



GZ: RL/11-ZGI/2019

# Individual Projects

CSO-Co-financing in developing countries

## Funding Guideline

Please note that the present document is not an official translation.

In case of any discrepancies the German version shall prevail.



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DEVELOPMENT  
AGENCY

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# 1. Background and Aims

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

The funding instrument “Individual projects - CSO-Co-financing in developing countries” applies to projects in developing countries according to the OECD’s Development Assistance Committee/DAC’s definition which are implemented by development organisations in cooperation with local partner organisations.

## 2. Legal bases and other bases

- Development Cooperation Act, BGBl. I No. 49/2002 in the current version (DCA)
- Additionally, the Regulation of the Ministry of Finance regarding General Guidelines for the granting of subsidies from federal funds 2014 in the current version (ARR) applies.<sup>1</sup>
- Three-Year Programme on Austrian Development Policy in the current version
- General Terms and Conditions of the Austrian Development Agency (ADA) for Development Cooperation Funding in the current version (AVB)
- Environmental, Gender and Social Impact Management Manual in the current version (Download: <https://www.entwicklung.at/en/media-centre/publications/manuals>)
- Guidelines for the Visibility of the Austrian Development Cooperation in the current version

## 3. Eligible applicants, subject of funding, amount of funding

### 3.1 Eligibility of applicants

Eligible applicants are development organisations<sup>2</sup> as defined by clause 3 (2) of the Development Cooperation Act. Individuals are not eligible to apply.

No later than the time of contract preparation the development organisation must have a permanent establishment in Austria.

The projects must be planned and implemented in collaboration with one or more local partner organisation(s) – Civil Society Organisations (CSOs)<sup>3</sup> – which is/are registered in the partner country.

Organisations currently implementing a Framework Programme or a Strategic Partnership with funding from **ADA in Southern Regions** are not eligible for funding of individual projects in **Southern Regions**. Organisations currently implementing a Framework Programme or a Strategic Partnership with funding from **ADA in Eastern Regions** are not eligible for funding of individual projects in **Eastern Regions**.

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<sup>1</sup> Regarding contradictions of the two legal bases the Development Cooperation Act prevails.

<sup>2</sup> A development organisation is defined by the Federal Act (DCA) as a non-profit legal entity under private law, provided that development cooperation is among its statutory objectives and its de facto operational activities. Institutions which carry out development cooperation as defined by Section 2, Subsection 3, in particular institutions of legally recognised churches and religious communities, regional and local governmental and administrative authorities and bodies governed by public law as well as businesses shall be deemed equivalent to development organisations.

<sup>3</sup> In special cases — e.g. if no suitable local NGO or other civil society organisation is available — ministries, local government authorities or other decentralised actors may act as local partners.

## 3.2 Co-Funded projects

Co-Funded projects aim at poverty reduction, good governance, human security and the preservation of a liveable environment according to the Sustainable Development Goals (SDGs) and the Three-Year Programme on Austrian Development Policy. Thematic foci are rural development, food security, water supply and sanitation, education, human rights and peacebuilding, disaster preparedness, environment and climate change as well as migration and development. Projects must be in accordance with national and local strategies of the respective partner country.

Projects in Africa for which **Gender Equality** is defined as **main objective** and which consequently fulfill the criteria for the **Gender Equality Policy Marker 2** according to the OECD-DAC definition<sup>4</sup> will be given preference in the funding decision.

**A precondition for eligibility for funding** is that

- projects are self-contained and have clearly defined goals
- project activities are implemented in the partner country
- projects are based on an analysis of problems, needs and potentials
- relevant national and local actors are actively involved
- projects aim to strengthen and build capacities of target groups and local project partner organisations
- an active risk management, including an adequate risk assessment, as well as risk management measures (if required) and monitoring are provided for
- projects are in accordance with the partner countries' development plans and ADC principles
- adherence to environmental, gender and social standards is ensured<sup>5</sup>
- project goals are achievable within a minimum of two years and a maximum of three years with the means and measures listed in the project budget
- projects are implemented with a plausible and adequate budget

**Funding is not provided for**

- projects devised solely for transporting persons or goods to a developing country or projects in which more than 50 percent of the expenditure are material costs (e.g. procurement of medical equipment and/or construction, including associated personnel costs)
- scholarships or studies and associated travel costs
- individual measures which are not part of, or relevant to, a project (e.g. one-off events)

Funding is available for projects in **developing countries as defined by the OECD Development Assistance Committee/DAC**.

## 3.3 Amount of funding

The **maximum amount of funding** by ADA is **EUR 300,000 per individual project**.

The **total project budget** (all financial means for project implementation) must amount to a **minimum of EUR 350,000** and not exceed EUR 600,000.

The **funding rate depends on the country in which the project is carried out**.

**Categorization and list of countries:**

Individual projects South: <https://www.entwicklung.at/en/actors/civil-society/individual-projects-south/>

Individual projects East: <https://www.entwicklung.at/en/actors/civil-society/individual-projects-east/>

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<sup>4</sup> <http://www.oecd.org/dac/gender-development/dac-gender-equality-marker.htm>

<sup>5</sup> See the Environmental, Gender and Social Impact Management (EGSIM-Manual): [https://www.entwicklung.at/fileadmin/user\\_upload/Dokumente/Publikationen/Handbuecher/Environmental\\_and\\_Social\\_Impact\\_Management/EGSIM\\_Manual\\_Juni2018.pdf](https://www.entwicklung.at/fileadmin/user_upload/Dokumente/Publikationen/Handbuecher/Environmental_and_Social_Impact_Management/EGSIM_Manual_Juni2018.pdf)

## 4. Funding conditions and requirements

Prerequisites for the allocation of funding are that the applicant has a legitimate executive management and the implementation can be assumed to be well-executed based on available technical, economic and administrative capacities. ADA will ascertain eligibility, proper registration, seemly conduct of business and suitability with regard to the above criteria. EU state aid law is observed in the allocation of funding.

The applicant must provide a total project budget and a financing plan which fully accounts for all financial means for financing the project as well as the share of financial means contributed by the different financing partners and the applicant's own funds.

The applicant has to contribute at least 10 percent of funds to the total project budget. These may comprise the applicant organisation's own funds, in-kind contributions or contributions from third parties. Contributions from third parties essentially comprise the financial participation of a project partner, donations, sponsorship, and the like.

Funding from third parties (other public funding bodies) is not considered as contributions from third parties; hence, they do not fall under the applicant organisation's own funds.

If funding is granted, ADA's General Terms and Conditions to the Austrian Development Agency Grant Agreement for Support in the Field of Development Cooperation (AVB) in their most recent version apply. The General Terms and Conditions and model grant agreements are available for download at <http://www.entwicklung.at/en/>.

## 5. Eligible costs

Only those costs which are directly related to the implementation of the project and for which a proof of expenditure can be provided will be taken into consideration. Costs are to be listed in detail in the project budget by the applicant organisation and may be composed of the following types of expenditure:

### Direct project costs

- personnel costs for persons directly involved in project implementation, preferably employing local staff. Only in exceptional and justified cases may Austrian/ international personnel be employed
- material costs (project material, building and construction costs, vehicles, etc.) up to 50 percent of the total project cost<sup>6</sup>
- training expenses (for local project staff or target groups)
- equipment, energy costs, communication costs (telephone, Internet, etc.) on site
- expenses for evaluation<sup>7</sup> up to 5 percent of the total project cost
- expenses for documentation and public awareness raising directly connected with the project in the project country or in Austria (events, publications, etc.) up to 10 percent of direct project costs
- reserve (provisions for inflation and unforeseen costs) up to 5 percent of direct project costs

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<sup>6</sup> All materials should be purchased at the most economic rate possible, not exceeding the current local price. Materials are to be purchased in the project region or country except for resources which are not locally available or only in much poorer quality or at an excessive price.

<sup>7</sup> Evaluation is a systematic and objective assessment of an on-going or completed project or programme including its concept, implementation and results. It assesses the relevance and achievement of development goals, efficiency, effectiveness, impact and sustainability.

### **Indirect project costs (overhead costs)**

Indirect project costs or overhead costs (PBE) cover administrative expenses of up to 10 percent of direct project costs (see PBE arrangement in its most recent version at <http://www.entwicklung.at/en/>).

## **6. Process of Allocation of Funding**

### **6.1 Submission of funding applications**

Funding applications must be submitted via e-mail to ADA. Only complete applications which are submitted on the standard forms and within the prescribed time limit will be considered for appraisal. The funding application may be submitted in German or English. The submission of documents in other languages requires prior consultation with the Unit Civil Society International and Humanitarian Aid (ZGI). An informative short description of the problem, goals, target groups and activities in German or English must be included in the funding application.

Submission **deadlines**:

**Developing countries in Southern Regions: annually 20 September**

**Developing countries in Eastern Regions: annually 20 March**

The complete, signed funding application must be submitted within the stipulated period (deadline 24:00) via e-mail to ADA's Unit Civil Society International and Humanitarian Aid (ZGI):

E-Mail: [zivilgesellschaft-international@ada.gv.at](mailto:zivilgesellschaft-international@ada.gv.at)

Forms are available for download from the website. The funding application consists of:

- Application form including timetable
- Logical Framework<sup>8</sup>
- Project Budget
- Bank data sheet
- Environmental, Gender and Social Standards (EGSS) checklist

### **6.2 Project Appraisal and Funding Decision**

The documents are appraised by a commission according to the criteria listed in section 3 and 4.

The commission consists of at least three members. The members are named by the Unit Civil Society International and Humanitarian Aid (ZGI). In the constitution of the commission, the members shall be from at least two organisational units within ADA and that there is no hierarchical relationship between them.

The commission's members sign a declaration of impartiality and independence; they must appraise the projects independently; the commission's members may not be given any instructions regarding their appraisals.

Concurrently, for projects with a budget above EUR 500.000, the environmental, gender and social risks categorisation of the proposed project is done by the responsible technical advisors and possible recommendations for improvement made. In case of moderate or high environmental, gender or social risks – based on the recommendations of the responsible technical advisors – a specific study concerning potential impacts and risks of the project and, as necessary, the preparation of a risk management and sustainability plan has to be foreseen.

If more than one project application is in line with the criteria listed in section 3 and 4, the following selection criteria are applied according to the available budget:

- experience in development cooperation of the applicant organisation

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<sup>8</sup> Matrix for planning and control of projects. The planning matrix shows the project goals, how achievement of these goals can be measured and which external factors influence their achievement.

- extent of participation of the local partner(s) in planning and implementing the project (ownership & participation)
- relevance of the project for the target groups
- coordination with other projects and initiatives in the project region
- economic, social and environmental sustainability of the project

Approximately six to eight weeks after the application deadline, a meeting takes place with ADA's managing director in which the allocation of funding is decided. The managing director decides on the allocation of funding based on the recommendations of the commission. The applicant is informed about the funding decision in written form. In the case of a positive funding decision, a funding contract is made between applicant and ADA.

A legal claim towards ADA by the recipient of funding exists only after the contract was signed by both parties.

## **7. Legal claim**

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

## **8. Final provisions**

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The ADA Unit Civil Society International and Humanitarian Aid (ZGI) is responsible for the development of the present guidelines.

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