budget is in line with the budgetary guidelines of this Call for Proposals.
- Contributions to the achievement of SDG 8 and SDG 9 are included in the proposal.
- Local project partner(s) with a relevant registration/authorisation according to the legal provisions in the target country.

**Only applications meeting these criteria will be appraised and considered for funding.**

#### II. Qualitative assessment of proposed project, including:

- Competence of the applicant (experience, administrative capacities, and related risks)
- Project team composition
- Coherence of the theory of change
- Quality of risk management
- Previous or comparable experience in the concerned market
- Impact of the project (economic impact, relevance to development goals (SDGs), additionality)
- Environmental, gender and social risks assessment and integration of safeguards

- Quality of the problem and context analysis
- Quality of the beneficiary analysis; analysis of the target group
- Sustainability (development of local structures, stakeholder engagement / political support, degree of scalability / replicability)
- Relation to focus sector and focus country of the ADC (also LDCs)
- Quality of the schedule and work plan
- Quality of the implementation strategy
- Project member or partner is a company with a registered office, branch or permanent establishment in Austria
- Significance and/or systemic contribution to the local market
- Project is economically sustainable, and not directly relevant to the core business (core business funding is generally excluded)
- Quality of monitoring and evaluation
- Relevance of budget and its unit costs
- Coherence of the budget

## **6. Legal entitlement**

The funding decision on awarding financial assistance is taken by ADA solely on the basis of the relevant funding guideline and the available budget funds. There is no legal entitlement to receive funding.

## **7. Contact address**

Please send any questions and funding applications to [wirtschaft@ada.gv.at](mailto:wirtschaft@ada.gv.at)

### **Austrian Development Agency**

Private Sector & Development  
Zelinkagasse 2  
A-1010 Vienna

## **8. Data Protection**

Information on the protection of personal data: <https://www.entwicklung.at/en/media-centre/privacy-notice>



## 9. Reference Documents

Federal Act on Development Cooperation (in German),

<https://www.ris.bka.gv.at/GeltendeFassung.wxe?Abfrage=Bundesnormen&Gesetzesnummer=20001847>

Three-Year Programme on Austrian Development Policy 2022-2024,

[https://www.entwicklung.at/fileadmin/user\\_upload/Dokumente/Publikationen/3\\_JP/2022-2024\\_Dreijahresprogramm.pdf](https://www.entwicklung.at/fileadmin/user_upload/Dokumente/Publikationen/3_JP/2022-2024_Dreijahresprogramm.pdf)

Funding Guidelines for Business Partnerships,

[https://www.entwicklung.at/fileadmin/user\\_upload/Dokumente/Unternehmen/Englisch/Guidelines\\_for\\_Business\\_Partnerships.pdf](https://www.entwicklung.at/fileadmin/user_upload/Dokumente/Unternehmen/Englisch/Guidelines_for_Business_Partnerships.pdf)

Handout Inclusive Market System Development,

[https://www.entwicklung.at/fileadmin/user\\_upload/Dokumente/Unternehmen/Handout\\_IMSD\\_EN.pdf](https://www.entwicklung.at/fileadmin/user_upload/Dokumente/Unternehmen/Handout_IMSD_EN.pdf)

Guidance on Budgeting,

[https://www.entwicklung.at/fileadmin/user\\_upload/Dokumente/Unternehmen/Wie\\_wir\\_foerdern/1\\_Idee\\_bis\\_Antrag/Englisch/Guidance\\_on\\_Budgeting.pdf](https://www.entwicklung.at/fileadmin/user_upload/Dokumente/Unternehmen/Wie_wir_foerdern/1_Idee_bis_Antrag/Englisch/Guidance_on_Budgeting.pdf)

Manual Environmental, Gender and Social Impact Management,

[https://www.entwicklung.at/fileadmin/user\\_upload/Dokumente/Publikationen/Handbuecher/Environmental\\_and\\_Social\\_Impact\\_Management/ESGIM\\_2023.pdf](https://www.entwicklung.at/fileadmin/user_upload/Dokumente/Publikationen/Handbuecher/Environmental_and_Social_Impact_Management/ESGIM_2023.pdf)

Guidelines for the Visibility of Austrian Development Cooperation,

[https://www.entwicklung.at/fileadmin/user\\_upload/Dokumente/Sichtbarkeitsrichtlinie/2020\\_EN\\_Visibility\\_Guidelines.pdf](https://www.entwicklung.at/fileadmin/user_upload/Dokumente/Sichtbarkeitsrichtlinie/2020_EN_Visibility_Guidelines.pdf)

Guidelines for Programme and Project Evaluations,

[https://www.entwicklung.at/fileadmin/user\\_upload/Dokumente/Evaluierung/Evaluierungs\\_Leitfaeden/Guidelines\\_for\\_Programme\\_and\\_Project\\_Evaluations\\_ADA\\_2020.pdf](https://www.entwicklung.at/fileadmin/user_upload/Dokumente/Evaluierung/Evaluierungs_Leitfaeden/Guidelines_for_Programme_and_Project_Evaluations_ADA_2020.pdf)