

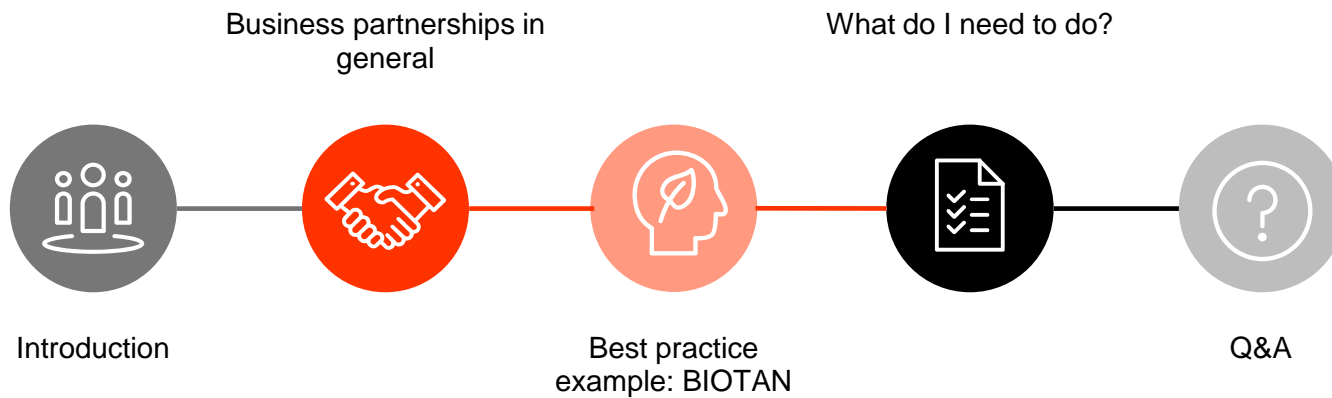


The Business Partnerships Program of the Austrian Development Agency (ADA)

(as of 22/01/2024)

ADA Unit Private Sector & Development + ADA Unit Expenditure Verification

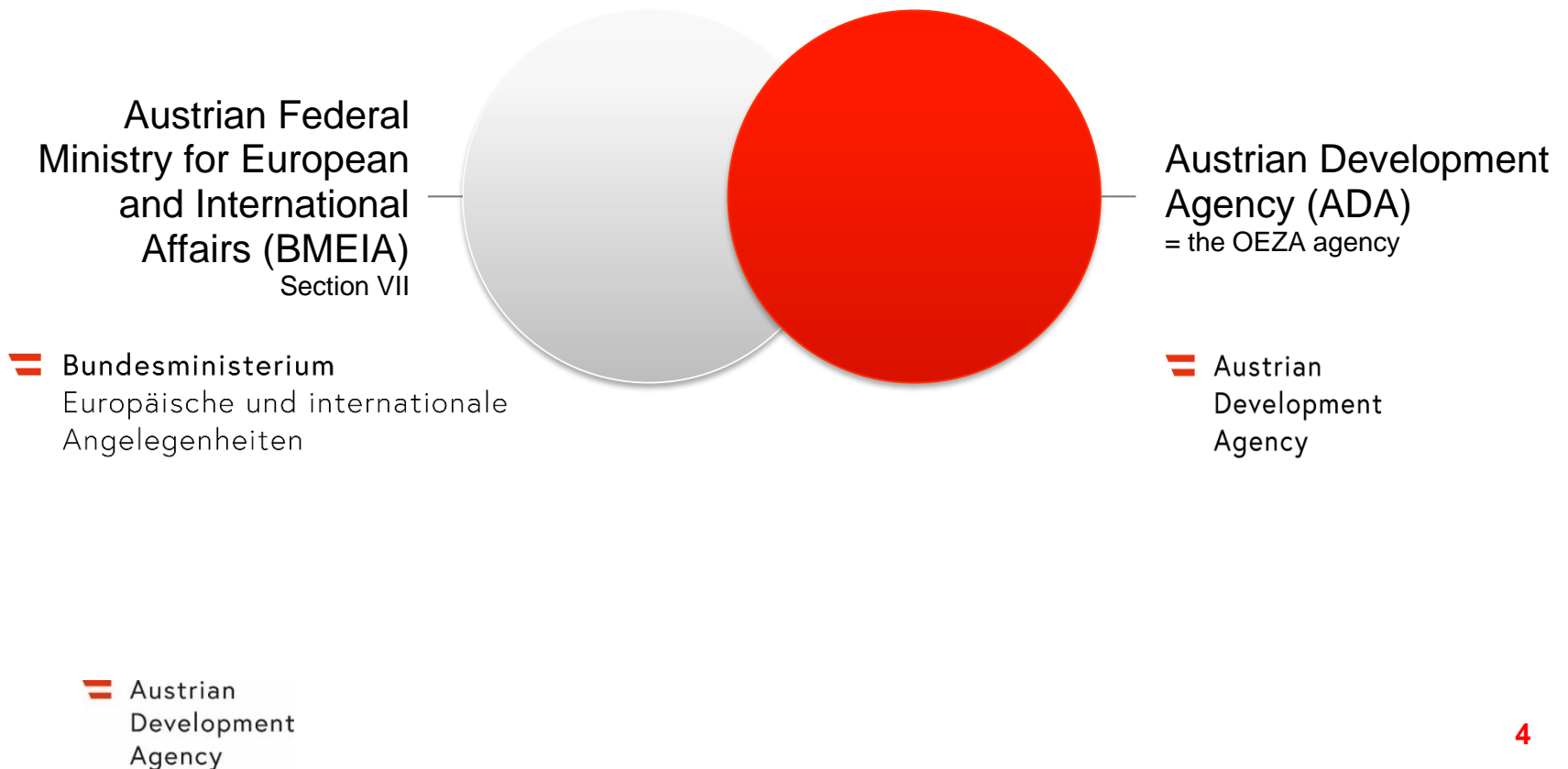
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Introduction

The Austrian Development Cooperation (OEZA)



The ADA Private Sector & Development Unit

What are SDGs? Sustainable Development Goals:



The ADA Private Sector & Development Unit

Main foci:

- Strengthening the local private sector in developing countries
- Benefitting from the Austrian and European economy's potential for development cooperation

Between 2005 and 2022, the **Business Partnerships Program (WIPA)** started **216 projects** with a **funding of EUR 57 million**.

Important regions: Europe (Western Balkans) 39%, Africa 24%, Asia 21%, Latin America 13%

Important sectors: Agriculture and forestry 31%, Industry/commerce 19%, Renewable energies 12%, Vocational training 12%, Tourism 5%, Health 5%

Business partnerships in general

Important definitions

Definitions

"Project" = Goal-oriented project with clearly defined objectives, specific measures, time and resource allocation and a dedicated budget.

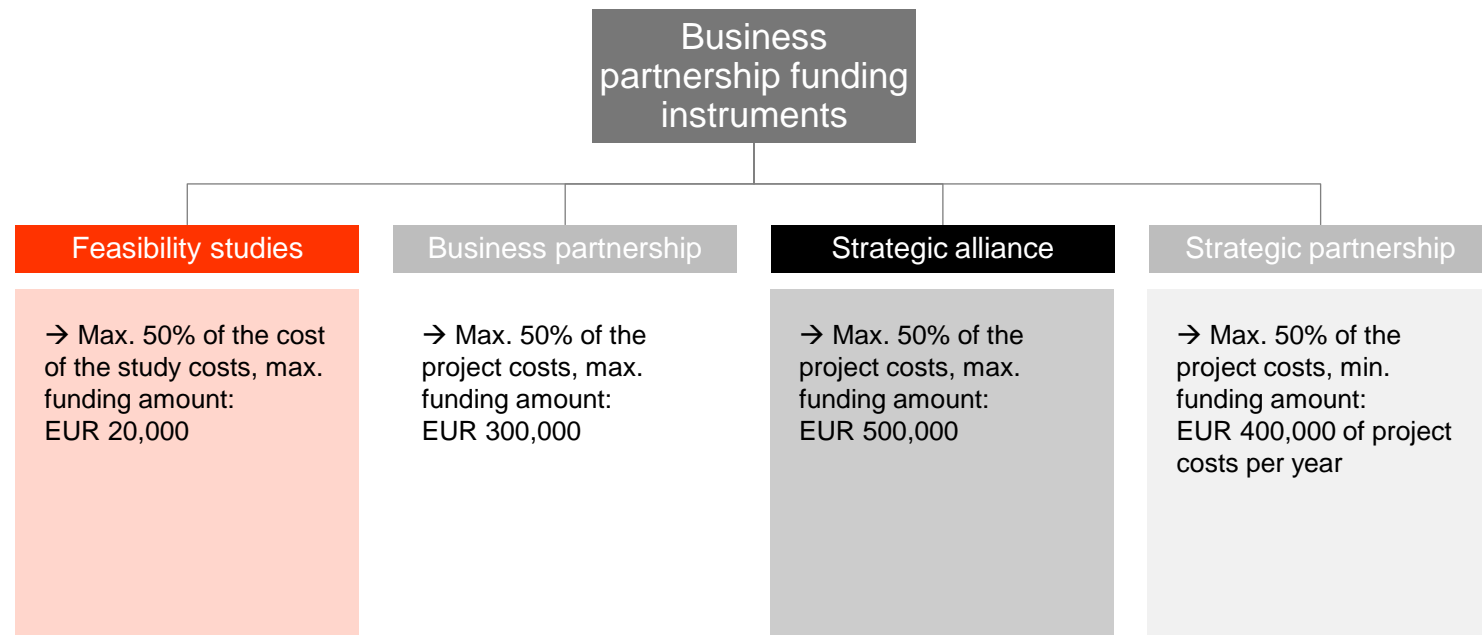
"Business Partnership (WIPA)" = A project implemented by a company in a developing country to achieve social goals. The company's long-term interest in the partner country is a necessary prerequisite.

"Company" = Only companies (SMEs, large companies), associations, foundations and chambers that have their headquarters in the European Economic Area (EEA) or in Switzerland are entitled to apply.

"Target country" or "partner country" = The project must take place in a country that is a recipient of official development assistance in accordance with the OECD.

"Funding period": In principle, only costs incurred between the start and the end of the project (= funding period) can receive funding.

What can we fund?



De-minimis-aid



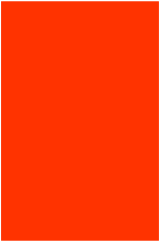
The European Commission limits the amount of aid that an EU Member State may grant to a company.

The de-minimis-aid from the last three tax years is aggregated.

The sum of the de-minimis-aid that an EU Member State grants to a company may not exceed EUR 300,000.



Content criteria for business partnerships




Developmental impacts = social, economic, environmental **benefits for the population in the developing country**



Long-term entrepreneurial interest – operational and/or strategic benefits for the applicant



Environmental, social and economic **sustainability**



"Additionality" = additional benefit that would not be achieved without the funding



Personal responsibility – the company takes responsibility for the project



Examples of developmental impacts

Increasing environmental and social standards in the supply chain

Creating decent employment opportunities and improving working conditions

Supporting women and marginalised groups, both in their professional and entrepreneurial lives

Taking measures to protect the environment, such as using sustainable agricultural techniques, the efficient use of water, along with preventing and recycling waste

Initiatives both to mitigate the effects and to adapt to climate change

Project preparation

Do you have a project idea?

Send an e-mail to wirtschaft@ada.gv.at.

Example: BIOTAN Tanzania – Phase I



- The Salzburg-based companies BIOTAN Austria GmbH and BGIS GmbH have been working in Tanzania with the support of ADA since 2017
- Operation of a production company in Dar es Salaam with a processing plant for organic cashew nuts

About the project

- Increasing the amount of processed nuts from 1,600 to 4,800 tonnes per year
- Innovative products made from cashew apples and the shell of the cashew nut
- Organic premiums and fairtrade prices: the average income of 1,500 farmers and their families is increased by 30%
- The BIOTAN processing plant offers an additional 200 jobs with a share of female workers of 80%

Example: BIOTAN Tanzania – Phase II



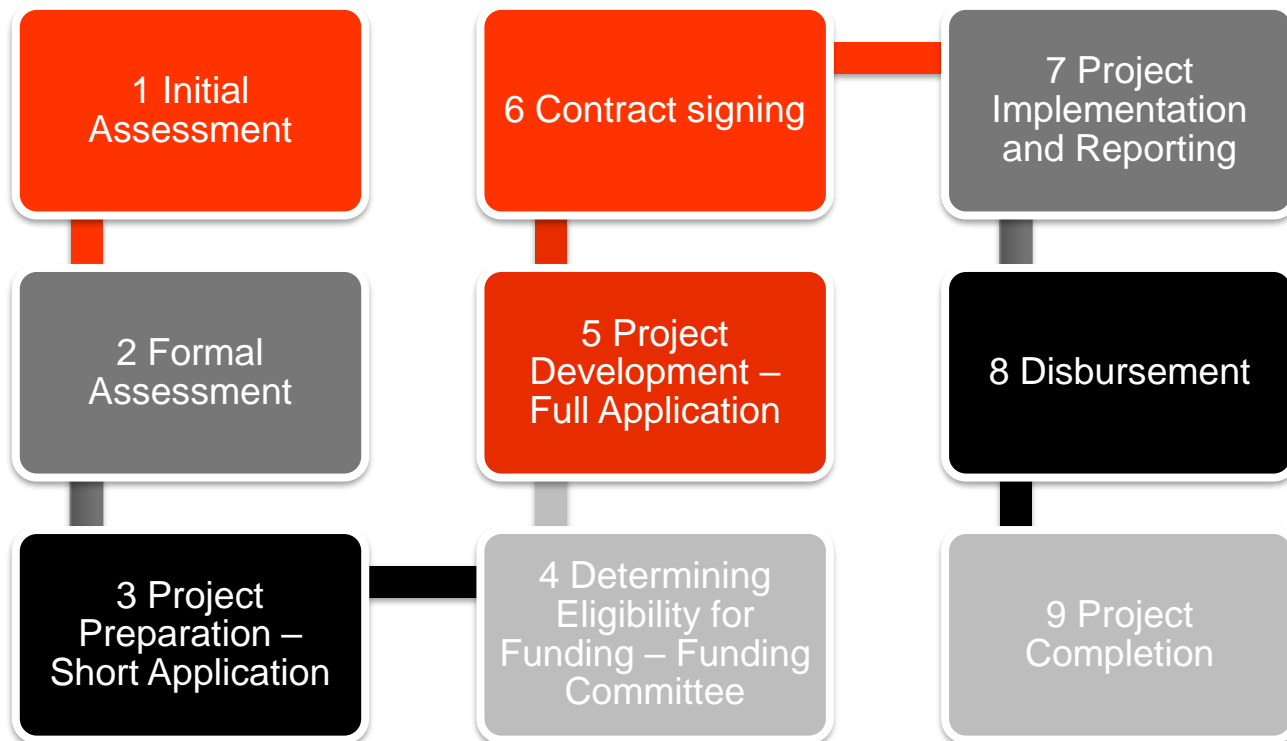
Target group

- 200 new BIOTAN employees and 770 farming families in the poverty-stricken rural region of Mkuranga District

Initiatives

- 770 organic farmers are integrated as new members of the organic farmer cooperative, trained, incorporated into the internal control system of BIOTAN, and supervised by a trained team in the organic certification process
- Increased yields and introduction of organic farming
- The competitiveness of the BIOTAN factory was increased by international HACCP certification for safety in food processing, and by fairtrade certification

Step by step towards a business partnership



Step 1: Initial Assessment

- Initial concept for a business partnership
- Send an e-mail to wirtschaft@ada.gv.at
- Initial assessment of whether the proposal meets the developmental criteria

Step 2: Formal Assessment

- After positive feedback → **Financial Health Form (FHF)**
- FHF: Needs to be attested by a/n tax consultant/auditor



- Additional documents:
 - **Verification of creditworthiness** in accordance with a recognized rating system
 - **Commercial register extract** or comparable register extract

Step 3: Project preparation – Short application

Preparation of the **Short Application** and an initial **Budget**

The **Guidance on Budgeting** provides important assistance

The central questions in relation to the project are:

- In what environment will the project be implemented?
- What is the project's objective?
- What are the expected impacts?
- What measures are planned?
- What team, partners and resources should be utilised to implement the project?
- What measures can the applicant implement him-/herself?
- What measures must be procured externally?

3.1 Note: Prime costs (including salaries)

- Employees are budgeted at prime costs. Verification of employee costs is to be provided via payroll accounting and time sheets.
- Only prime costs (without mark-ups) may be recognized for equipment or services provided in-house.
- **IMPORTANT:** Costs can only be expensed if they have actually occurred and been paid.

3.2 Note: Procurement Rules (Point 1.3.3 GTCs)

- No prices or **remuneration higher than the usual industry or local prices** may be expensed
- **Compliance with basic principles of procurement law** (including equal treatment of all bidders, non-discrimination, transparency)
- The contract value must be determined **carefully and competently**
- Estimated contract value of over **EUR 10,000 (net)** → Three offers must be demonstrably obtained; at least two offers must be received
- From **EUR 50,000 (net)** → Terms of Reference (TOR) must be provided and four offers must be obtained; at least two offers must be received
- From **EUR 100.000 (net)** → the Recipient is required to make the planned procurement accessible to a broader public

3.2 Note: Procurement Rules (Point 1.3.4 GTCs)

- In justified exceptional cases, the funding recipient may be exempted from the regulations under 1.3.3

Prerequisites:

- a) A plausible written justification from the funding recipient
- b) The recipient shall submit the offer which he deems reasonable to accept
- c) The recipient shall prove that the prices offered are reasonable and customary in the specific sector or local market (e.g. by submitting price information obtained, market price research, price lists).
- d) Written consent of the ADA

3.2.1. Note: Obtaining offers – What needs to be considered?

- Name (company, business name) and registered office
- Prices including all required breakdowns and any necessary explanations
- Insofar as necessary, the required information in service contracts at variable prices, with explanations, declarations or reservations
- List of documents included in the offer
- Any alternative offers
- Date and legally valid signature of the bidder
- In the case of electronically transmitted offers: secure electronic signature within the meaning of the Signature Act (SigG)

Source WKO: https://www.wko.at/service/wirtschaftsrecht-gewerberecht/Grundsaeetze_Form_und_Inhalt_von_Angeboten_-_FAQs.html

3.2. Note: 1.4. Procured goods (Point 1.4. GTCs)

- Only **depreciation** during the contract period can be recognized for goods purchased for the project that are still available to the recipient for commercial use after the end of the contract period.
- Exception: Low-value assets and purchased goods that are handed over to a local partner by the end of the project at the latest.

A photograph showing four workers in a food processing facility. They are wearing hairnets and gloves, sorting through a large quantity of small, round, brown food items (possibly nuts or seeds) on a conveyor belt. The workers are dressed in casual work clothes, including a blue jacket and a striped shirt. The background is a clean, industrial setting with white walls and equipment.

Project application and implementation

Step 4: Determining eligibility for funding

Who?

- The funding committee, with representatives from OeEB, BMEIA, WKO and ADA, meets several times a year

How?

- The ADA program manager presents the Short Application and Budget

Why?

- The committee assesses the eligibility for funding and makes recommendations for the Full Application

Step 5: Project development – Full Application



The Funding Committee's recommendations are incorporated into the **Full Application**

In addition, the **Company and Banking Details** must be completed and signed

If several companies or organisations are applying for funding, a signed **Consortium Agreement** must be enclosed

Step 6: Contract signing

The following documents are part of the Funding Agreement:

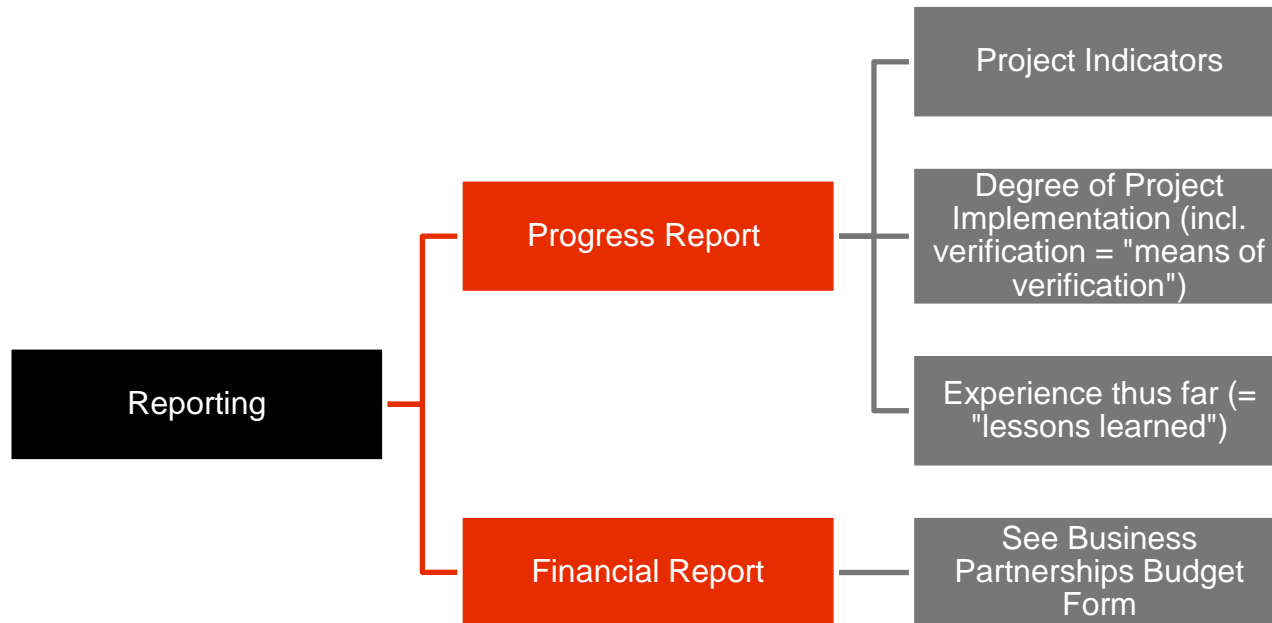
- General Terms and Conditions for Business Partnerships (GTCs)
- Company and Banking Details
- Brief Description
- Project Document
- Project Budget

Additional documents:

- Information Sheet Code of Conduct
- Privacy Policy



Step 7: Project implementation and reporting



7.1. Note: Reporting periods

1. Semiannually:
 1. Electronic: **Progress Report** (Word or PDF) and **Financial Report** (See **Business Partnerships Budget Form**)
 2. Original: **Confirmation of the Financial Report** and **Financial Report** signed by the authorized signatory + the company stamp
2. Annually (in addition to point 1)
 1. Electronic and original: **Audit Report**

Generally: Recipients have two months time to submit reports to the ADA (three months time for Final Financial Report).

7.2. Note: Annual audit by external auditors (Point 4.6. GTCs)

An **annual audit** of the project costs is to be carried out **by an external bookkeeper/auditor** who will attest to the accuracy of the financial reports.

IMPORTANT

- The auditor must be a **licensed firm of auditors**.
- The Recipient must enter into a **contract with the external auditor**, which shall include a detailed description of the tasks assigned and must submit the contract to ADA.
- **After two or three months** subsequent to the end of the twelve-month project term
- You can find assistance in the ***Guidelines for expenditure verification*** on the ADA website under Downloads (see 3. Businesses <https://www.entwicklung.at/en/media-centre/downloads>)
- If the accounting and audit report are not satisfactory, ADA may request **submission of the original receipts** at any time

7.3. Note: Content and budget reallocation

- Contract amendments are subject to the provisions of the **Directive Project Modifications Budget Reallocations and Extensions of Project Duration**
- Must be submitted to ADA in advance for approval:
 - The signed application including justification
 - Reallocated budget (see **Business Partnerships Budget Form** column N-AJ)
- The application must be signed by an authorised person from your company
- A reallocation may not lead to an increase in the contractually agreed total budget
- Term extensions should only be applied for once and should not exceed 1/3 of the originally agreed term

Step 8: Disbursement



Is made in arrears (i.e., retroactively), i.e., after reviewing the semiannual and annual report



In accordance with the percentage agreed in the Funding Agreement (max. 50%)



Disbursement to the account specified in the Company and Banking Details

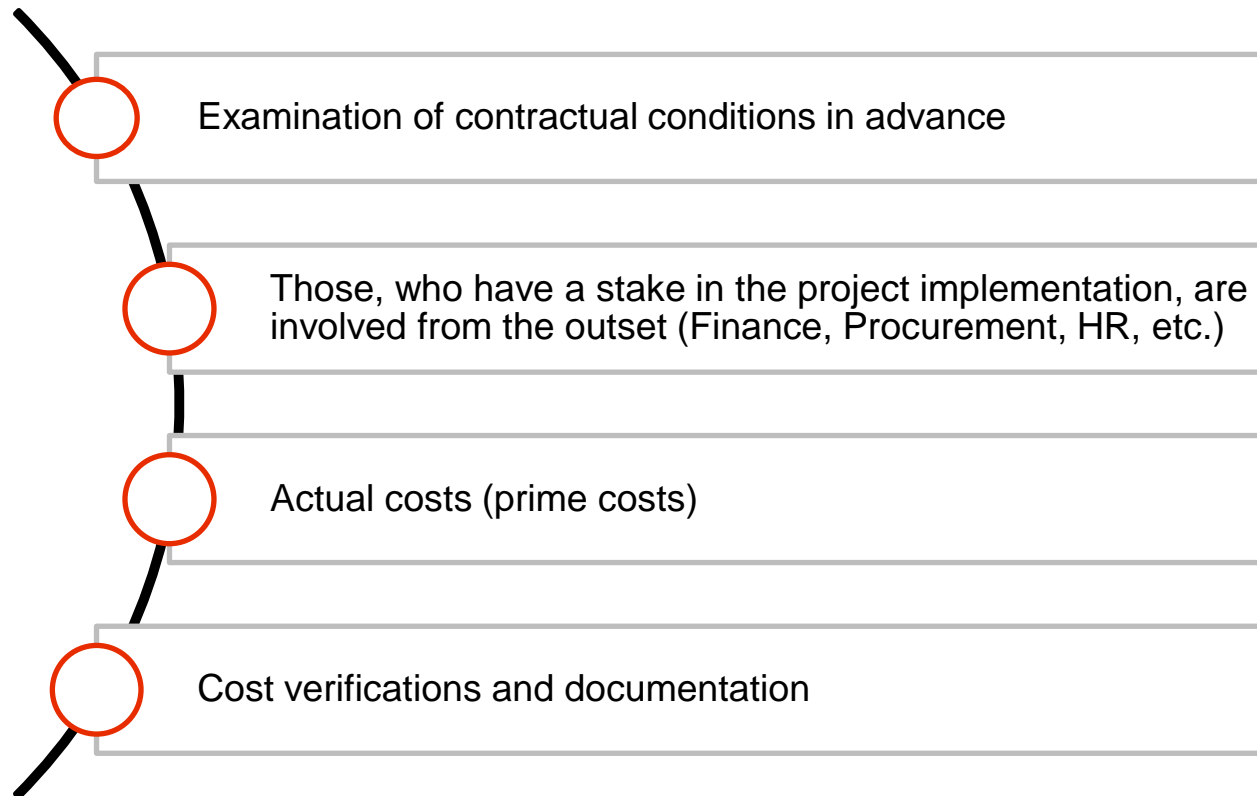


Step 9: Project completion

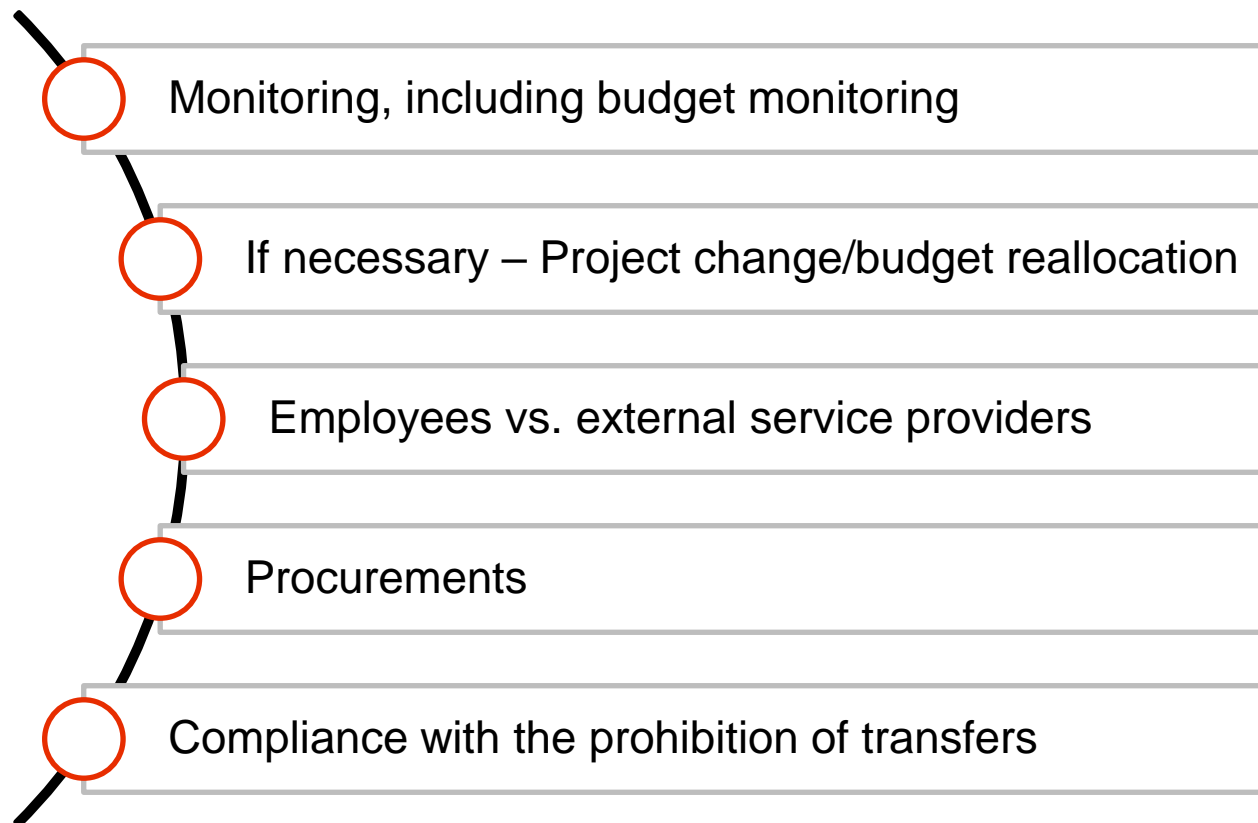
Once the Final Narrative Report and the Final Financial Report have been reviewed, the use of the funding for the intended purpose will be confirmed and the final instalment will be disbursed.

What is important to consider?

Important prerequisites for the recognition of costs



Important prerequisites for the recognition of costs





Q&A

If you have any further questions, please do not hesitate to contact us at wirtschaft@ada.gv.at!

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<https://www.entwicklung.at/en/actors/businesses>

<https://www.entwicklung.at/en/actors/businesses/business-partnerships/how-to-obtain-funding>