

Austrian Development Agency's Business Partnerships – Frequently Asked Questions (FAQ)

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1. GENERAL INFORMATION

1. What are business partnerships?

Through its business partnerships funding programme, the Austrian Development Agency (ADA) supports sustainable economic and social development in partner countries. Business partnerships are open to companies based in Austria, the European Economic Area (EEA), and Switzerland that operate in emerging and developing countries and contribute to improving living conditions there.

2. Why should companies be interested in a business partnership?

For companies, partnering with the Austrian Development Agency through a business partnership offers several benefits:

- helping to ensure the long-term success and sustainability of their business activities,
- reducing the risks associated with investments in emerging and developing markets,
- improving the framework conditions for private-sector engagement in emerging and developing markets.

3. In which countries can a business partnership be implemented?

In principle, actions are possible in all recipient countries of official development assistance as defined by the OECD. However, priority is given to actions in the Austrian Development Agency's priority countries.

4. In which sectors can a business partnership be implemented?

Business partnerships can be implemented across all sectors. However, actions directly or indirectly linked to the manufacture or distribution of weapons or other military equipment are excluded. The production of or trade in hazardous goods or environmentally harmful substances is also excluded. Pure exports of goods or services, as well as the financing of technical or scientific studies, are also ineligible for funding.

5. What does 'visibility' mean?

Good visibility and effectiveness in communication strengthen Austria's reputation as an internationally engaged partner, make it clear to those who benefit from the actions where the support comes from, and recognise the contribution that Austrian taxpayers make to development cooperation. The Directive on visibility and communication of actions funded by the Austrian Development Agency sets out the basic principles that grantees must adhere to when communicating about actions, as well as recommendations for well-coordinated and effective communication.

2. ELIGIBILITY AND REQUIREMENTS

6. Who can apply for a grant?

The following are eligible to apply:

- Chambers, provided they carry out development cooperation as defined in Section 2(3) of the Development Cooperation Act,
- companies, provided they engage in development cooperation as defined in Section 2(3) of the Development Cooperation Act,
- non-profit associations
- and non-profit foundations, provided that development cooperation is part of their statutory objectives and actual business activities,

with headquarters in the European Economic Area or Switzerland, provided that they make the required own contribution.

7. Can companies from emerging and developing countries also apply for a grant?

No, unfortunately that is not possible. Only companies, non-profit associations, foundations and chambers with their headquarters in the European Economic Area or Switzerland are eligible to apply.

8. What requirements must applicants meet?

Applicants must provide substantial own contributions, covering at least 50% of the action's costs. Furthermore, they must be committed to long-term engagement in an emerging or developing country and ensure compliance with the legal system of the target country as well as with international agreements.

9. Can start-ups also apply for a grant?

Start-ups are not part of the target group for the Austrian Development Agency's business partnerships. To be eligible to apply, the company must exist for at least three years and must provide evidence of the necessary financial, organisational and human resources. As start-ups typically do not meet the required eligibility criteria, particularly with regard to creditworthiness, financial stability, and the ability to provide a minimum own contribution of 50%, funding is generally not possible in such cases.

10. Do local partners who are co-applicants (e.g. in a consortium) also have to provide evidence of financial, organisational and personnel capacity?

If an individual partner receives more than 100,000 euros in funding through the action, they must also demonstrate their capacity by submitting a proof of creditworthiness, the Austrian Development Agency's Financial Health Form, an extract from the Commercial Register or Register of Associations, and the last three annual accounts.

3. FUNDING

11. What is the maximum amount of grant available under a business partnership?

Depending on the type of grant, up to 500,000 euros in grants is possible. In most cases, the amount of grant is 300,000 euros, which is allocated to the company or group of companies as de minimis aid.

12. Which costs can be funded?

The budget template distinguishes between staff and travel costs, material costs and other costs.

On the one hand, labour costs for in-house, external or local staff and travel expenses can be included in the budget. On the other hand, capital goods required for the implementation of the action may be funded under material costs. Provided the investment remains the property of the grantee, only the depreciated value is eligible for funding. Running costs such as rent, telecommunications, office supplies, translations, etc. can be included as other costs. The costs of the auditor required for the financial statement can also be included in the budget.

13. Which costs are recognised as the applicant's own contribution?

Only costs that are actually incurred and can be substantiated may be recognised as own contributions. In-kind contributions that do not involve actual expenditure or cash flow are not eligible for funding. Work carried out by the company's own employees and capital goods provided from the company's existing stock or production must be budgeted at cost price only.

14. Can partners or beneficiaries be included in the action if they are unable to make a monetary contribution?

In principle, this is possible through sub-granting, whereby the applicant transfers part of the grant to third parties that implement specific components of the action as sub-grantees. This must be described in the grant application. The grantee is liable to the Austrian Development Agency for the acts and omissions of the subgrantee. The grantee also contractually obliges the sub-grantee to comply with the grantee's obligations and ensures that the sub-grantee fulfils its obligations.

15. How should staff costs be calculated?

Please refer to the [Guidance for budget preparation](#).

16. Can a business partnership be combined with other grants?

Yes, this is possible; however, a business partnership is generally classified as de minimis funding. This means that a company may receive a maximum total of 300,000 euros in national state grants over a three-year period. All relevant grants must therefore be declared to the Austrian Development Agency when submitting the application and will result in a corresponding reduction in the maximum grant amount of 300,000 euros.

17. Can a business partnership be co-financed by another ongoing action?

No, because the applicant's own contribution must be provided by the applicant themselves and not by other donors or through other actions. The action is primarily financed by the applicant; the Austrian Development Agency provides up to 50% of the action costs.

18. What is the grant: a loan or a non-repayable grant?

Grants provided under the Austrian Development Agency's business partnerships are non-repayable (grant) funds.

19. How is a grant paid out?

A grant under a business partnership is paid out retrospectively, i.e. following the review and approval of a half-yearly interim narrative report and an interim financial statement, which document the progress of the action's implementation and provide details of how the funds have been used. In accordance with the percentage agreed in the grant agreement (max. 50%), the Austrian Development Agency transfers its share of the eligible and approved

project costs to the bank account specified in the [Financial Identification Form](#). For a three-year project, the funding is therefore disbursed in six instalments.

4. GRANT

20. Which actions are funded?

The following qualitative criteria are decisive for a grant:

- **Developmental impact:**

Actions that sustainably improve the living conditions and development prospects of people in economically less developed countries and contribute to poverty reduction.

The principles and objectives of international guidelines must be taken into account. Furthermore, a significant contribution to achieving the Sustainable Development Goals (SDGs) must be demonstrable, particularly with regard to SDG 8 on creating decent work and income opportunities, and SDG 9 on supporting local small and medium-sized enterprises (SMEs).

- **Business benefits:**

The economic viability of an action is a prerequisite and must be demonstrated credibly by the company.

- **Sustainability:**

Both the business benefits and the developmental impacts extend beyond the formal conclusion of the funded action.

- **Added value/Additionality:**

The action creates additional benefits that would not have been made without the grant. When assessing the proposal, the Austrian Development Agency ensures that grants are not provided for activities which the grantee would carry out even without the grant, or for impacts that would occur even without the grant. Nor are grants provided for activities that serve merely to fulfil legal obligations.

21. What is an inception phase and what can it be applied for?

An inception phase lays the foundations for a future business partnership. Within this framework, political, economic, legal and technical feasibility issues can be examined and a business plan developed. In any case, the applicant must demonstrate convincingly that the aim is to subsequently establish a business partnership. Purely technical or scientific studies are not eligible for funding. Eligible costs include those relating to staff of the grantee and/or sub-grantee, as well as external specialists (contractors) who carry out the inception phase.

22. Can consortia also apply for a grant?

Consortia (ARGE) may apply for a grant if they meet the following requirements:

- All partners must sign a consortium declaration.
- The lead applicant (lead member of the consortium) undertakes, through its authorised representative, to represent all members vis-à-vis the Austrian Development Agency in a legally valid and unrestricted manner in all matters arising from or in connection with the implementation of the grant agreement (e.g. contract amendments).

23. What types of grants are available?

In the framework of the business partnerships programme, the Austrian Development Agency (ADA) offers grants for inception phases (up to 30,000 euros; max. 50%), 'standard' business partnerships (up to 300,000 euros; max. 50%) and Strategic Alliances (up to 500,000 euros for multiple applicants or joint ventures/consortia; max. 50%). These funding instruments differ in terms of size, duration and eligibility criteria. Details of the individual types of grants are set out in the [Business Partnerships Funding Guidelines](#) (Section 9).

Furthermore, ADA has the option of launching a public call for proposals and inviting applications for funding. This enables larger actions with a total budget of between 1 and 2 million euros to be funded.

24. What is the timeframe for a business partnership?

The duration of a business partnership is usually three years.

25. Can purely consultancy, training or planning services be funded?

Purely consultancy, training or planning services are not eligible for funding if they involve only a one-off or temporary provision of such services by consultants, trainers or planners from Europe.

A grant may be applied for actions involving the establishment, development or strengthening of independent local service enterprises, provided that these enterprises primarily provide their services through local skilled workers.

26. Can actions that are already underway be promoted?

In principle, grants are only available for new actions.

However, if the additional funding significantly enhances an action's relevance to development policy, funding may, in exceptional cases, also be granted to actions whose implementation has already begun.

5. THE PATH TO FUNDING

27. What is the process for securing a grant?

The grant process begins with the applicant taking the initiative and approaching the Austrian Development Agency (ADA) with an idea.

ADA supports applicants from the submission of the initial concept right through to the preparation of the full grant application. Applications may be submitted throughout the year (subject to available funding). They are assessed on the basis of qualitative criteria, as set out in the [Funding Guidelines for Business Partnerships](#) (Section 8). Further information on this can be found [here](#).

In addition, ADA may offer the option of a public competition, i.e. a call for proposals. This enables the support of larger actions with a total budget of between 1 and 2 million euros. However, applications for this scheme can only be submitted within a specific timeframe and under pre-defined conditions. Further details are available [here](#).

28. Who decides whether an action will be funded or not?

The decision on whether to award a grant is made by the management of the Austrian Development Agency (ADA) following consultation with a grant committee – comprising representatives from the Austrian Ministry of Foreign Affairs, the Austrian Federal Economic Chamber, the Austrian Development Bank and ADA – exclusively on the basis of the [Business Partnerships Funding Guidelines](#) and subject to the availability of budgetary resources. There is no legal entitlement to the award of funding.

29. How is the applicant company assessed?

To ensure that the applicant has the necessary financial, organisational and human resources to implement the action, the applicant's creditworthiness and the commercial viability of the business plan relating to the action are assessed. The applicant is required to submit relevant supporting documents (proof of creditworthiness according to a recognised rating system, the Austrian Development Agency's Financial Health Form, an extract from the Commercial Register or Register of Associations, or similar, and the last three annual accounts).

30. Who is responsible for implementing the funded action?

The applicant assumes responsibility for the entire funded action on the basis of the grant agreement. ADA contributes to the costs of the action through the grant (max. 50%). Where there are multiple applicants, they are jointly and severally liable to ADA for compliance with the grant conditions.