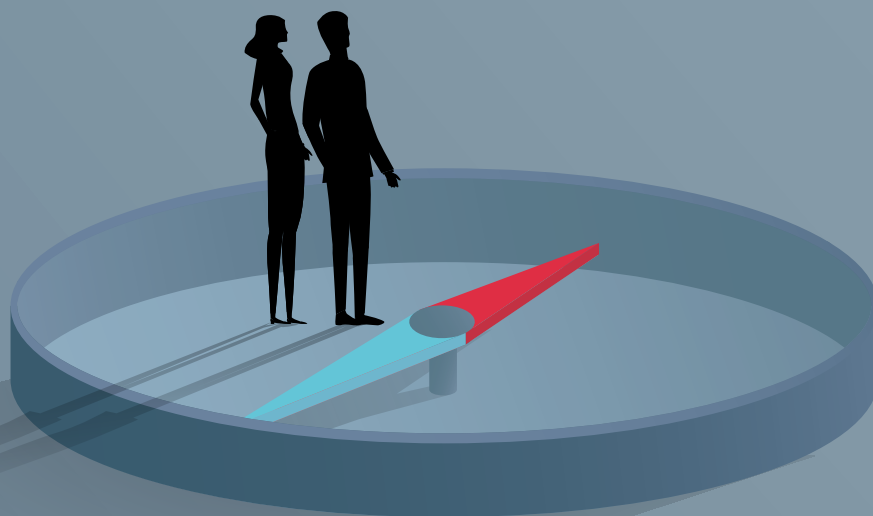


BUSINESS STRATEGY

2022–2026



Austrian
Development
Agency

Imprint

Business Strategy 2022-2026 of the Austrian Development Agency,
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List of abbreviations

ADA	Austrian Development Agency
ADC	Austrian Development Cooperation
CO(s)	Coordination office(s)
DCA	Federal Act on Development Cooperation (Development Cooperation Act)
DCE	Development communication and education
FDF	Foreign Disaster Fund
FMEIA	Federal Minister/Ministry for European and International Affairs
ERP	European Recovery Programme
EU	European Union
GCF	Green Climate Fund
ICS	Internal control system
ODA	Official development assistance
OECD	Organisation for Economic Cooperation and Development
OECD/DAC	OECD Development Assistance Committee
SDG(s)	Sustainable Development Goal(s)





Preface

As the operational unit of Austrian Development Cooperation (ADC) on behalf of the Federal Minister for European and International Affairs (FMEIA), one of the main tasks of the Austrian Development Agency (ADA) is to make the best use of operational funds for development cooperation. Other tasks include taking joint part with other donors in multilateral development cooperation projects/programmes, especially under the auspices of the European Union, and providing development-policy expertise and advice.

Since its foundation in 2004, ADA has been able to make a name for itself as a centre of competence of Austrian development policy and as a reliable, efficient and effective partner with a national and international reputation. After the establishment and expansion of the organisation in the initial years, new opportunities emerged - such as playing a role as the Austrian implementer of international development finance, primarily from the EU.

The general environment has altered a great deal since the foundation of ADA. New actors have appeared on the international development scene: newly industrialised countries, such as China, Brazil or India, and the private sector as well.

Since 2020, the COVID-19 pandemic has resulted in increased poverty and inequality worldwide. Fragility and armed conflicts in many countries are destroying the progress made to date and jeopardising prospects for sustainable development. The global climate crisis confronts us with unprecedented challenges and poses one of the greatest threats to humankind and planet earth.

We are also responding to these challenges in our work by adapting our mode of operation and making ourselves fit for the future as an organisation, so that we can make an effective contribution to attaining the Sustainable Development Goals for all.

We have reviewed the ADA business strategy and reframed it with the involvement of in-house and external stakeholders for the period 2022–2026, taking the recommendations of many evaluations into account.

We have set ourselves three priorities for our business development in the coming years:

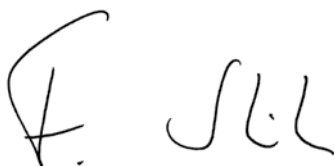
1. Consolidate ADA's identity as a funding, implementing and advisory agency
2. Decentralise competences, strengthen human resources, and corporate culture
3. Continue to develop ADA as an innovative, service-driven organisation

We have ambitious aims and plans in each of these areas that will help us to sharpen our profile as an Austrian centre of expertise and effective development cooperation partner at home and abroad.

The business strategy is directed both inwards and outwards. It aims to give guidance to staff, foster their identification with the company and its goals and explain ADA and its objectives to a public interested in international development.

The strategy sets out what ADA stands for (vision, corporate purpose, values), the context it operates in (challenges, framework) and how it carries out its mandate (mission, key tasks, organisation), what its particular strengths are (key competences), how it intends to advance as an organisation (business objectives for the next five years) and what (financial and human) resources it will use to do this.

We think the objectives that we have set ourselves are realistic and feasible. This, however, depends on the annual budget for ADA, which is negotiated by the government and adopted by the Austrian Parliament. The present business strategy is scheduled for five years and will be reviewed on completion of this period.



Ambassador Dr Friedrich Stift,
Managing Director





1. Our vision

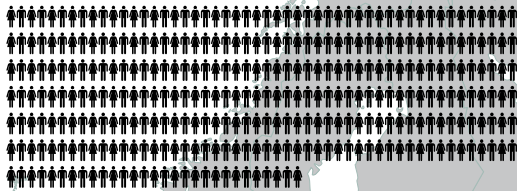
We are the Austrian centre of competence for development cooperation and humanitarian aid that makes an effective contribution to the global development goals.

ADA is an efficient, service-driven organisation with a strong presence in our priority countries.

We work together as a strong, international team and put the values of partnership, mutual respect, inclusion and sustainability into practice in our everyday work.



2. Our organisation



329

staff¹

11

coordination offices

13

project offices

579

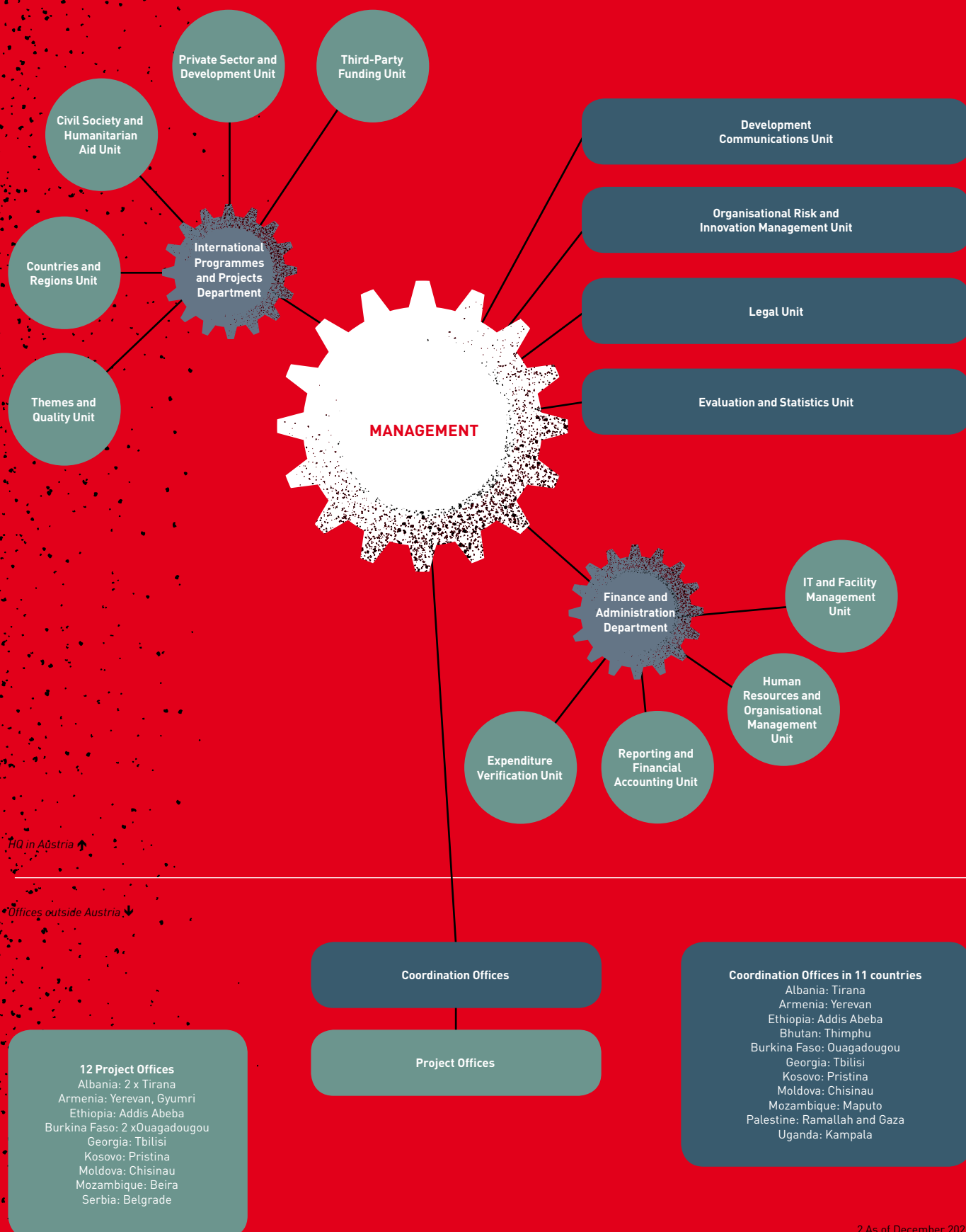
funded projects

Priority countries and key regions

- Burkina Faso, Uganda, Ethiopia and Mozambique
- Africa - Sub-Saharan
- Albania, Kosovo
- Western Balkans
- Moldova, Armenia and Georgia
- Palestinian Territories
- Bhutan (until 2023)

¹ in full-time equivalents

Organisation and office locations²



² As of December 2022

3. Our environment

Our mandate

ADA is the operational unit of Austrian Development Cooperation (ADC). It is a public-benefit, non-profit, private limited company (PLC) owned by the Republic of Austria. FMEIA acts as the owner's representative and chairs the ADA Supervisory Board.

The **Federal Act on Development Cooperation** (Development Cooperation Act)³ provides the legal framework for ADA operations. Under the Development Cooperation Act, ADA is tasked with the following:

- Preparing and carrying out development cooperation measures
- Supporting sustainable, economic, social and green development in our priority countries
- Collaborating in multilateral development cooperation projects, especially by acquiring international funds
- Advising FMEIA on all basic development-policy issues, primarily when drafting the Three-Year Programme

ADA operations are subject to the **Federal Government's results-based budgeting process** and related **monitoring**. This sets targets for the ratio of development cooperation programmes and projects that are dedicated to poverty reduction, gender equality and environmental protection/natural resource conservation. When discharging our mandate under the Development Cooperation Act,

- Providing assistance for seconding Austrian experts

The strategic framework is set out in the respective, current **Three-Year Programme on Austrian Development Policy** (called the Three-Year Programme below). This is compiled as a whole-of-government strategy under the leadership of FMEIA with the participation of all public bodies as well as civil-society organisations of relevance to development policy. It defines the geographical and thematic priorities and outlines how to implement these. Its specifications for ADC are defined in more detail by FMEIA in close cooperation with ADA: country and regional strategies (in some cases Joint Programming Strategies with the EU) provide ADA with substantive guidelines for cooperation with the respective countries. Policy documents and interministerial strategies provide directions on how ADA organises cooperation in thematic areas (e.g., water) or with strategic partners (e.g., civil society, private enterprises). Interministerial strategies are drafted jointly with other ministries.

we are guided by the main international reference frameworks: the 2030 Agenda for Sustainable Development (17 Sustainable Development Goals – SDGs),⁴ the Addis Ababa Action Agenda for Development Finance,⁵ the Paris Climate Agreement,⁶ the Global Partnership for Effective Development Cooperation⁷ and the European Consensus on Development.⁸

³ <https://www.oe-eu.at/en/dam/jcr:82518ac8-d1e8-4e22-a407-5569a159bb5d/Development-Cooperation-Act.pdf>

⁴ Sustainable Development Goals: <https://sdgs.un.org/goals>

⁵ Addis Ababa Action Agenda: <https://sustainabledevelopment.un.org/index.php?page=view&type=400&nr=2051&menu=35>

⁶ Paris Climate Agreement: <https://unfccc.int/process-and-meetings/the-paris-agreement/the-paris-agreement>

⁷ Global Partnership for Effective Development Cooperation: <https://www.effectivecooperation.org/>

⁸ European Consensus on Development: https://ec.europa.eu/international-partnerships/european-consensus-development_en

Global challenges

Due to the COVID-19 pandemic, **global poverty** has risen substantially again for the first time in 20 years. In November 2021, one out of ten people⁹ lived in extreme poverty.¹⁰ Before this, the annual figure had declined. As a consequence of the pandemic, about 100 million additional people have now fallen under the extreme poverty line since 2020.¹¹

The **pandemic** has set the world back in the fight against global poverty by years. Its social and economic impacts have affected socially disadvantaged population groups far more severely. It has aggravated previous social and economic inequality, such as unequal access to health, education and income, and led to the collapse of many small and medium-sized enterprises and the loss of hundreds of millions of jobs.¹²

Moreover, the **war in Ukraine** as of February 2022 has escalated global food insecurity and raised energy prices and the cost of living, which has exacerbated existing problems in developing countries in particular.

Climate change and the **failure to take effective climate protection measures**, pose a particular threat to the livelihoods of the most deprived groups. Climate change therefore jeopardises sustainable progress in development. Its impacts fuel latent conflicts over natural resources. The progressive **destruction of the environment** and the **depletion of biodiversity** worldwide also undermine poverty reduction as well as food and water security.

Hundreds of millions of people live in **fragile and conflict-afflicted states**. At the end of 2020, about one per cent of the world population had been displaced due to persecution, conflicts or general violence. Limited security, rule of law and basic services or their complete absence worsen violence, poverty, inequality and environmental degradation. Most fragile states are a long way from attaining the SDGs and are at risk of falling behind in securing a decent livelihood for their populations.¹³

In many **countries, socio-economic and gender inequality** means that people or entire population groups are less able to meet their basic needs and exercise their rights, including social and political participation. These people are at special risk of impoverishment. Inequality can also have grave social and political consequences: It divides societies and undermines democratic institutions and processes.

In many countries, there is also a trend towards more authoritarian forms of government. The **lack of rule of law and separation of powers as well as fragile democratic procedures** undermine the operational capability and legitimacy of government institutions. These deficits provide a breeding ground for corruption and a poor enabling environment for economic development, societal welfare and the development of civil society.

⁹ <https://worldpoverty.io/headline>

¹⁰ Persons who have less than US\$1.90 a day at their disposal.

¹¹ <https://www.worldbank.org/en/topic/poverty/overview#1>; <https://blogs.worldbank.org/opendata/updated-estimates-impact-covid-19-global-poverty-turning-corner-pandemic-2021>

¹² See Global Risks Report 2021 <http://reports.weforum.org/global-risks-report-2021/executive-summary/>

¹³ See UN SDG Report 2021, p. 58, <https://s3.amazonaws.com/sustainabledevelopment-report/2021/2021-sustainable-development-report.pdf> OECD States of Fragility <https://www.oecd.org/dac/states-of-fragility-fa5a6770-en.htm>

Even heavier restrictions are often placed on civil society in the process. Competent, independent civil-society organisations that advocate, promote and demand basic liberties, human rights and inclusion are vital partners for governments in implementing the 2030 Agenda.

The accelerating **advance of digital technologies** has already permanently changed our world, our life and our societies and will continue to do so. Global digital networking affords new opportuni-

ties, but also poses the risk of exacerbating global inequality through the concentration of digital power and widening the digital divide between poor and rich within societies.

These challenges take the shape of complex crises and conflicts with mostly intertwining local and global causes, frequently unleashing **movements of refugees and migrants**. They need to be systematically analysed in their overall context and tackled at their roots.

Institutional context

Official development assistance (ODA) funds in Austria stem from many national actors, the Federal Ministry of Finance, including the Oesterreichische Kontrollbank (Austrian Control Bank) and the Austrian Development Bank accounting for the largest financial share. ADA's share in the ODA pie in 2020 totalled only 10.58 per cent. FMEIA and ADA together make up **ADC** and administer altogether 16.77 per cent of total ODA payments by Austria.¹⁴

Under the Federal Development Cooperation Act, the Minister for European and International Affairs acts as the coordinator for Austrian development policy. Under his/her mandate, the **Section for Development Cooperation in FMEIA** (Section VII) is responsible for drafting and steering development policy and the strategic framework as well for the overall coordination of governmental development policy activities. It oversees all aspects of ADC at strategic level, making it the primary commissioning authority and point of contact for ADA, which is responsible for implementing bilateral ADC funds. ADA also performs additional tasks on behalf of

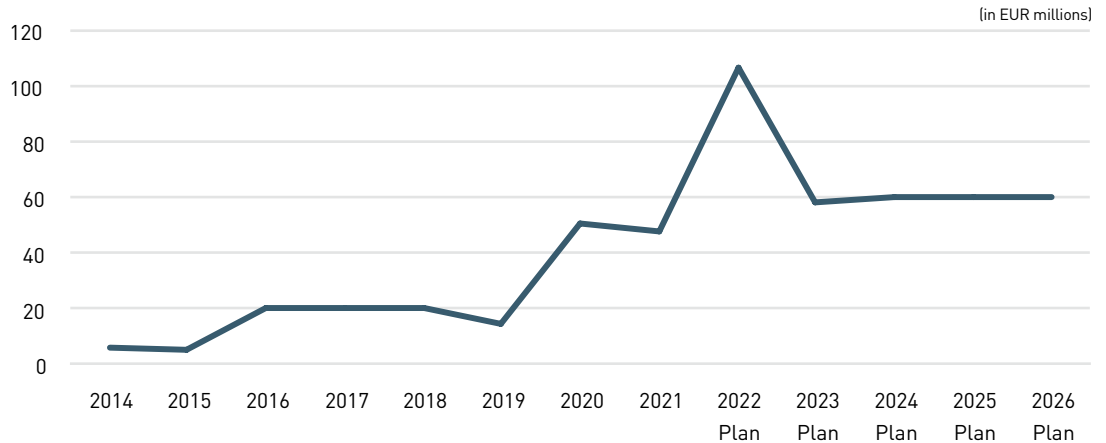
FMEIA, such as compiling ODA statistics, public relations for ADC or diverse representative tasks.

In its **Government Programme (2020–2024)**, the Austrian Federal Government is committed to raising the amount of funding for development cooperation.

Key objectives are to afford prospects for local populations in a joint effort with priority countries and partner organisations, step up humanitarian aid in crisis regions, place a heavier focus on the issue of migration, take international initiatives to combat the climate crisis, generate more opportunities for economic cooperation between equals as well as upgrade development education work in Austria. A key concern here is to provide effective aid at local level, such as in crisis regions, and a major instrument for this is the **Foreign Disaster Fund (FDF)**, whose endowment has been significantly increased several times. FDF resources are allocated for directly coping with crisis situations and for rehabilitation measures and reconstruction and are administered via ADA when commissioned by FMEIA.

¹⁴ <https://www.entwicklung.at/ada/oeffentliche-entwicklungshilfeleistungen>: All data for the 2020 reporting year are calculated as grant equivalents. ODA loans to the private sector and equity contributions were still recorded under the provisional reporting directives for private-sector instruments (PSIs) on a net flow basis.

Humanitarian aid / FDF



The figure depicts the FDF funds administered by ADA over time. These consist of budgeted and special ad-hoc endowments (e.g., in 2022 for Covid measures and humanitarian aid to Ukraine following the Russian war of aggression).

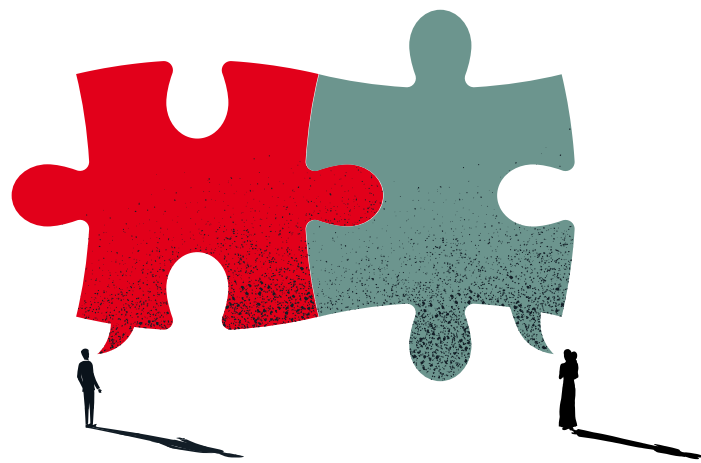
Most of the **ADA budget** for assisting development cooperation projects/programmes is provided by FMEIA. Additional funds stem from the European Recovery Programme (ERP) Fund) and other Austrian public institutions (e.g., other ministries, federal states), which task ADA in its function as a federal agency with implementing development cooperation projects/programmes. The budget assigned to ADA by FMEIA is the outcome of annual government budget negotiations or policy priorities set by the ministry.

In addition to Austrian finance for development cooperation, ADA receives third-party funding, in particular from the EU, and seeks funds from the Green Climate Fund (GCF). It is an accredited entity with both.¹⁵ Third-party funds also come from bilateral donors as part of delegated cooperation.

ADA details the use it makes of the respective overall annual budget in **annual work programmes**, which are approved by the Federal Minister for European and International Affairs.

With its 17 Sustainable Development Goals, the **2030 Agenda** is a global plan to put an end to poverty, to protect the planet and ensure that all people can live in peace and prosperity by 2030. Of particular importance here is to address the needs and priorities of the most vulnerable population groups and countries - because we can only attain the 17 Goals by 2030 if we leave no one behind. Together with the **Paris Climate Agreement** of 2015, which specifies for the first time binding targets for all countries, the 2030 Agenda marks a watershed in international development policy. The entire operations of ADA are directed at supporting developing countries in attaining the SDGs and the targets of the Paris Climate Agreement.

¹⁵ ADA has been pillar-assessed at the European Commission since 2009 and accredited at the Green Climate Fund since 2018.



The 4 effectiveness principles of the Global Partnership

Also adopted in 2015, the **Addis Ababa Action Agenda** is a new global framework for financing the 2030 Agenda that aligns all financial flows and policies with economic, social and environmental priorities and aims at ensuring that finance for sustainable development remains stable and long-lasting. It is also a major policy document for ADA.

The **Global Partnership for Effective Development Co-operation** founded in Busan (South Korea) in 2011 is the global platform for improving effectiveness in development cooperation. The effectiveness principles,¹⁶ to which ADA is also committed in its programmes and relations with priority countries are: ownership, focus on results, inclusive partnerships and transparency and mutual accountability.

The **European Union** along with its member states is still the largest global donor of development assistance. The **European Consensus on Development** dating from 2017 sets out the policy framework for development cooperation in the EU and its member states to assist in the implementation of the 2030 Agenda. It provides a common vision and contains a firm commitment to joint programming and cooperation. In this connection, the European Commission is building on increasingly close cooperation with the development agencies of the member states, which among other things will afford major strategic scope for ADA to engage in the complementary implementation of EU funds in keeping with the priorities of the Austrian Three-Year Programme.

Ownership by partner countries:

Countries set their own national development priorities. International development partners align their support accordingly, using country systems.

Focus on results: Development support is directed at achieving measurable results and it makes use of results frameworks and monitoring and evaluation systems in the partner countries.

Inclusive partnerships: Development partnerships are inclusive, recognising and building on the different and complementary roles of all actors, including civil society and the private sector.

Transparency and mutual accountability: Countries and their development partners are accountable to each other and their respective electorates. They are jointly responsible for ensuring that information on development cooperation is made available to the public.

¹⁶ <https://www.effectivecooperation.org/landing-page/effectiveness-principles>

The **Action Plan on Gender Equality and Women's Empowerment in External Action 2021–2025 (GAP III)** jointly adopted by EU institutions and member states in 2020 sets standards for promoting gender equality and empowering women as part of European development cooperation. They are also a key benchmark for ADA.

Founded in 2010 under the United Nations Framework Convention on Climate Change (UNFCCC),

the **Green Climate Fund** is tasked with funding projects in developing countries both for reducing greenhouse gas emissions and adapting to the impacts of climate change. It is one of the financial mechanisms of the Paris Climate Agreement aimed at assisting developing countries in attaining their goals and aspirations and contributing to mobilising climate funds. Thanks to its accreditation with GCF, ADA is authorised to implement its funds.



4. Our corporate purpose, values, mission and key competences



Our corporate purpose

In keeping with the 2030 Agenda and the principles of the Global Partnership, the Development Cooperation Act and the Three-Year Programme, we are particularly concerned to adhere to the principle of leaving no one behind. We promote inclusive, participatory development, where particularly poor and disadvantaged population groups can take equal part and derive the greatest benefit. This is the only

way to narrow the rift between income groups in and among countries and lessen the discrimination of people living in particularly adverse circumstances and of marginalised groups.

For this purpose, and in line with the objectives of ADC as stipulated in the Development Cooperation Act, ADA looks to make an effective long-term contribution to the following overall objectives in particular:

- **Poverty reduction and independent, sustainable, social and economic development in priority countries**
- **Equitable, inclusive societies with accountable and inclusive institutions**
- **Gender equality and the empowerment of girls and women**
- **Peace and human security in fragile contexts and humanitarian crises**
- **Combating climate change and its harmful impacts**
- **Conservation and sustainable use of natural resources**

Our values

We are guided in our work by the following values – both within ADA itself and in our collaboration with others.

Sustainability: We support the attainment of the SDGs and take these into account in our daily work. We take a comprehensive view of sustainability and advocate for a balance between social, environmental and economic concerns and intergenerational equity. We are committed to sustainability both in development cooperation and in ADA and we keep upgrading our modes of operation accordingly.

Managing for results and effectiveness: Our work is aimed at achieving the best possible outcomes for sustainable social and economic development with high efficiency. Gathering, analysing and using data on the results and effectiveness of our measures provide the basis for managing our operational procedures and systems.

Partnership and ownership: ADA is committed to partnership as a principle in international development cooperation. We conduct dialogue with our partners as equals. We respect and esteem all people and cultures, their ways of doing things, their systems and procedures and take account of their environment and resources. We are committed to the principle of ownership by development partners in accordance with international standards. The participation of interest groups and dialogue with them are important to us.

Equity and solidarity are decisive yardsticks in our work – both in-house and in our programmes and projects. We are committed to **democracy, political participation, good governance, human rights and the rule of law** and promote these in adherence to regional and international conventions and regulations.

Inclusion, gender equality and non-discrimination: We stand for equal rights and non-discrimination regardless of age, nationality, ethnicity, religion or philosophy of life, gender, sexual orientation or disabilities. We tolerate no form of sexual harassment, abuse or exploitation and take measures to prevent and combat these. Equal opportunities for all, diversity and gender balance at all levels are major concerns of ours. As far as we can, we facilitate physical, digital and language accessibility.

Respect and appreciation are needed for good cooperation, mutual trust and an affirmative work climate. We communicate with each other and our partners with respect, appreciation and professionalism.

Team spirit is important to us and essential for successfully discharging our statutory mandate. We make sure that our actions contribute to performing our joint tasks and goals. We know that teams can only cooperate successfully when they take diverse opinions seriously.

Professionalism and quality are guiding principles for our work. We see ourselves as a service-driven organisation and carry out operations accordingly. We attach importance to a constructive feedback and error management culture to continue to improve the quality of our work: We analyse and review procedures and outcomes and learn from that. Other benchmarks for our work are human resource management with clear targets, lifelong learning, both among personnel and in the organisation as a whole, and efficient administration.

Integrity: We always act with integrity when performing our duties. This entails the obligation to deliver our services to the best of our knowledge and belief and in keeping with the relevant legal order and rules for ADA. We are aware of econo-

mic and social inequalities and avoid conduct in our professional and private lives that could even convey the impression of gaining undue advantage from these kinds of inequality or abusing positions of influence.

ADA follows a **Code of Conduct** compiled with the participation of staff and issued by the Managing Director. This is binding as a whole for all ADA staff. We view compliance with the Code of Conduct as a joint task and ongoing process.

Responsibility, transparency and confidentiality:

We bear responsibility for all our actions. We take decisions based on objective, fair and verifiable criteria and procedures. We communicate with as much transparency as possible and as much confidentiality as necessary.

We want to be an **attractive employer** for our staff. They are our most important resource. Assuring a work-life and work-family balance are major concerns for us. ADA supports its personnel in successfully coping with their professional tasks and challenges and in upgrading their competences and abilities. It is aware of its responsibility for its staff and is careful to safeguard their health and safety in all measures.

Our mission and core tasks

We pursue our goals and our vision through the following core tasks. They are our mission:

- 1 We **finance and implement** effective **programmes and projects, especially in the priority countries and key regions of Austrian Development Cooperation**. Here, we engage in **strategic partnerships with like-minded partners** as part of the EU.
- 2 Our coordination offices **represent Austrian Development Cooperation in our priority countries** and take active part in **policy dialogue**.
- 3 We **provide specialist expertise** and **advice** on development-policy issues.
- 4 As a **federal agency**, we are a **service provider** for all **Austrian development cooperation** actors and always seek synergies and coherence.
- 5 In cooperation with multiple actors, we seek to **mobilise synergies and additional financial flows** - in particular also from the **private sector** - for sustainable economic and social development.
- 6 We **systematically review the outcomes of our work and learn from them as an organisation** by adapting our modes of operation based on the findings gained.

1

We finance and implement effective programmes and projects, especially in the priority countries and key regions of Austrian Development Cooperation. Here, we engage in strategic partnerships with like-minded partners as part of the EU.

ADA uses the funds entrusted to it to finance development cooperation projects/programmes in developing countries.¹⁷ This is done in the form of grant-making, service contracts or other contributions (e.g., seconding staff). In other cases, in particular with third-party funds from the EU and GCF, ADA designs and conducts projects in priority countries itself. These projects make a substantive contribution to implementing ADC strategies, expand the radius and enlarge the impact of Austria's development engagement. ADA also finances measures in development education and communication in Austria. As part of the EU, it participates in joint programming and Team Europe Initiatives. We coordinate with other donors so as to contribute to the complementary and coherent implementation of a common EU development policy. ADA enters into long-term strategic partnerships both with national institutions as well as other donors, civil-society organisations and enterprises.

2

Our coordination offices represent Austrian Development Cooperation in our priority countries and take active part in policy dialogue.

Through its offices and capacities in priority countries, ADA contributes to drafting and carrying out ADC country and regional strategies, and plays an important role in coordinating Austria's overall development cooperation engagement in these countries. At the same time, it takes active part in policy and strategic dialogue with partner governments, other donors and civil society. Thanks to dialogue, ADA can identify possible support measures, select the most suitable partners and update its sectoral programmes. It also helps draw attention to values, such as human rights or good governance, which cannot be implemented by programmes and projects alone. In countries without an Austrian embassy, the coordination offices also undertake political reporting and representation for FMEIA.

3

We provide specialist expertise and advice on development-policy issues.

ADA provides development-policy expertise and advice to FMEIA in particular, but also other Austrian actors and ADC priority countries. It can draw on expertise in all ADC priority themes and puts this to use in drafting the Three-Year Programme of Austrian development policy, ADC country and regional strategies and thematic strategies as well as in preparing informed statements and positions on national and international development-policy issues. Moreover, ADA cooperates with civil-society organisations and scientific and research institutions. It also funds the secondment of development-policy experts to international organisations and institutions and provides technical assistance.

4

As a federal agency, we are a service provider for all Austrian development cooperation actors and always seek synergies and coherence.

In its role as a federal agency, ADA is in charge of administering programmes and projects, representation and coordination in priority countries and providing expert advice (Points 1–3 above). As a centre of competence for development, climate and environmental finance statistics, ADA undertakes on behalf of FMEIA

¹⁷ Recipient countries of official development assistance according to OECD DAC

the collection and compilation of all-Austrian development finance statistics for annual reporting to OECD/DAC and provides data and analyses on request for strategic and operational decision-making. It acts as a coordinator for all Austrian reporting institutions, which it assists with regular training. ADA also contributes to public relations work for ADC as a whole and represents it on behalf of FMEIA in international expert bodies, at EU or OECD/DAC level, for example.

5

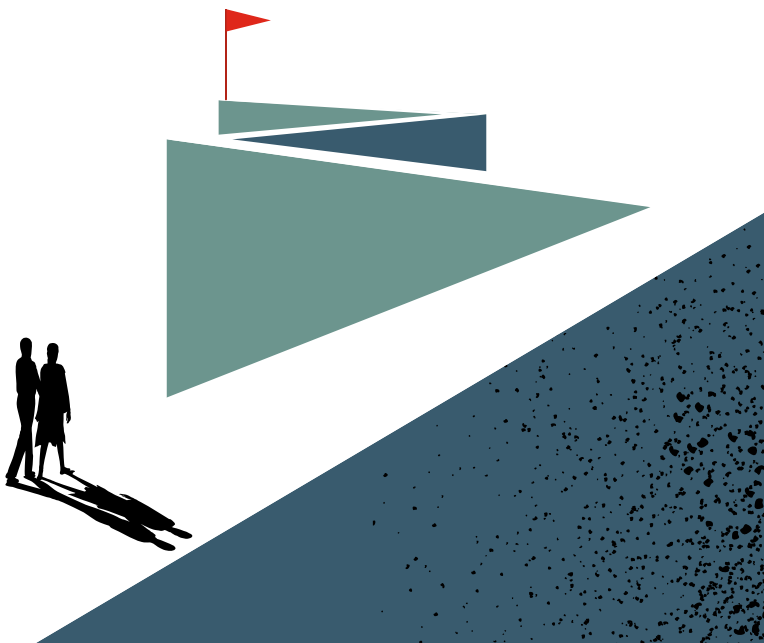
In cooperation with multiple actors, we seek to mobilise synergies and additional financial flows - in particular also from the private sector - for sustainable economic and social development.

6) With our engagement, we raise additional financial support from other sources for the benefit of ADC priority countries and themes, which enhances the effectiveness and impact of our operations. With a heavy focus on improving the institutional frameworks and capacities among our partners, we seek to lay the foundation for possible subsequent investments by well-financed investors, such as development banks. The 2030 Agenda and the Addis Ababa Action Agenda highlight the need to better harness the potential of the private sector for attaining the SDGs. ADA therefore seeks to mobilise the private sector and civil-society organisations for sustainable development and grasp opportunities for mixed financing. Our co-funding mobilises significant finance from the civil-society sector for deployment in developing countries.

6

We systematically review the outcomes of our work and learn from them as an organisation by adapting our modes of operation based on the findings gained.

We see management for results and measuring the effects of our work as a key task and major tool for ensuring that the intended outcomes are achieved and unintended (side-)effects avoided. Through systematic monitoring and purpose-driven evaluation of our work at strategic and operational levels, the regular supply of data, analyses and evaluative evidence, and the creation of forums and platforms for joint reflection and cross-organisational knowledge exchange for example at the ADA annual conference, so-called Thematic Tuesdays, learning forums, project learning sessions - insights are gained, shared and put to use for future programmes and projects, but also for upgrading theories of change, strategies and procedures to enable institutional learning.



Our key competences

In the national and international context, ADA as a bilateral agency has some special strengths and competences to draw on. We seek to consolidate and enhance these to maximise our effectiveness and efficiency:

- a Upgrade and apply development-policy expertise and know-how**
- b Select, finance, develop and conduct high-quality, needs-based projects in a transparent way**
- c Forge long-term partnerships, ensure good networking and flexibility in cooperation**
- d Put public funds to prudent use**

a) Upgrade and apply development-policy expertise and know-how

ADA is a centre of specialist expertise in the ADC priority themes of gender, environment and climate, good governance, human rights, migration, peace building, conflict prevention and humanitarian aid, water and sanitation, food/nutritional security and rural development, sustainable energy, technical and vocational education and training,

higher education, private-sector development, evaluation, and in development and climate finance statistics. It is held in high regard as a contributor to expert dialogue in national, regional and international bodies and therefore plays a part in shaping and advancing global development policy debate. Its expertise gives ADA a high level of credibility.

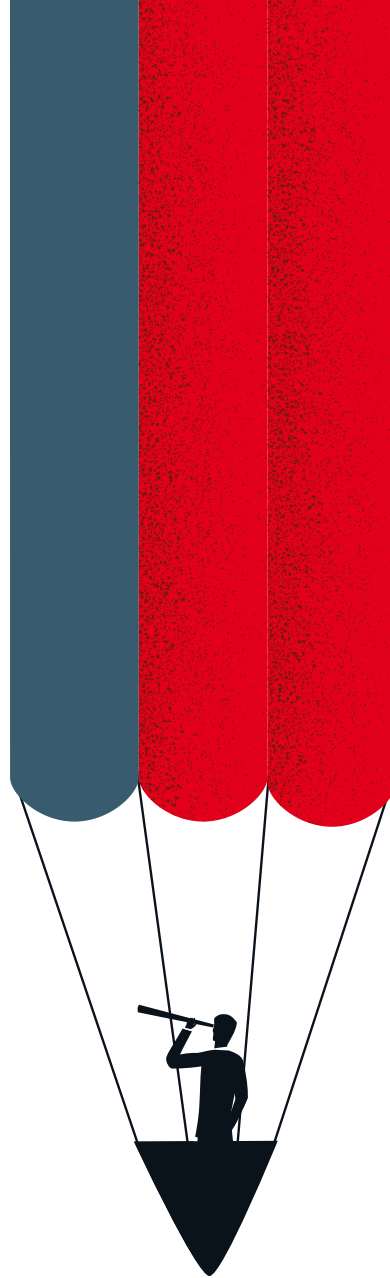
- Gender
- Environment and Climate Protection
- Good Governance
- Human Rights
- Migration
- Peacebuilding
- Conflict Prevention and Humanitarian Aid
- Water and Sanitation
- Food Security and Rural Development
- Sustainable Energy
- Vocational and Higher Education
- Private-sector development
- Evaluation
- Development and Climate finance statistics

b) Select, finance, develop and conduct high-quality, needs-based projects in a transparent way

ADA is the only Austrian actor with local operations in all ADC priority countries. This enables it to design programmes that are particularly closely aligned with needs and put funds to sustainable use in a way that is very well tailored to country and target groups. When implementing the thematic and geographical strategies of ADC, ADA can draw on a diverse set of instruments. It uses the most suitable modality for a specific project/programme. Since its foundation, ADA has gained extensive experience and operational expertise in initiating, selecting, funding and supervising high-quality projects. It has acquired an excellent reputation as a developer and implementer of projects co-financed with third-party funds.

c) Forge long-term partnerships, ensure good networking and flexibility in cooperation

One of the strengths of ADA lies in forging long-term, strategic partnerships both with national institutions and other donors, civil-society organisations and private-sector companies. Partner ownership is a key principle here. Close networking and knowledge exchange with partners is especially important for us to update good practices, expertise and methods. ADA positions itself as a reliable cooperation partner that understands how sustainable development calls for long-term commitment and that social development does not proceed in a linear way - especially because the environment of development cooperation is by nature frequently subject to social and political instability and fragility. What sets us apart is our ability to tailor and apply our methods and instruments in keeping with changing conditions and the specific needs of target groups.



d) Put public funds to prudent use

ADA disburses taxpayer money and is aware of the responsibility this entails. It takes the obligation to exercise due diligence very seriously when allocating these funds. Appropriate procedures and administrative systems ensure the transparent, verifiable use of funds and accountability. High standards and practices in risk management, evaluation, internal control and integrity assure quality.

5. Our business objectives for the coming years

ADA has set three priorities for organisational development in the coming years:

- Priority 1: Consolidate ADA's identity as a funding, implementing and advisory agency
- Priority 2: Decentralise competences, strengthen human resources and corporate culture
- Priority 3: Continue to develop ADA as an innovative, service-driven organisation

We have set ourselves specific objectives and targets in each of these areas.

Priority 1: Consolidate ADA's identity as a funding, implementing and advisory agency

In pursuance of its mandate under the Development Cooperation Act, ADA performs three central roles:

- Financing** development cooperation projects/ programmes under the Three-Year Programme on Austrian development policy
- Implementing** third-party-funded projects
- Advising** FMEIA and priority countries as well as other development cooperation actors on development-policy issues

ADA performs these as complementary tasks. It is a matter of course for ADA that its identities (financing, implementation, advice) are perceived and carried out as equally important tasks by all ADA staff and organisational divisions. The ADA strategies on third-party funding and GCF set out the framework for project implementation through third-party-funding.

In past years, the amounts of funding, requirements and tasks in grant-making and project/ programme implementation have increased. ADA's existing regulations on financing development cooperation measures will therefore be revised, streamlined and updated to meet the strategic, legal and administrative requirements.

At national level, ADA is positioned as a federal agency with which other Austrian development cooperation actors can enter into partnerships and to which they can transfer funds for implementation. This helps enhance the whole-of-government approach and development-policy coherence. ADA also performs a nationwide function as a competence centre for collecting and compiling statistics on Austria's total development and climate finance, and on development-policy issues.

As a national and international implementing organisation (taking charge of third-party funds and implementing projects), ADA makes a visible and measurable contribution to development cooperation in priority countries and key regions. We are upgrading our procedures and project implementation capacities for this.

A prerequisite for this is the availability of the necessary resources in all organisational units.

OBJECTIVES AND SUB-OBJECTIVES:

1) Ensure the effectiveness of projects and programmes

- Expand results-based management
- Conduct standardised ADA programme and project evaluations that are plausible and of high quality
- Communicate ADC results systematically and effectively
- Process findings from completed projects in a systematic way
- Raise the efficiency of risk management to improve successful project implementation

2) Enhance efficiency and effectiveness in financing

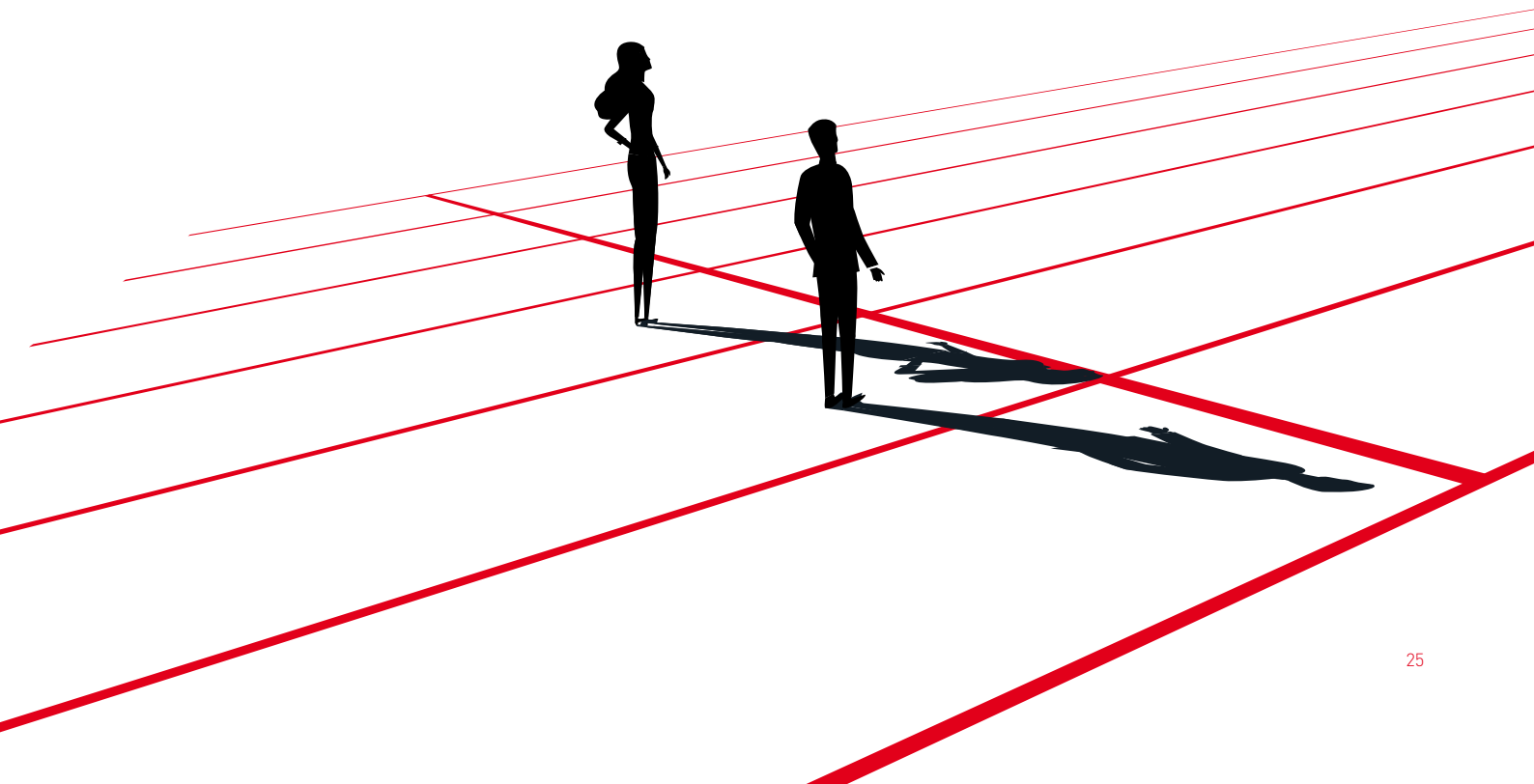
- Harmonise financing directives

3) Upgrade capacities as an implementing organisation

- Implement ADA's third-party fund portfolio competently with adequate resources and improved cost efficiency
- Meet the requirements and standards of the Green Climate Fund for carrying out GCF projects

4) Sharpen our profile as a federal agency and centre of competence

- Provide expert advice to FMEIA and other public institutions, with remuneration for services to the ministry that exceed the scope of fundamental issues and for services provided to other public institutions
- Collect and compile high-quality, annual statistics on Austria's nationwide development and climate finance, conduct further analysis and prepare visualisations of the dataset
- Make substantial contributions to development-policy dialogue in national and international forums



Priority 2: Decentralise competences, strengthen human resources and corporate culture

ADA is looking to upgrade its corporate identity and competences and advance towards becoming an effective, service-driven organisation with a clearly defined and modern administrative architecture. Among other things, it will analyse its structure and operations in line with its current resources and future needs and adapt these where necessary. It will examine its organisational setup – from the in-house allocation of competences to its catalogue of tasks – to improve client-friendliness.

As decentralised organisational units, the coordination offices are currently assigned certain competences. The aim is to successively expand the role and competences of the coordination offices in administration and grant and project management, while concurrently strengthening their capacities in internal control and quality assurance. This will facilitate effective and sustainable programming on site, streamline administration and raise efficiency. To be able to perform the multifaceted tasks of ADC representation, the coordination offices are to be equipped with the necessary human, financial and technical resources. To ensure that we recruit highly qualified personnel and retain them for the long term, ADA is especially concerned to secure its attractiveness as an employer and take specific measures to improve this in some areas.

Respect, professionalism and appreciation for colleagues and all partners and institutions we cooperate with, make up major pillars of our corporate culture. For us, it is self-evident that the current challenges can only be met by adopting a problem-solving approach with an open communication culture and the practical application of corporate ethics. All staff must perform a role-model function and a constructive error and conflict culture needs to be fostered to enable the organisation to learn, develop and live up to the requirements of a modern development organisation.

OBJECTIVES AND SUB-OBJECTIVES:

1) Adapt the organisational setup, expertise and resources to meet future challenges

- Improve in-house organisation, task allocation and procedures for resource planning to meet current needs and enhance service orientation
- Decentralisation: devise and implement a package of measures for building capacity in coordination offices

2) Raise the attractiveness of ADA as an employer

- Facilitate staff rotation (short-term and medium-term assignments of staff based in Vienna and abroad)
- Provide specific onboarding and orientation measures for new staff at home and abroad
- Enhance professional expertise and human resource development
- Promote workplace health and safety and work-life balance

3) Put corporate ethics and a respectful corporate culture into everyday practice

- Increase gender balance in ADA
- Promote diversity and inclusion and ensure equal treatment and equal opportunities for staff members
- Optimise internal communication
- Foster corporate culture through specific initiatives, such as supervision, coaching, mediation and team-building
- Ensure that all staff members live by the Code of Conduct

4) Ensure environmental and social sustainability

- Implement measures for sustainability in all coordination offices and at head office
- Reduce ADA's carbon footprint

Development cooperation operates in a very dy-

Priority 3: Continue to develop ADA as an innovative, service-driven organisation

dynamic environment and is continually faced with new demands and developments. This means ADA needs to be flexible and innovative to make sure that it makes an effective contribution to attain the ambitious goals of the 2030-Agenda. As a service provider, our mandate requires us to be adaptable and align ourselves with needs. Together and in dialogue, we find solutions in constructive and transparent collaboration as part of cross-organisational teams and with our partners. This way, we can respond adequately to new challenges and raise our efficiency and effectiveness.

At the same time, stability and predictability are necessary for the reliable implementation of laws and obligations, which calls for clearly defined responsibilities and processes. Standardisation and operational procedures will be improved further in these areas.

New information technologies enable more efficient communication and cooperation. This potential needs to be harnessed. In the course of the COVID-19 pandemic, digital transformation and virtual cooperation have come to play an even greater role. This necessitates investments in upgrading our electronic systems. Our processes are to be re-evaluated to keep pace with technological advances and tailored towards service delivery to be able to best perform the key tasks of the organisation in line with our values and to facilitate cooperation among our locations and with our partners.

1) Promote innovation and facilitate a learning organisation

- Promote methods and techniques for innovative, service-driven work

2) Strengthen a service-driven organisation and raise the efficiency of operational procedures

- Implement measures for improving communication with partners
- Expand the role of English as an additional working language

3) Step up digitalisation and virtual cooperation

- Implement an intranet to improve the exchange of knowledge, information and documents across locations
- Raise the efficiency of cross-organisational cooperation through the increased use of suitable software

Content quality assurance makes sure that pro-

OBJECTIVES AND SUB-OBJECTIVES:

6. How we assure results. How we support what we do.



Quality assurance

grammes and projects financed by ADA and the development-policy and strategic advice it provides best meet the overall international standards and are of the highest technical quality. We see this as a joint task. Assuring the quality of project design, including monitoring the intervention logic, is the prime responsibility of programme management in the coordination offices and at head office. Through close cooperation, regional and specialist exper-

tise already coalesce at the start of strategic and programme planning. In-house training in sectoral and cross-cutting topics is another major element of quality assurance. A defined environmental, gender and social impact management (EGSIM) ensures that planned projects are appraised for any adverse environmental and gender as well as societal impacts and can include specific, preventive risk management measures, where necessary.

Monitoring

ADA project cycle management includes ongoing supervision of project implementation. Organisations that receive finance from ADA bear responsibility for monitoring their projects/programmes' progress. ADA - in particular the coordination offices and the Department for Programmes and Projects International - review implementation at periodic intervals. It seeks to support the partner organisations in dialogue with stakeholders and target groups so that the challenges can be mastered and the set results and objectives reached in the best way possible.

Where ADA implements projects with third-party funding itself, it also bears responsibility for proper progress monitoring as contractually agreed. This places particular demands on the project offices.

To set up a comprehensive management system for results, in the coming years ADA intends to focus monitoring even more closely on keeping track of results, outcomes and the actual benefit for target groups. In this way, monitoring will enable us - where necessary - to make adequate interventions. Insights can be gained for future programmes and projects. It facilitates systematic learning from experience in both, designing and implementing development cooperation programmes and quality assurance.

To achieve this, ADA is looking to increase or better deploy its limited resources and capacities in this area.

Evaluation

Evaluation has a long tradition in Austrian Development Cooperation and plays a significant role as a tool for enhancing management for results and measuring the relevance, efficiency, effectiveness, impact, coherence and sustainability of our work.

At respective, complementary levels, strategic evaluations of ADC and programme and project evaluations contribute to lessons learnt, communication and accountability as well as evidence-based decision-making. They therefore make a major

contribution to transparency, management, quality and to strategy development in ADC, as well as to ADA's project/programme development.

Evaluations are carried out to international and national standards and principles, with foremost priority attached to independence and transparency. As an important prerequisite for the benefit of and lessons learnt from evaluation, we pay special attention to the quality and communication of findings.

Risk management

Development cooperation always entails risks. Identifying and managing these enables actors to achieve their goals. Risk management in ADA contributes to ensuring service delivery and the operational capability of the organisation at any time, to protecting people, the environment and assets and to achieving the SDGs worldwide. The aim of risk management is the timely identification of potential risks, their assessment in the light of ADA opportunities and objectives and their proactive and concerted mitigation.

ADA has risk management procedures in place both at overall organisational and project and programme levels. The set of instruments comprises a company-wide risk management strategy, a risk management manual for projects and programmes, a partner due diligence assessment, a standardised risk register for projects/programmes, a risk catalogue and a procedure for dealing with acute or impending crises.

Sustainability

Protection of the environment is a major overall objective for ADA, which promotes projects and programmes for environmental and climate protection in ADC priority countries and key regions and also supports social inclusion, for example.

Wherever possible and appropriate, we also support programmes and projects from other thematic sectors by appraising them for the cross-cutting issues of environment, gender and social inclusion. This way, we seek to prevent adverse impacts on local ecosystems and the people that depend on them, because it is the poorest and most vulnerable population groups in developing countries that are most severely affected by the destruction of the environment.

To have a complete picture of environmental and social sustainability, we also need to look inward. We must put sustainability into everyday practice as an agency. This principle should guide our actions in all our operations. With our own sustainability strategy, we acknowledge that we need focused measures to harness the full, promising potential for greater sustainability at all levels and in all our procedures. To do this, we need to have strategies tailored to our office locations and their environment. Sustainability targets are therefore set for the individual locations and translated into specific plans with measures and time schedules.

Internal control system

To comply with regulations, ensure the accuracy and reliability of accounting and to protect assets and information, ADA applies a comprehensive and continuously updated internal control system (ICS). This includes, for example, a time registration system, rules on second jobs, the establishment of a whistle-blower system with in-house and external

reporting options, measures to raise awareness among staff and train them in integrity and anti-corruption, precautions for information security, mainstreaming the four-eyes principle, the specification of maximum amounts in the signatory and authorisation regime, clearly demarcated competences between grant management and

payments processing, ensuring transparency and verifiability by filing the operational procedures and working documents of all organisational divisions in written form. Financial control assesses whether statements of account conform with the designated purpose and contractual provisions for the use of funds and all invoiced items are actually accounted for or confirmed by external audits.

Via an internal audit outsourced to an external, independent agency, audits are also conducted of operational and administrative as well as ADA in-house monitoring procedures. This assures the high quality of ADA operations. As part of the annual financial statement, proper financial conduct by ADA is in turn subjected to an assessment by an auditing company recommended by the Supervisory board and appointed by the General Assembly. The annual financial statement is published every year in the ADA Management Report.

Development Communications

Development education and public relations work help to strengthen understanding of global interrelationships and public awareness of development-policy issues and to foster engagement. In multiple ways, they seek to communicate the goals, measures and impacts of Austrian Development Cooperation and how public funds are applied. Through work with media, publications,

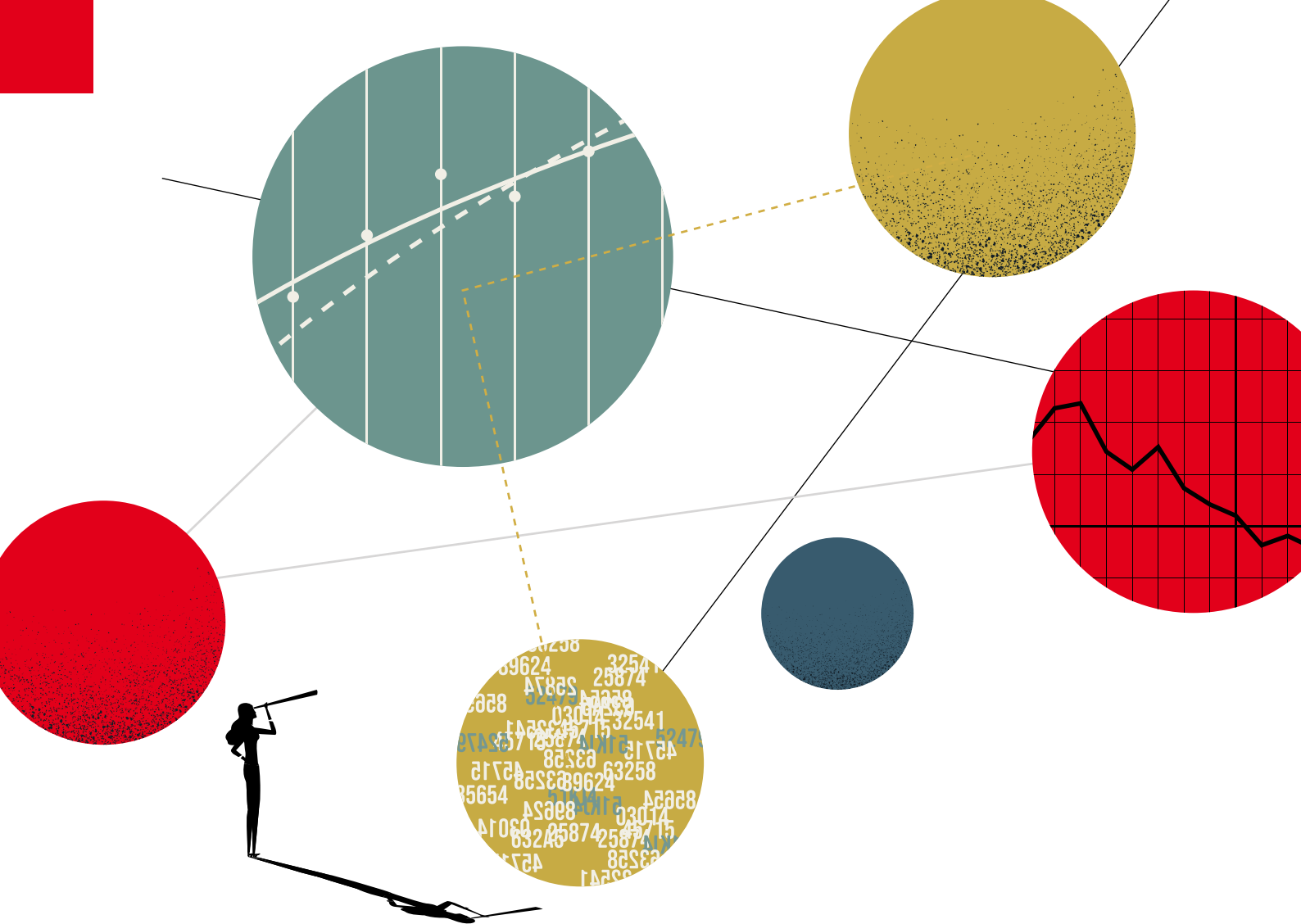
digital media and events, they inform the broad public in Austria, specific target groups and decision-makers about ADC programmes and projects, financing instruments, Austrian development policy as part of the EU and international organisations and on global relations. In addition, attention is paid to ADC and ADA visibility in the activities in priority countries.

Human resource management and development

As a modern employer, ADA does its best to support its staff and offers them opportunities for development. This includes flexible working hours, a wide range of training opportunities, diverse benefits and facilities and the promotion of junior staff. In addition to training measures, rotation between the ADA head office in Vienna and the co-ordination offices affords an opportunity for career

development and acquiring experience, know-how and skills. Together with FMEIA, ADA will continue to pursue this in future.

In appraisal interviews, we jointly identify the career and development outlook in ADA and further training needs of our staff. Workplace health and safety includes vaccination measures and medical advice.



7. Resources

Finance, sources and allocation of funds

ADA primarily finances its costs for conducting development cooperation measures (operational tasks) and the administration of the work programme out of funds it receives from the Federal Government. The funds to meet administrative costs are provided in particular in the form of a basic annual remuneration, although under certain circumstances the Federal Government can also allocate additional finance. The operational and administrative funds are made available by the Federal Government under Section 10 Nos. 1 and 2 of the Development Cooperation Act in keeping with the funds earmarked for this purpose in the annual Federal Finance Act.

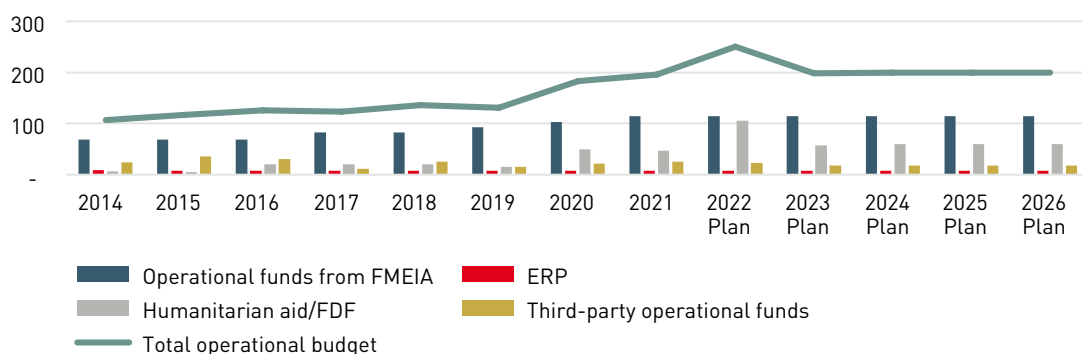
In the last decade, ADA has increasingly entered into strategic collaborations with other national and international development cooperation actors, so that it also administers a significant operational third-party funding budget made up of international funds as well as funds from other Austrian public institutions. As a rule, third-party donors also remunerate ADA for undertaking operational tasks. The implementation of all measures and objectives in the present business strategy is contingent on the budgetary funds available for operations and administration.

Budget planning

ADA prepares an annual work programme that takes the respective Three-Year Programme into account for its remit and in particular its operational priorities and goals. Along with the annual budget, the investment programme, the financial and staffing plans for the subsequent year as well as forecasts, this work programme is examined by the Supervisory Board and approved by the Federal Minister for Europe, Integration and Foreign Affairs.

Development of operational funds (financial flows)

(in EUR millions)

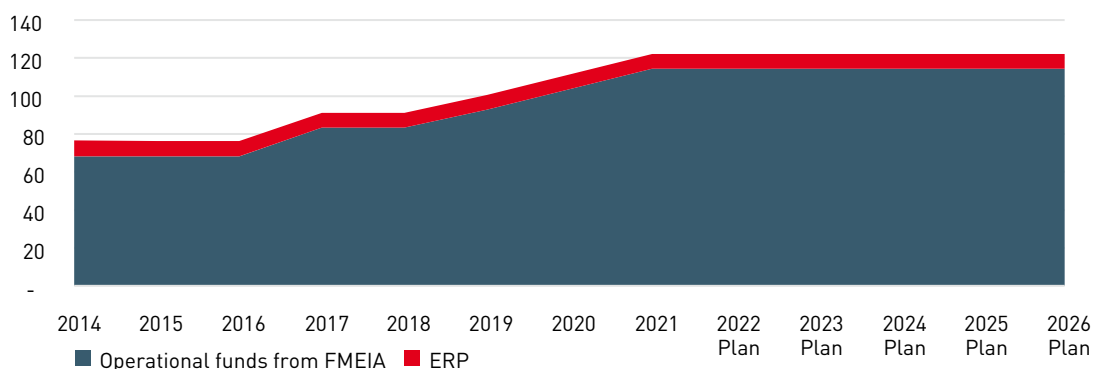


The replenishment of FDF accounted for a major share of the increase in operational funds.

Operational budget over time, divided by business areas:

Operational budget in development cooperation funding (excluding FDF)

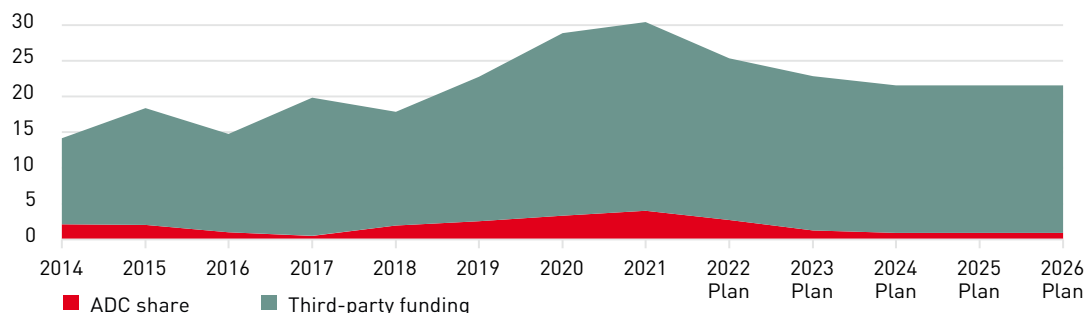
(in EUR millions)



Operational funds for financing development cooperation (excluding FDF) have also increased in recent years. The figure shows funds granted from FMEIA and the ERP Fund.

Operational budget in project implementation

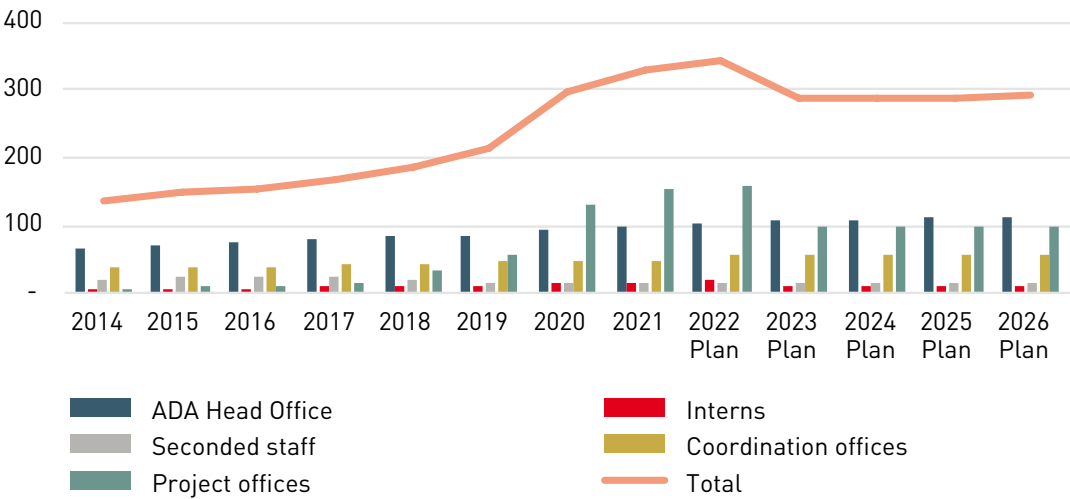
(in EUR millions)



The average operational budget for third-party-funded projects has grown considerably in recent years and is likely to level off to an intermediate level.

Human resources

The number of staff at ADA has grown considerably in recent years and amounted in 2021 to over 329 full-time equivalents. This is in part due to the larger number of project offices.



Annex

Organisational structure and responsibilities¹⁸

ADA's head office is located in Vienna and it operates coordination offices in eleven ADC priority countries as well as project offices for direct project implementation.

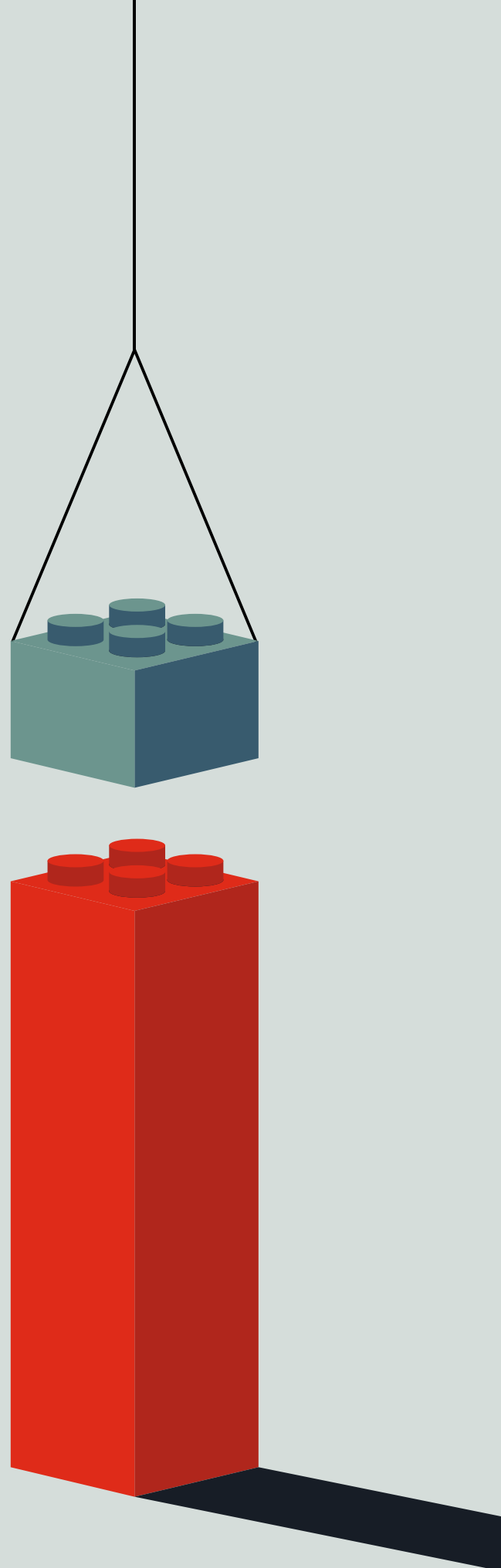
The **Managing Director** heads the organisation and represents it in external relations. He/She is assisted in performing his/her tasks by the staff of the management's organisational unit.

Four executive units, two departments and the heads of the coordination offices report directly to the Managing Director.

The **Development Communications Unit** communicates, primarily in Austria, the goals and achievements of ADC/ADA, with the focus on effectiveness and results. It also awards grants for projects in development communication and education that are implemented by development organisations in Austria.

The **Legal Unit** provides advice to the Managing Director on legal issues and makes a significant contribution to ensuring compliance with all laws and directives applicable to the company.

The **Organisational Risk and Innovation Management Unit** is responsible for advancing organisational development in ADA. Moreover, it devises standards, procedures and methods for knowledge management, organisational learning and risk management. It advises the Managing Director and provides practical assistance to all organisational divisions on these issues.



¹⁸ As of December 2022

The **Evaluation & Statistics Unit** acts as a centre of competence for development evaluation and OECD/DAC statistics and provides advisory services as well as data, facts and analyses to the Managing Director and other in-house units and external agencies for the evidence-based design of development cooperation. It also coordinates with all Austrian reporting institutions on OECD/DAC statistics and with FMEIA for OECD/DAC peer reviews and ADA institutional evaluations.

The **International Programmes and Projects Department** is responsible for planning and managing development cooperation programmes and projects abroad. Other tasks include preparing and coordinating the annual ADA work programme, collaborating in strategy development, developing and compiling knowledge, funding instruments, grant programmes and modalities as well as taking part in international and national expert debate on development-policy issues. The department consists of five units, whose activities are listed below.

The **Themes and Quality Unit** can draw on expertise in the cross-cutting issues of environment, gender and social affairs as well as in the priority themes of water supply and sanitation, sustainable energy, environment and climate, good governance, human rights and migration, peacebuilding and conflict prevention, poverty reduction, rural development, decentralisation and education and science. In addition, it is in charge of individual funding programmes and budgets.

The **Countries and Regions Unit** takes charge of implementing bilateral programmes with priority countries and key regions in keeping with the Three-Year Programme on Austrian development policy (plus global measures).

The job of the **Civil Society and Humanitarian Aid Unit** is to support and assure the quality of development cooperation measures by Austrian civil-society organisations in developing countries as well as international organisations or accredited Austrian aid organisations in the event of a humanitarian crisis or in protracted conflicts (both emergency measures and those for rehabilitation, reconstruction and disaster prevention). This also comprises the administration of funds earmarked for humanitarian aid, such as from the Foreign Disaster Fund (FDF) on behalf of FMEIA.

The remit of the **Private Sector and Development Unit** is the planning, content appraisal and steering of development cooperation measures in cooperation with the private sector in accordance with the objectives of the Three-Year Programme on Austrian development policy.

The **International Third-Party Funding Unit** bears responsibility for projects and programmes where ADA itself implements funds of other national and international donors (third-party funds).

The **Finance and Administration Department** is in charge of planning and managing finances and human resources, and for central services. This comprises accountancy, controlling, preparing data as a basis for supporting business decision-making, human resource planning and development, data handling and IT and facility management. The department also acts as an interface with internal auditing. Updating control systems is another one of its tasks. It consists of four units, whose operations are listed below.

The **Reporting and Financial Accounting Unit** takes care of business accounting.

The **Expenditure Verification Unit** is responsible for controlling the operational budget and the use of funds.

The **Human Resources and Organisational Management Unit** deals with personnel matters in all ADA business areas and the related organisational management.

The **IT and Facility-Management Unit** takes charge of technical and building infrastructure and the associated services.

The **coordination offices** represent ADA with an extensive mandate in the respective priority country. They play a key supportive role for FMEIA in drafting country and regional strategies. Their main task consists in implementing these strategies and the annual work programme and also conducting development-policy dialogue in priority countries. They ensure the efficient and sustainable implementation of projects and programmes to ADA quality standards and proper monitoring. Coordination offices report on the implementation of the country strategy and development-policy trends and changes to head office and FMEIA.

They function as a hub and adviser as part of the whole-of-government approach, including for ministries and federal state governments, to assure coherence and quality in development policy. They also perform public relations work and, in certain cases, consular activities - in particular the offices in countries where there is no Austrian embassy. Under an agreement between FMEIA and ADA, coordination offices officially act as departments for development cooperation or technical cooperation of the competent Austrian embassy and are notified accordingly to the authorities of the partner country.

Project offices with project management teams have been set up to implement third-party-funded projects. Their key task is to manage the individual projects. They are answerable to the respective coordination office

