

Peer Review of Austria Memorandum 2014

Federal Austrian Ministry for Integration, Europe and
International Affairs

April 2014
Vienna, Austria



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0. Executive Summary

Since the last Peer Review of 2008/2009, a number of strategic changes have taken place within the Austrian aid administration, both in order to strengthen internal coherence as well as to keep pace with demands and challenges at the international level. Thus, as a follow-up to a key recommendation of the last Peer Review, the Three-Year Programme of Austrian Development Policy was re-designed and turned into a joint three-year strategy for all government actors in development cooperation. At the same time, the result orientation of Austrian interventions in partner countries has been strengthened by including results into the ODA-Matrix of the said Programme.

Together with the Three-Year Programme, a “Mission Statement of Austrian Development Policy” was elaborated in 2012 in a broad consultation process, facilitated by a series of “Jour-Fixe Meetings” initiated by the State Secretary. These meetings brought (and bring) together a wide range of actors and stakeholders from ministries, Parliament, civil society and the private sector and provide a forum to discuss substantial issues of development cooperation (like the Austrian position in the post-2015 process).

Caused by the recent financial and economic crisis, Austria’s ODA had to be negotiated against the background of a series of austerity budgets presented by the Federal Government. Due to interventions by the Minister of Foreign Affairs, substantial cuts in ADA’s operational and administrative budget, which had been envisaged and laid down in the four-year rolling budget frame for the period 2011 to 2014, could be averted in 2013 and presumably also in 2014.

Besides implementing country strategies in the field, Austria also actively participates in the process of division of labour, and ADA cooperates very successfully with the European Union via delegated cooperation.

In order to strengthen its regional focus and as a consequence of budgetary cuts, Austria reduced the number of priority partner countries from 15 to 10 (plus Palestine). Accordingly, also the number of coordination offices has been reduced from 18 in 2008 to 10 (plus one ICM Office in Belgrade) in 2013.

With regard to financing for development, Austria acknowledges and pays great attention to the role of financial flows other than ODA. It therefore actively seeks to use ODA as leverage to raise additional funds, especially from the private sector. The Development Bank of Austria, founded in 2008, has successfully established itself as a provider of substantial non-ODA funds to the private sector in developing countries.

Policy coherence for development remains a challenge which Austria seeks to meet by focusing on two issues: “Security and Development” and “Environment and Development”. For both issues, inter-ministerial guidelines were elaborated jointly and permanent working groups established.

Based on an evaluation and following another recommendation of the last Peer Review, Austria has phased out its former scholarship programmes and successfully established a new “Austrian Partnership Programme in Higher Education and Research – APPEAR”. This approach constitutes a transformation from providing individual scholarships to supporting north-south partnerships between institutions of higher education and learning.

As a reaction to another recommendation of the last Peer Review, Austria has un-earmarked all its humanitarian core funding.

Although ODA levels are remaining below the internationally agreed targets, the new Federal Government has reiterated its resolve to meet the ODA-target of 0,7% of GNI over the coming years.



1. Towards a comprehensive development effort

1.1. Global development issues

The “Mission Statement”, elaborated in an inclusive process in 2012, serves as a guide for the long-term vision of Austrian development policy. It clearly defines global public risks as the starting point for Austria’s development cooperation by stating:

“International crises, climate change, natural disasters, hunger, conflicts and security issues pose challenges that can only be surmounted with global responsibility and cooperation. Austria’s development policy measures therefore form part of our international commitments together with our partners in the EU and all over the world, because it is in our own interests that people everywhere should live in prosperity, dignity, liberty and peace.”

The Three-Year Programme on Austrian Development Policy 2013 – 2015 positions the Austrian Development Cooperation (ADC) in a rapidly changing world. As the centres of world economic growth are shifting, so are the spheres of political power and the global pattern of poverty.

Austria believes that this calls for a fresh view on Financing for Development (FfD). Concerning ODA we believe that these scarce resources need to be used increasingly as leverage for other financial flows. ADC therefore actively participates in a number of “blending facilities”. Furthermore, Austria managed to raise substantial amounts of Non-ODA funds in addition to its traditional ODA engagement via the Austrian Development Bank (OeEB).

Being a comparatively small country in an increasingly globalised world, Austria attaches great importance to its engagement in multilateral institutions, which play a key role in tackling global risks and challenges. Working with and via the EU is therefore defined as a cornerstone in the Three Year Programme. But this understanding is also one of the drivers for the substantial increase of funding for Multilateral Development Banks (esp. the World Bank Group and the AfDB) in recent years.

Beyond its aid programme, Austria contributes to tackling security challenges, thus promoting Human Security via its participation in UN peacekeeping missions. The new Government Programme for the period 2013 to 2018 includes a commitment to deploy a minimum of 1.000 soldiers to EU and UN missions. A new whole of government concept, which takes account of civil crisis prevention, conflict resolution and peacebuilding, is foreseen in this government programme.

Austria ranks tenth in the independent Commitment to Development Index (CDI) among the 27 richest nations in 2013, scores high in the category “migration” and is commended for its participation in international security treaties.

This understanding also determines our position in the discussion of the Post-2015 Development Agenda where we focus, among others, on rule of law and respect for human rights as well as peace and security as preconditions for development.

This broad strategic approach to development can only be realised through a coherent policy of all stakeholders which is further translated into country strategies which are increasingly elaborated in a process involving actors from many different government institutions.



1.2. Policy coherence for development

1.2.1 Political Commitment and Policy Statements

Policy coherence for development (PCD) is a principle of Austria's development cooperation and a legal obligation under the Federal Act on Development Cooperation (§ 1(5) of 2003, both at national and international level.¹ According to the Act the MfA is in charge of PCD.

The new "Three-Year Programme 2013-2015" explicitly emphasizes the importance of PCD as overarching guideline for development cooperation. It states as one of the five precepts of ADC: "In a globalised world, policymaking can no longer be confined to geographical boundaries. We must therefore take account of the far-reaching consequences of our policies, at legislative and executive level. As the interaction of various policy fields for development, policy coherence is thus a major concern of Austria's and at EU level."

Furthermore the "Mission Statement of Austria's Development Policy" includes a clear statement to "act together for a coherent policy serving development".

The EU Work Programme 2010 – 2013 on policy coherence for development serves as an important point of reference for ADC's PCD work.

ADC focuses its PCD engagement on two priority issues: environment and security (both stated in the above mentioned EU Work Programme as one of the five global challenges the EU wants to address in a development-friendly manner). For both topics inter-ministerial Strategic Guidelines were endorsed by the Council of Ministers in September 2009 and in November 2011, respectively.

1.2.2 Policy Coordination Mechanisms

The Austrian focal point for PCD is located in the department of development cooperation of the MFA and has the primary task to initiate and coordinate the inter-ministerial dialogue and the facilitation of civil society engagement in the formulation and implementation of strategies. Furthermore, it is part of the EU expert group on PCD and the OECD National Focal Points Network.

Policy coordination mechanisms for PCD include the institutionalised working groups "Environment and Development" and "Security and Development" at inter-ministerial level, regular dialogue between ministries, official agencies and Parliament, informal contacts between civil servants and representatives of civil society organisations as well as ad-hoc meetings on issues related to PCD if required.

Until 2011, an inter-ministerial working group dealt with all aspects of coherence. It was founded in April 2005 and met regularly up to June 2011. Since then, the dialogue at inter-ministerial level focuses on the two specific working groups mentioned above.

From time to time, the Austrian Parliament engages on its own initiative in PCD. To give an example: in March 2011 Parliament organised a round table discussion on Austrian bilateral investment protection treaties and their impact on developing countries.

¹ The act states in § 1(5) "The Federal Government, in the fields of policy it pursues that may have effects on developing countries, shall take into consideration the objectives and principles of development policy."

Box 1: Advisory Board on Development Policy

The Advisory Board, established in line with § 21(2) of the Development Cooperation Act, is an instrument for consultation in policy making. In 2012, the State Secretary in the MFA selected and appointed new members for a period of three years. In order to make the Advisory Board more relevant, its composition was modified. The new board of seven members unites representatives from NGOs, the private sector, the Austrian Broadcasting Company, University of Vienna, Chamber of Commerce, a private foundation and OeEB. Civil servants from ministries involved in development cooperation are no longer on the board but in other fora for dialogue between government officials.

The Post-2015 Development Agenda is both a challenge and a chance to base the debate on the future development goals on a broad consultation process. Therefore, MFA regularly consults the Federal Ministry of Agriculture, Forestry, Environment and Water Management and other relevant state actors regarding the elaboration of specific positions to be fed into the negotiating process both within the EU and the United Nations. In October 2013, the two ministries launched a regular, institutionalized consultation process that ensures coherent positions whenever needed.

1.2.3 Systems for Monitoring, Analysis and reporting on PCD

Austria reports to the EU by way of a bi-annual PCD report². It also contributed to the OECD Better Policies for Development Report 2013.³ Besides these multilateral reports, there are no additional national PCD reports within Austria.

The non-governmental think tanks ÖFSE (Österreichische Forschungsstiftung für Internationale Entwicklung/Austrian Foundation for Development Research) and VIDC (Vienna Institute for International Dialogue and Cooperation), – both receive financial support from ADC – analyse PCD issues regularly and organise public debates on their findings (e.g. ÖFSE published an analysis “Export Promotion or Development Policy” in 2014. VIDC organised a debate on an “Analysis of Austrian Tax Treaties signed with Developing Countries” in April 2014).

With regard to reporting on policy coherence for development to Parliament, no formal mechanism exists.

1.2.4 Illustration of Policy Coherence for Development in Specific Areas

Climate change: at national level, Austria has completed an Adaptation Strategy and is currently implementing the 2011 Climate Change Act. While these instruments have a specific focus on adaptation and mitigation, respectively, cross-cutting issues touching other policy areas are comprehensively addressed.

3C Appeal: a vibrant example of a comprehensive approach is the annual 3C Retreat at the Peace Castle Schlaining which is open to all stakeholders engaged in security and development and with responsibilities either in the public or the civil domain. Along a programme matrix priorities and progress are discussed in a joint effort (streamlining, learning and networking effect).

² EU 2013 Report on Policy Coherence for Development, http://ec.europa.eu/europeaid/what/development-policies/documents/swd_2013_456_f1_staff_working_paper_en_v3_p1_746653_en.pdf
³ http://www.oecd.org/pcd/PoliCoh_PDFforWeb_270513.pdf

Box 2: The 3C approach in practice

Relevant actors are the Austrian ministries in charge of foreign and development policy, security policy, justice and domestic security, economics and environment, agriculture, infrastructure and education. Cooperation with NGOs and other Austrian civil-society actors plays an important role in fragile situations. The Vienna 3C Appeal of 2010 stipulates the principles for this collaboration (3C approach: coordinated, complementary and coherent action). Various forms of interaction between government agencies and non-governmental institutions within this framework provide the scope for an Austrian Whole-of-Nation Approach (WoNA).

A Humanitarian Platform as well as a Peacebuilding Platform further add to the concrete implementation of the Strategic PCD Guideline by bringing together relevant actors in the respective fields of action.

However, despite the above-mentioned efforts, Austria, like other DAC members, still faces challenges in implementing a comprehensive and systematic approach to PCD across Government.

1.3. Engaging in partner countries: coordinated government approach at country level

To make the most of our involvement in partner countries, we are seeking to improve networking and coordination among all Austrian government actors providing ODA funds. The Three-Year Programme, the guiding document for all country strategies, explicitly employs a “whole-of-government” approach.

Current country strategies focus on ADA’s bilateral cooperation, which is Austria’s main instrument for delivering country programmable aid. ADC regularly involves other official actors in presentations and discussions on country strategies in order to mobilise their engagement for priority partner countries. This was in particular the case for Bhutan, which served as a pilot for such an inclusive process.

ADC is currently embarking on a process of transforming these strategies into “whole of government strategies” which will cover all official ODA actors. This poses a particular challenge as Austria delivers its ODA via a wide range of institutions. The process for the first regional strategy, which will cover the “Western Balkan/Danube Region”, has just been launched and will be a test for this new approach. The region selected for this exercise is not only a focus for most Austrian ODA actors, but also one for policy areas beyond development cooperation like e.g. security policy, diplomacy, or trade.

Box 3: Whole-of-Government support to Bhutan

Looking back at 20 years of successful development cooperation with the Kingdom of Bhutan, with a three-fold focus on energy, tourism and (in recent years) good governance, Austria is following a new approach in its country strategy 2014-2018, which is currently being finalised with the Bhutanese counterparts. Based on the lessons learned from a strategic mid-term review carried out in 2012 and on the consensus behind the current Three-Year Programme, ADC strives to coordinate all relevant Austrian stakeholders.

Taking into account Bhutan’s Development Plan 2014-2018 (11th Five-Year Plan), which focuses on achieving self-reliance by 2020 as well as green development, a corresponding strategy with the overarching goal of poverty alleviation is being devised at the moment. Austria will support Bhutan in graduating from dependence on aid, while at the same time phasing out its development approach. The sustainability of this new kind of relationship will be served by broadening cooperation to encompass political dialogue, trade and investment ties, private sector development, research and cultural cooperation.

All potential Austrian stakeholders were involved in the drafting process right from the beginning and the outcome was presented to and discussed with our Bhutanese partners. Among the concrete programmes put forward by Austrian stakeholders within this context, both the thematic- and the “whole-of-government” approach are well illustrated by the following two: Firstly, building on the results of a multi-stakeholder business mission last year, a Memorandum of Understanding (MoU) on economic, trade and technical cooperation was concluded between Austria and Bhutan. Its goal is to foster economic ties, mainly in the energy, infrastructure and tourism sectors. Secondly, the Austrian side will strive to build up human capacities and a knowledge base for exploring the climate-change adaptation potentials of Bhutan’s forests. This is in line with the cross-cutting issue of environmental protection/climate change, and involves cooperation with, inter alia, the Federal Ministry of Agriculture, Forestry, Environment and Water Management and the scientific community.

1.4. Financing for Development

Austria recognises that ODA alone will not meet the challenge of sustainable development. In agreement with the Monterrey Consensus on Financing for Development, Austria is keen to use ODA to leverage other sources of finance in general, and from the international private sector in particular. This is done in full compliance with the new strategic orientation of EU development policy as laid down in the “Agenda for Change”.

Looking for ways on how ODA can be used in more innovative ways to catalyse additional sources of financing, the area of infrastructure development seems to be quite promising. Blending ODA with other finance would better tackle risk and strengthen longer term investment security. Therefore, Austria has been engaged in EU discussions on blending mechanisms, like the EU-Africa Infrastructure Trust Fund (EU-ITF) or the Western Balkans Investment Framework (WBIF) right from the beginning. This is done both by contributing financially to these funds and at the policy level by participating in the newly created EU Platform for Blending in External Cooperation.

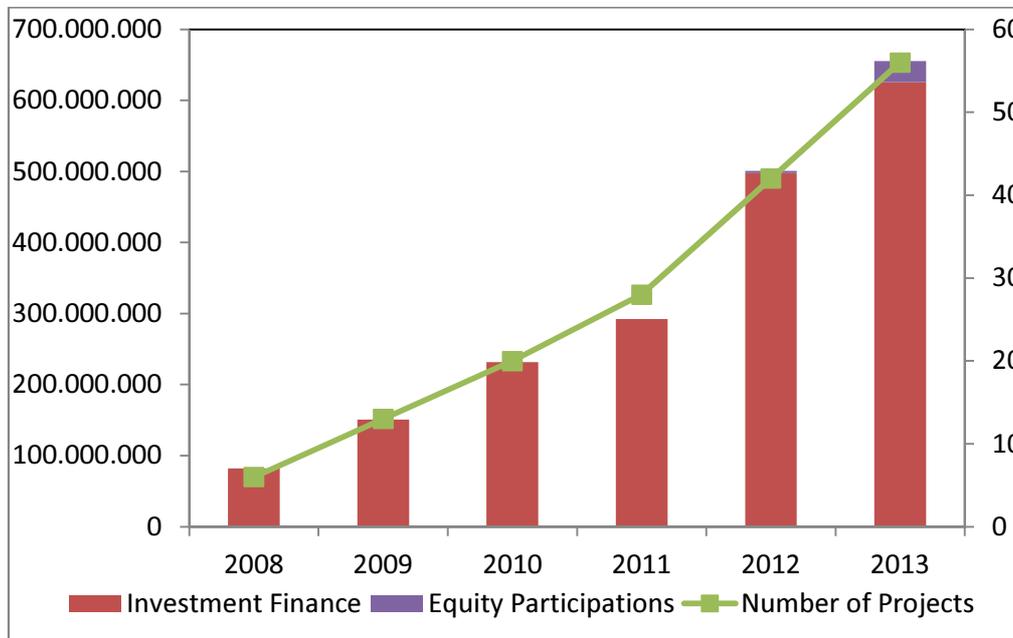
Box 4: Private Infrastructure Development Group (PIDG):

Since 2006, Austria has been a member of the multi donor initiative PIDG (with a total contribution of 18.8 m USD). PIDG promotes private participation in infrastructure in developing countries and shows a strong geographical focus on Africa. The driving force behind the establishment of the PIDG in 2002 was the growing awareness that certain market and institutional failures were constraining the participation of the private sector in infrastructure development. Responding to these constraints, the PIDG comprises both project financing initiatives which provide long-term capital and local currency guarantees, and project development initiatives. The latter also provide government assistance for efficient structuring and execution of an infrastructure transaction.

Austria acknowledges the private sector as the key driver of growth and job generation. In this context, the Austrian Peer Review 2008 highlighted the creation of the Development Bank of Austria (OeEB) in March 2008. OeEB is a wholly-owned subsidiary of the Export Credit Agency of Austria serving a public mandate. The special mandate of OeEB is set out in the Export Guarantees Act. The bank’s role is to contribute to the development of the private sector in developing and transition countries through its business lines investment financing, equity, and advisory programmes. In the past five years, OeEB has grown significantly. In 2012, OeEB’s lending and advisory operations have been complemented by a new product: equity investments using Austrian federal government funding. By the end of 2013, OeEB had committed around EUR 625 million in investment financing projects and around EUR 32 million in equity participations. In addition, OeEB had 52 active advisory projects in its portfolio, totalling around EUR 59 million. OeEB’s thematic focus encompasses

renewable energy, resource efficiency and the support of micro, small and medium-sized enterprises. Geographically, OeEB's activities are concentrated in South Eastern/Eastern Europe, Southern Caucasus/Central Asia, Africa, and Central America/Caribbean. OeEB works closely with other bilateral development banks and IFIs and is an active member of the EDFI group.

Figure 1: Committed OeEB Portfolio 2013



With regard to private sector development, ADC in 2010 published the Guideline on Private sector and Development. It defines three pillars of support, one of them being the direct cooperation with the Austrian/European business community. Therefore, ADC runs the “Business Partnership Programme”, a co-financing scheme which supports private sector projects that are of commercial interest for the companies involved and at the same time in the interest of the target country and the target groups there.

The “Business Partnership Programme” requires companies to carry out a long-term investment at their own cost and risk, aiming at generating local value, transferring know-how and technology, creating jobs and thus, decreasing poverty. In most cases projects focus on setting up and/or strengthening value and supply chains, on improving vocational training and on CSR activities. In March/April 2014 the first preparatory steps for the evaluation of this instrument were taken.

ADC also seeks to stimulate lively public communication and discussion on the involvement of the private sector in development cooperation. One example in this regard is the CorporAid Platform. This Platform, jointly financed by ADC, the Ministry of Economy and Austrian companies, systematically works on the topic of “Business, Development and Corporate Social Responsibility” and intends to create awareness of this issue within the general public in Austria. To achieve its goals, CorporAid applies a set of instruments like conferences, expert round tables, practical research and a two monthly magazine. During 2014, ADC's development communication activities in Austria will put a focus on the private sector as a partner in development. Thus, dialogue between the business community and non-governmental organisations should be enhanced, possibly leading to joint projects in developing countries.

With regard to domestic public finance, Austria will continue to support debt relief initiatives as discussed and decided at the Paris Club.



Key Reference Documents: Chapter One

Federal Act on Development Cooperation

http://www.entwicklung.at/uploads/media/EZA_Gesetz_03.pdf

Three Year Programme on Austrian Development Policy (incl. Mission Statement)

http://www.entwicklung.at/uploads/media/ThreeYearProgramme_13-15_02.pdf

Arbeitsprogramm der österreichischen Bundesregierung für die Jahre 2013-2018

<http://www.bka.gv.at/site/3354/default.aspx>

Leitlinie "Wirtschaft und Entwicklung"

http://www.entwicklung.at/uploads/media/LL_WuE_April2010_03.pdf

Vienna 3C Appeal

http://www.entwicklung.at/uploads/media/Vienna_3C_Appeal_01.pdf



2. Policy vision and strategic orientations

2.1. Policies, strategies and commitments

Since 2002, the Federal Act on Development Cooperation forms the strategic basis for the Austrian Development Cooperation. The Act was amended in 2003 in order to provide the legal basis for the creation of the Austrian Development Agency.

The Act states that Austrian development policy shall comprise all measures that aim at promoting sustainable economic and social development of developing countries. It further states that the Federal Government is responsible for Austria's official development cooperation, which has three main objectives: combating poverty, ensuring peace and human security, and preserving the environment. This policy also includes four principles that need to be taken into consideration. They are i) the aims and visions of the people and governments of the respective partner country with regard to their own way of development; ii) the integration of all measures into the existing social and cultural environment of the partner country; iii) equality between women and men; and iv) the needs of children and of people with disabilities.

Based on this Federal Act, a Three-Year Programme on Austrian Development Policy is drawn up by the Minister for Foreign Affairs in consent with the Minister of Finance. This strategic document provides the basis for longer-term planning and covers all official ODA contributions by the Federal Government. It also covers the geographical and thematic priorities, the instruments used, and a three year ODA prognosis. The Three-Year Programme further lays down the guidelines for Austria's participation in the development cooperation of the European Union, other international organisations like the UN, and the International Finance Institutions.

In addition to the Federal Ministry for Europe, Integration and International Affairs (MFA) and the Ministry of Finance (MoF), also other relevant official and private stakeholders are involved in the process of drawing up this strategy, which has to be submitted to and agreed upon by the council of ministers before it is communicated to the members of the Austrian Parliament.

The current Three-Year Programme, covering the period 2013-2015, is the result of a lengthy consultation process which has also led to the creation of a Mission Statement of Austrian Development Policy by all stakeholders involved in Austrian Development Policy – i.e. politicians, parliamentarians, private sector, civil society and the aid administration. This mission statement forms the first part of the current Three-Year Programme and echoes the common ground the Austrian development cooperation community has found during this process.

When compared to former policy documents, the present Three-Year Programme not only differs in terms of how it was drawn up, but also in terms of substance. By reducing the number of thematic priorities from six to three and by adding a third cross-cutting issue – education and capacity development - to the existing ones (gender and environment/climate change), it is an analysis of the changing development cooperation context and offers clear thematic guidance for the post-2015 period. Thus, the document not only acknowledges the growing importance of aspects like human security, human rights, rule of law, fragility and resilience in a rapidly changing world, but at the same time the need for a new and more holistic approach to “traditional” sectors like water and sanitation, energy, and agriculture and forestry, now merged into and dealt with as “nexus”.

Finally, the ODA-matrix attached to the Three Year Programme provides an overview of the concrete programmes implemented by Austrian ODA actors in partner countries and key

regions. This matrix further provides information on results defined for the various thematic focus areas and cross-cutting issues. It is hoped that this information on results will be helpful in taking the right strategic decisions in future.

Box 5: Work Programme of the Austrian Coalition Government 2013 – 2018

Chapter: Strengthen international solidarity

Goal: Make development cooperation a responsibility of the whole government

Challenges: Austrian foreign policy has to take into consideration the responsibility it has for people in the poorest and most vulnerable regions and countries. Development policy constitutes a joint effort of the international community, but is at the same time an instrument to also promote a well-understood and enlightened self-interest of Austria.

Actions:**Making development cooperation a coherent and joint responsibility will include**

a) an ODA path, enshrined in a law, to increase the budget for development cooperation step-by-step to 0,7% of GNI;

b) a whole-of-government strategy to be drawn up together with Parliament, ministries, social partners, NGOs and the interested public, aiming at strengthening the coherence of the Austrian development cooperation and adjusting it to new challenges, and to promote educational work in development policy;

c) shared responsibility for the International Financial Institutions (IFIs) between MoF and MFA. This will ensure that the financial means are in accordance with the objectives of the overall strategy.

Sufficient resources for humanitarian aid

The annual budget for the Foreign Disaster Relief Fund will be raised to EUR 20 m to allow for appropriate and timely reaction to humanitarian crises.

2.2. Decision-making

2.2.1 Approach to allocating resources

In the case of Austria, the allocation of aid and related resources is closely linked with the different mandates the various actors and stakeholders of development cooperation have. At the same time, and in line with the provisions of the Development Cooperation Act, the Federal Minister for Foreign Affairs shall ensure the coordination of international development policy both in Austria and with regard to the European Union. By involving all government actors in the process of drawing up the Three-Year Programme, in addition to a variety of different formats put in place to ensure policy coherence for development, the MFA meets this mandate.

Generally, a clear distinction can be made between the allocation of bilateral aid (MFA and ADA) and multilateral aid (mainly MoF). This distinction is laid down in the Federal Ministries Act that attributes concrete portfolios to each of the Federal Ministries. There are no provisions in place for a joint development cooperation budget handled by the Government

or a specific ministry, but a number of ministries have separate budget lines for their discretionary (mainly bilateral) and/or obligatory (mainly multilateral) contributions.⁴

In the case of MFA and ADA, the allocation of the bilateral (and discretionary) aid budget reflects the Three-Year Programme on which the annual work programme of ADA is based. The allocation of multilateral funds (IFIs, EU, UN) depends in most cases on (legally binding) agreements with these organisations and is mainly handled by the MoF.

A smaller programme of voluntary contributions to the UN is run by the MFA but has recently suffered from major cuts.

2.2.2. Approach to multilateral ODA

For Austria, working through multilateral organisations means a number of advantages like the bundling of the funds of many donors, the specific know-how of a large pool of experts, opportunities for countercyclical interventions in crises, securing regional and global public goods, as well as the provision of dialogue platforms that help strike a balance between the interests of donor and partner countries. In addition, multilateral organisations can reach parts of the world where Austria could never get to in order to undertake bilateral activities.

United Nations Development Group:

As host country for a number of UN organisations and specialized agencies, Austria is particularly involved in the United Nations Development Group, its organisations, funds and programmes, either through core contributions or through specific projects. The decision of whether or not to engage with a certain organisation, fund or programme is usually based on the following criteria: an objective evaluation of the respective UN entity; the priorities of the ADC as defined in its Three-Year Programme; and Austria's interest as host country of the United Nations.

Broad-based, national evaluations of UN organisations, IFIs and other funds and programmes are beyond Austria's capacities as a small donor. It has therefore joined the Multilateral Organisations Performance Assessment Network (MOPAN) which evaluates different entities of the UN family, the Bretton Woods institutions, and regional development banks in regular intervals. Austria actively participates in the preparation of these evaluations and uses their results as a criterion for the allocation of its multilateral funds.

In addition, the Three-Year Programme of the Austrian Development Policy serves as a reference for the use of multilateral funds which should in principle only be allocated within priority sectors in priority countries. In light of the fact that ADA and the MFA, which is responsible for multilateral development cooperation with the EU and the UN family, use the same Three-Year Programme as working document, synergies are created automatically to a certain extent. Nevertheless, close cooperation also on a case by case basis remains necessary in order to ensure the best possible complementarity.

Austria attaches particular importance to strengthening those organisations that have their headquarters in Vienna. Funding decisions may thus be influenced by this aspect, possibly creating diversions from the criteria mentioned above.

The biggest challenge the Austrian multilateral development cooperation faces these days is a painful reduction of national funds due to several consecutive austerity budgets. To find synergies and complementarities, both between the Austrian actors themselves as well as between the Austrian actors and the UN, has become increasingly important in order to guarantee the most effective and efficient use of the limited financial resources available.

⁴ The Three-Year Programme includes a forecast scenario covering ODA contributions from all Austrian actors. This is a requirement defined in the Development Cooperation Act. The forecast compiles ODA funds from different ministerial budgets, but is not an instrument to decide on the allocation of Austria's ODA to different instruments and modalities.

In view of scarce ODA-flows worldwide, synergies at the UN-level will have to be enhanced further. Austria therefore supports a close cooperation of the members of the UN Development Group at headquarters-level and in the field. In this respect, the “Delivering as One” approach can be seen as crucial, since it reduces the risks of overlapping and duplications and thus increases the efficiency of the funds involved.

European Union:

“Working with and through the EU”, as stated in the current Three-Year Programme, shows that cooperation between the EU and its members has intensified over the past years. Austria contributed EUR 236m to EU Development Cooperation implemented by the European Commission, accounting for 26.7% of the total Austrian ODA. In comparison, the bilateral ODA implemented by ADA had a share of only 10.6% of the total ODA in 2013. As a consequence, Austria strives to actively participate in EU Development Cooperation and in working out EU policies in this regard.

Sharing knowledge and experience within the EU instead of each institution doing all the analytical work by itself, is a benefit for all EU partners, and even more so for smaller member states like Austria. Furthermore, experience shows that, if speaking with one voice, the EU gains a lot of weight and can play a more significant role in international fora.

Austria actively supports these efforts at various levels: the political level in the council working groups; the implementation level in comitology committees; experts meetings; coordination on partner country level and the joint financing of projects. Thematic examples for active participation are the new EU Development Strategy “Agenda for Change” which included a broad consultation process in Austria, the preparation of the new EU external action programmes 2014 – 2020, Council Conclusions on Policy Coherence for Development (PCD), and reporting on progress.

International Financial Institutions (IFIs):

Austria values the IFIs as efficient and effective channels for multilateral ODA, providing both financial and technical assistance to developing and transition countries. The important role of the IFIs has increased further due to the global financial crisis, increased food price volatility, and the mounting challenges of climate change. Austria has therefore channelled significant amounts of resources into the World Bank Group, the Regional Development Banks (EBRD, AfDB, AsDB, IDB) and specialised multilateral funds such as GEF and IFAD. Despite several austerity budgets, Austria has sought to protect its ODA going to IFIs, and even raised it, when their significantly scaled-up lending volumes, in counter-cyclical response to the financial crisis, required capital increases for the IFIs and ambitious replenishments of the concessional finance windows (e.g. IDA, AfDF, maintaining Austria’s high notional burden share).

The strategic foundation of Austria’s cooperation with the IFIs has been, at the highest level, the Three-Year Programme which establishes the overall goals of Austrian ODA. In addition, the MoF has formulated, in close cooperation with other stakeholders, a policy document that specifies strategic positions and priority areas of cooperation with the IFIs. These “Strategic Guidelines for International Financial Institutions” were first developed in 2005, updated in 2009, and are currently undergoing a review process and another update is to be finalised in 2014.

For Austria’s voluntary bilateral contributions to IFI projects and programmes (“multi-bi”) the Guidelines define, in the draft update, four priority areas that are in line with the Three-Year Programme, reap synergies with other ADC actors and interventions, and enhance the effectiveness and visibility of Austrian support. These priorities are: (1) Sustainable Energy and Climate Change, (2) Water and Sanitation, (3) Financial and Private Sector Development, and (4) Urban Development. In line with these focus areas the MoF has built

up a portfolio of co-funded technical assistance projects with IFIs. Some of them are housed at, and implemented by, a growing regional centre of the World Bank Group in Vienna.

Since 2009, Austria has enhanced its focus on performance monitoring and results in its cooperation with IFIs. Thus the MoF has consistently advocated the use of results frameworks (RF) and corporate scorecards at the institutional level, and demanded project-specific RFs in multi-bi programmes co-funded by Austria. In addition, Austria monitors performance closely through the MoF representatives on IFI boards, the periodic MOPAN assessments, and independent donor rankings such as the Quality of ODA (QuODA) Tool of the Centre for Global Development (CGD). Moreover, the MoF has set itself clear targets for further enhancing the effectiveness of the IFIs in its own institutional results framework (“Wirkungsziele”). This performance monitoring will, in turn, inform allocation decisions for the next funding cycle.

Austria maintains an almost permanent presence in the EDs’ offices in the World Bank and the Regional Development Banks and actively takes part in the discussion of policy issues, using positions in EDs’ offices, Constituency-channels and direct contacts between the institutions and the MoF. Austria’s role of a visible and committed member of these institutions is well acknowledged. Since the last Peer Review Austria held the positions of Advisors/Senior Advisors in the World Bank, AfDB, IADB and AsDB, as well as an Alternate Executive Director in the IADB and an Executive Director in the World Bank and the EBRD. All positions have been filled with experienced development experts with adequate seniority.

2.2.3 Approach to bilateral ODA

Since the last DAC Peer Review, the development of Austria’s bilateral country strategies has responded to three fundamental policy trends: 1) results management, 2) EU joint programming and a 3) whole-of-government approach. These strategic keystones have provided for a dynamic adaptation of established planning processes, based on an enhanced dialogue with partner countries and on donor coordination.

ADC has a clear focus on a selected number of thematic priorities and a limited number of priority countries (see 2.3.2).

Austria is fully committed to EU joint programming (JP) as a means of increasing effectiveness of aid and reducing transaction costs in the long term.

The most recent bilateral country strategies were developed for the two new priority countries Georgia and Armenia. We are currently updating the strategies for Burkina Faso, Ethiopia and Bhutan and have started work on Mozambique. While striving for a transparent evidence-base and a clear thematic focus, we have broadened the strategic format to include elements such as:

- bilateral ODA as part of Austrian foreign policy;
- explanation why ADC is engaged in specific countries and regions;
- explanation why ADC is engaged in certain sectors;
- an appeal for stronger involvement of the private sector;
- focus on delegated cooperation (Indirect Management-projects).

The strategy formulation process depends on whether it concerns a follow-up strategy or a new partner country. In the latter case, the process would begin with an analysis of the national development strategy and a mapping of other donors’ priorities and planning cycles, the sectors they are active in, and programmes and projects they are running or preparing. Moreover, a needs analysis is conducted in consultation with the partner country government to identify priority sectors. The draft strategy is then shared with the partner country and civil society for their input. In the case of updating an existing bilateral country strategy, we would focus on taking stock of the experiences made, the results of monitoring, mid-term reviews



and evaluations. These elements constitute the basis for further dialogue with the respective partner country. Special emphasis is placed on synergies between different stake holders and instruments (civil society, research, private sector) as well as on delegated cooperation and co-financing of projects.

2.3. Policy Focus: Fighting poverty esp. in LDCs and fragile states

2.3.1. Focus on Poverty Reduction

The reduction of poverty and vulnerability are core elements of Austria's approach to development cooperation. This principle has been laid down in the legal framework for ADC, namely the Federal Development Cooperation Act. Poverty reduction also is at the centre of interest of Austrian civil society when asked about their priorities in development cooperation.

There is broad consensus that Austria should have a clear commitment to address immediate improvements in livelihoods of the poorest as well as focussing on the structural factors that cause and perpetuate poverty and inequality. Much interest is geared towards strengthening the resilience of vulnerable households and communities so they can adapt to changing environmental conditions and are enabled to manage possible negative impacts on their livelihoods.

The ADC policy document "Poverty Reduction" (2009) defines ADCs approach (i.e. ADC requirements for the verification of progress and success, the identification of adverse developments, a comprehensive poverty assessments based on sound indicators and representative data).

Some progress has been made in terms of comprehensive collection of information and documentation of actual changes in terms of livelihood conditions. While the requirements as defined in the guidelines for poverty reduction are generally perceived as necessary and useful, it remains a challenge to apply them consistently.

Given the constraints in terms of effective reduction of poverty and inequality, ADA is currently developing a manual on poverty reduction (the draft version should be finalised and disseminated for comments until May) which contains practice-oriented information, methodologies and tools for improved data measurement, poverty indicators, pro-poor processes and result-orientation of project- and programme cycles, as well as for policy dialogue.

ADC has set up an informal "Working group on poverty", organised by ADA, which includes representatives of various Federal Ministries, the research community and prominent NGOs, working on and discussing concepts and good practice models. Many issues like social protection, social and political inequality, investment- and tax policy have been covered and presented to the public by way of seminars or workshops on a yearly basis.

2.3.2 Selected focused areas

Austria has a limited number of priority partner countries and is also pursuing a regional approach. Regional programmes are concentrating on problems identified by several countries in a given region as common challenge that cannot be tackled properly or successfully on an individual basis.

Since the last Peer Review 2008/2009, ADC has phased out its programmes in Central America (Nicaragua), Cape Verde, Bosnia Herzegovina, Macedonia, Montenegro and Serbia and started new programmes in Georgia, Armenia and the Caribbean Region.



Table 1: Priority Regions and Countries

Priority Region	Priority Countries within key regions
The Caribbean	
Himalayas-Hindukush	Bhutan
Danube Region / Western Balkans	Albania, Kosovo
Black Sea Region/ South Caucasus	Moldova, Georgia, Armenia
West Africa	Burkina Faso
Southern Africa	Mozambique
	Ethiopia, Uganda (not part of a regional programme)
	Palestinian Territories (not part of a regional programme)

Like many other donors ADC is committed to work within national and local contexts alike. In order to focus its engagement within priority countries, ADC has special relationships with a number of provinces and districts. (i.e. Sofala in Mozambique, North Gondar in Ethiopia, Boucle de Mouhoun in Burkina Faso, North Albania, Suhareka/Suva Reka in Kosovo).

The Three-Year Programme identified three thematic priorities of these programmes:

- Water supply and sanitation, energy, climate protection, agriculture and forestry
- Private sector and development
- Human security, human rights and rule of law

There are no formal selection criteria for ADC partner countries. Modifications in the set of priority countries and regions are the result of dialogue that strikes a balance between a clear poverty focus and foreign policy considerations.

2.3.3 Relationship between development and humanitarian programmes

In the course of the last years, the need to focus on risks and vulnerability has emerged as a priority for more effective aid delivery. ADC has defined its approach in two separate documents, one concerning food security⁵ and another covering food-aid⁶.

ADC's ongoing efforts to create synergies between development and humanitarian programmes are based on close coordination between various stakeholders (the concerned ministries, ADA, multilateral organisations and the NGO community), which allows for quick decisions in terms of committing financial contributions for unexpected crises and disasters. But a process of joint planning or a mechanism which provides guidance on systematic strategic choices is still considered as a challenge to be met.

ADC has become a member of the Good Humanitarian Donorship initiative and is, within this framework, convinced of the essential value of the principles 8 and 9 highlighting the importance of improving the links between relief and development.

ADC's current Three-Year Programme highlights a new focus on dealing with the challenge of resilience as well as the role of experienced civil-society organisations which are able to contribute to the provision of rapid and adaptable emergency aid.

With regard to disaster prevention and relief, ADC is ready to gear its efforts more closely towards medium and long-term solutions to improve local livelihood conditions and the natural resource base and ecosystem services, aiming at enhancing resilience at household and community level.

⁵ "Ernährungssicherheit – International vereinbartes Ziel und Menschenrecht" Mai 2012. Available in German only.

⁶ „Nahrungsmittelhilfe - ein Instrument der humanitären Hilfe“ Dezember 2008. Available in German only.



A first step in this direction is the inclusion of a special chapter in future country and regional strategies for the African continent. In a second phase, Austria will specify its engagement and its response to some of its partner countries' vulnerability approaches.

2.3.4 Fragile states and situations

In the Three-Year Programme Austria defined "Human Security, Human rights and Rule of Law" as a priority, including engagement in fragile situations.

In line with its Security Strategy, Austria is engaged in conflict prevention, peacekeeping, peacebuilding and state building. The strategic guideline "Security and Development in Austrian Development Policy" sets out the priorities for a whole of government-approach in fragile situations. Partners are the ministries in charge of foreign and development policy, security policy, justice and domestic security, economics and environment, agriculture, infrastructure and education, but also non-governmental organisations with special access to the local population.

We are actively participating in and appreciate the work of the International Network on Conflict and Fragility (INCAF) of the OECD and the International Dialogue on Peacebuilding and Statebuilding. Lessons from the New Deal as the new implementation model for coping with rapid political change and innovative financing will be applied wherever possible. At EU level we regularly support and propose references to the New Deal in Council Conclusions and other strategic policy texts.

2.3.5 Cross-cutting issues

The Three-Year programme identifies the following cross-cutting issues:

- Gender equality
- Education and capacity development
- Environment/Climate change

Over the past years, ADC has developed guidelines and manuals for all these topics, thus providing the necessary references, strategic guidance, lessons learned, good practices and tools. Furthermore, all cross-cutting issues are addressed in specific trainings (e.g. gender or environment) and joint workshops for staff from headquarters and coordination offices. Yet, it has to be acknowledged that comprehensive mainstreaming of all cross-cutting issues remains a challenge due to capacity and resource constraints.

These constraints and the on-going international discussion on mainstreaming⁷ have been taken into account by ADA in elaborating joint principles for cross-cutting and thematic issues. These joint principles are intended to serve as guiding questions to be addressed in course of the design and planning of interventions, during monitoring and evaluation as well, as in policy and political dialogue. Specific emphasis is given to the identification of existing barriers, (unequal) power relations etc. which are hampering or disadvantaging inclusive participation of all stakeholders, or which are impeding equality in access and utilisation of resources, services and benefits.

In February 2014, ADA took over the chair of the learn4dev "Expert Group on Political Economy for Practitioners", which was established in 2012 in order to share experiences and lessons learned in this field and to develop joint training materials.

⁷ For example in respect to gender mainstreaming it is often a concern whether such mainstreaming efforts can actually contribute to change processes in the partner countries as systemic challenges and societal barriers are hardly targeted.



Key Reference Documents: Chapter Two

“Poverty Reduction” –Policy Document of the Austrian Development Cooperation, 2009
http://www.entwicklung.at/uploads/media/PD_Poverty_reduction_Dec2009_01.pdf

Fokus Papier “Ernährungssicherheit” ADC, Mai 2012
http://www.entwicklung.at/uploads/media/Fokus_Ernaehrung_Mai2012.pdf

Fokus Papier: „Nahrungsmittelhilfe - ein Instrument der humanitären Hilfe“, ADC, Dezember 2008
http://www.entwicklung.at/uploads/media/Fokus_Nahrungsmittelhilfe_Dezember_2008_03.pdf

Strategic Guideline on Environment and Development in Austrian Development Policy, 2009
http://www.entwicklung.at/uploads/media/Web_ADC_Leitfaden_Umwelt_Entwicklung_engl_02.pdf

Strategic Guideline “Security and Development in Austrian Development Policy”
http://www.entwicklung.at/uploads/media/LF_Sicherheit.pdf.

3. ODA allocations

3.1. Overall ODA volume

ODA provided by all ministries, provinces and municipalities totalled EUR 860.77 m in 2012, amounting to 0.28% of gross national income (GNI). Austria and Luxembourg are the only EU-DAC members that were able to record an increase in ODA in 2012.

The significant increase in bilateral ODA in 2012 had various causes, most notably debt relief, which increased from 31.1 million in 2011 to 82.3 million in 2012.

According to preliminary reporting, ODA amounted to EUR 882.46 m (0.28% of GNI) in 2013.

Figure 2: ODA allocations over the period 2005-2012, both in terms of volumes and as a percentage of GNI

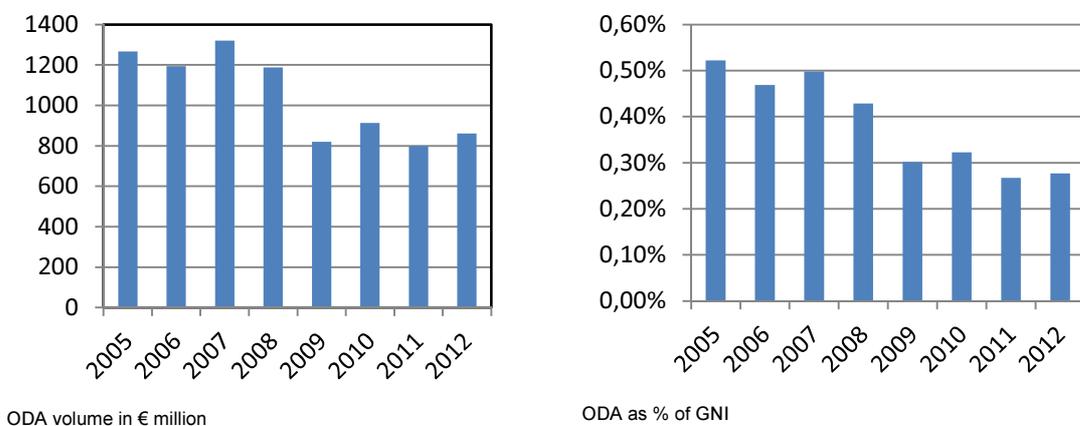


Figure 3: Financial sources of Austrian ODA 2012 Disbursements in %

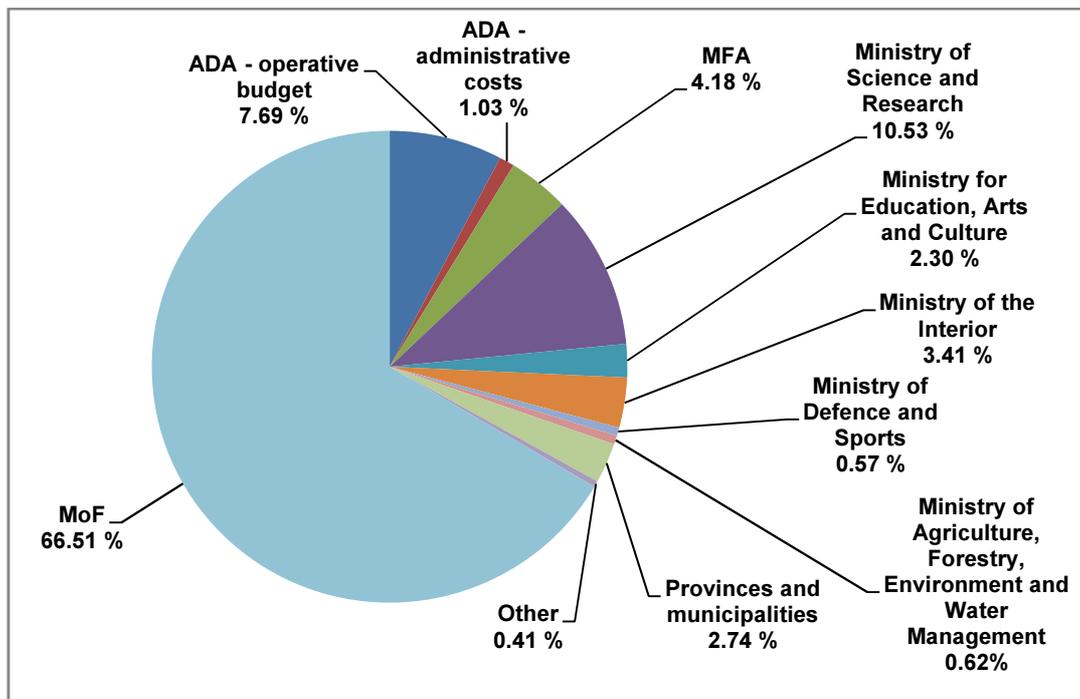


Figure 4: MoF Share in Detail 2012:

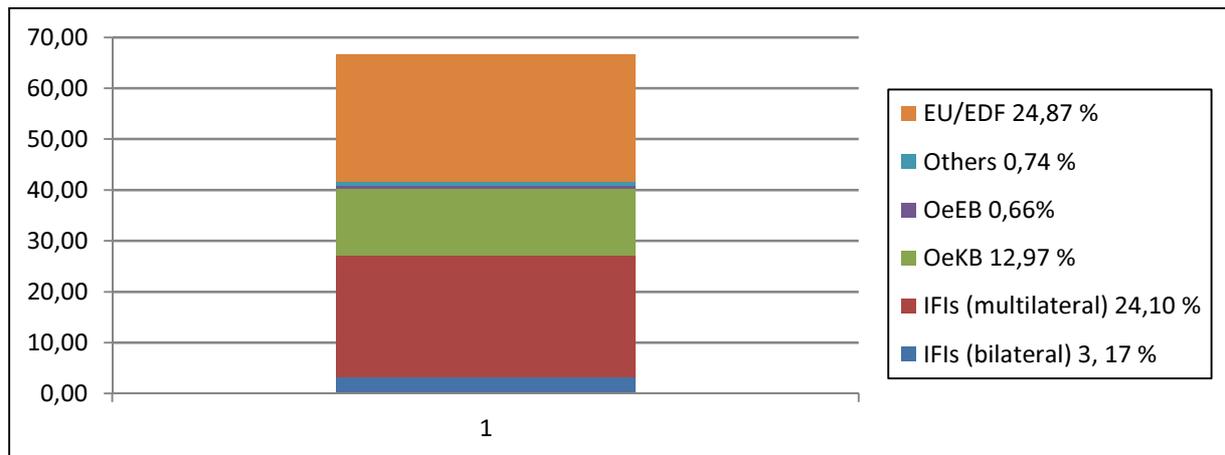


Figure 5: Main Component Austrian ODA 2012:

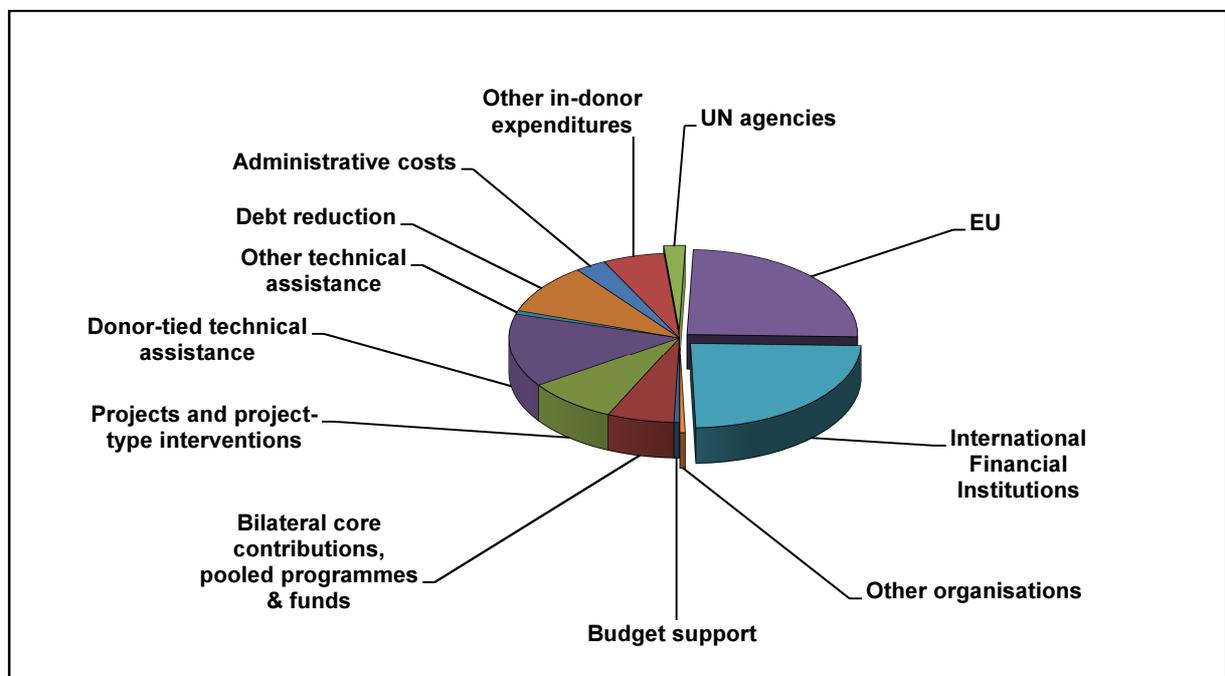


Table 2: Main Component Austrian ODA 2012:

	€ mill.	in %		€ mill.	in %
Bilateral ODA	417.20	48.47			
<i>Grants</i>	418.48	48.62	Budget support	4.50	0.52
			Bilateral core contributions, pooled programmes and funds	54.60	6.34
			Projects and project type interventions	73.97	8.59
			Donor-tied technical assistance	121.50	14.12
			Other technical assistance	6.03	0.70
			Debt reduction	82.29	9.56
			Administrative costs	25.32	2.94
			Other in-donor expenditures	50.28	5.84
			<i>Loans and equity investment *</i>	-1.28	-0.15

Multilateral ODA	443.57	51.53	United Nations	17.65	2.05
			EU	214.09	24.87
			International Financial Institutions	207.44	24.10
			Other organisations	4.39	0.51
Total ODA 0.28% of GNI	860.77	100.00			

Loans and equity investment recorded a negative result in 2012. As negative amounts are difficult to depict in a pie chart this figure is not shown.

3.1.1 ODA targets

Since 2005, Austria has supported the common efforts and targets set by the EU to continuously increase ODA and will not lose sight of the 0.7 % target. In recent years ADC succeeded in avoiding further budget cuts. Due to the financial crisis, international ODA goals will, however, only be reached at a later date.

3.1.2 ODA trends and plans to meet targets

Table 3: Development of Austrian ODA 2008-2012

	Disbursements in € mill. and % of GNI				
	2008	2009	2010	2011	2012
ODA, total	1 187.97	819.91	912.35	799.30	860.77
<i>of which: bilateral ODA</i>	855.27	364.17	462.39	352.48	417.20
<i>of which: multilateral ODA</i>	332.70	455.75	449.97	446.82	443.57
ODA in % of GNI	0.43%	0.30%	0.32%	0.27%	0.28%

In its work programme 2013-2018 the Austrian Federal Government dedicates one chapter to strengthening international solidarity and declares its intention to develop a legally binding phased plan to increase development funds until the 0.7% target is reached (see Box 5, Work Programme of the Austrian Coalition Government 2013-2018, pg. 11).

3.1.3 ODA reporting and forward looking information

Austria reports its ODA in accordance with the reporting system of OECD DAC, reporting annually to the CRS database.

Austria is not a signatory of the International Aid Transparency Initiative (IATI) and has no immediate plans to join the initiative. Austria will however continue to contribute to improved transparency in the field of development cooperation:

- Since 2010, ADA publishes new projects and programmes on the ADC website (www.entwicklung.at).
- The Three-Year Programme also includes a three year financial forecast providing an overview of Austria's intended bilateral and multilateral development assistance.

In order to better monitor ODA-predictability at an international level, Austria supports the necessary adaptation and strengthening of the OECD/DAC statistical reporting system. To ensure comparability, reliability and maintenance of statistical data, Austria is in favour of

using OECD/DAC standards for all ODA-related databases at a global level as well as in partner countries. Austria therefore welcomes and participates in the DAC Surveys on Aid Allocations and Indicative Forward Spending Plans.

3.2. Bilateral ODA allocations

The core bilateral programme of ADC is implemented by ADA. Though it does not make up the largest part of bilateral ODA in terms of financial volume, it is the most important instrument for delivering country programmable aid.

The budget for this is set out in the Austrian Federal Finance Act and supplemented by finance from the European Recovery Programme (ERP). ADA is also increasingly implementing funds from other ministries and from the European Commission (Delegated Cooperation).

Table 4: Implementation structure of bilateral ADC funds of ADA 2010-2012

Net disbursements in € mill. and in %

	2010		2011		2012	
	€ mill.	in %	€ mill.	in %	€ mill.	in %
1. Austrian NGOs primarily implementing projects outside Austria	20.36	21.63	19.18	23.25	14.90	22.50
2. Austrian NGOs primarily implementing projects within Austria	5.96	6.33	5.51	6.68	5.07	7.66
3. Austrian NGOs primarily implementing scholarship programmes	1.08	1.15	0.90	1.09	0.91	1.38
Austrian NGOs, total(1-3)	27.40	29.11	25.59	31.03	20.89	31.54
4. Companies in Austria	4.11	4.36	4.74	5.74	1.89	2.85
5. Individuals, consultants	0.05	0.05	-	-	-	-
6. Public authorities, universities and other bodies in Austria	5.29	5.62	5.02	6.08	5.10	7.70
Companies & other institutions in Austria, total (4-6)	9.44	10.03	9.75	11.82	6.99	10.55
Austrian institutions, total (1-6)	36.84	39.14	35.34	42.85	27.88	42.09
7. Public authorities/ministries in partner country	28.77	30.56	24.89	30.18	16.00	24.16
8. NGOs and other institutions in partner country	5.27	5.60	3.28	3.98	3.00	4.53
Institutions in partner countries, total (7-8)	34.04	36.16	28.17	34.15	19.00	28.68
9. International organisations & PPPs*	14.50	15.41	12.98	15.74	14.26	21.54
10. International NGOs	1.61	1.71	0.02	0.03	0.44	0.67
11. Other	7.13	7.57	5.97	7.23	4.65	7.02
International and other agencies, total (9-11)	23.24	24.70	18.97	23.00	19.35	29.22
ADC/ADA, total	94.13	100.00	82.49	100.00	66.23	100.00

Besides bilateral cooperation administered by ADA, many other sources of finance (ministries, federal states, municipalities and other public bodies) constitute substantial contributions to total bilateral ODA. The annual ODA report provides general overviews and detailed breakdowns of this part of funding.

3.2.1 Geographic allocations

ADC generally makes long-term commitments in partner countries. Its engagement in priority countries takes account of local demand, the activities of the international community and its own aims, strengths and capabilities.

Table 5: Distribution of bilateral ADC funds of ADA 2010-2012 by income status of partner countries

	2010		2011		2012	
	€ mill.	%	€ mill.	%	€ mill.	%
LDCs - Least Developed Countries*	40.57	43.10	41.87	50.76	32.32	48.80
Other LICs - Other Low Income Countries	1.87	1.98	1.39	1.69	0.63	0.96
LMICs - Lower Middle Income Countries	22.40	23.80	14.52	17.61	12.62	19.05
UMICs - Upper Middle Income Countries	7.33	7.79	7.86	9.53	6.24	9.42
n.a. **	21.96	23.33	16.84	20.41	14.42	21.77
OEZA/ADA total	94.13	100.00	82.49	100.00	66.23	100.00

* including Africa regional/Multi-country and sub-Saharan Africa regional/multi-country

** including measures in Austria, bilateral, multi-country and other regional measures

For a detailed table “Geographical distribution of bilateral ADC funds of ADA to priority countries and other partner countries by key region 2010-2012” see Annex (5).

Table 6: Top ten recipients of ODA

Top Ten Recipients of Gross ODA (USD million)	
1. Côte d'Ivoire	50
2. Turkey	36
3. Bosnia and Herzegovina	27
4. China	19
5. Togo	16
6. Ukraine	12
7. Uganda	12
8. Kosovo	12
9. Serbia	11
10. Ethiopia	10
Memo: Share of gross bilateral ODA	
Top 5 recipients	28%
Top 10 recipients	40%
Top 20 recipients	53%

Due to the relatively small core programme, priority countries do not feature more prominently among top recipients.

3.2.2. Sector allocations

Sector allocations reflect the thematic priorities as set out in the Three-Year Programme of Austrian Development Policy

Table 7: Distribution of bilateral ADC funds of ADA by sector 2010-2012

Net-Disbursements, in Mio. Euro and in %							
Description	2010		2011		2012		
	€ mill.	in %	€ mill.	in %	€ mill.	in %	
Social infrastructure and services	45,61	48,46	44,48	53,93	36,03	54,41	
Government and civil society	17,20	18,27	15,43	18,71	13,17	19,88	
Education	9,59	10,18	6,95	8,42	6,50	9,81	
Water and sanitation	9,64	10,24	11,51	13,95	7,49	11,31	
Economic infrastructure and services	8,78	9,33	6,35	7,70	3,52	5,31	
Energy generation and supply	5,06	5,38	4,49	5,45	3,24	4,89	
Business and other services	3,60	3,83	1,87	2,27	-0,92	-1,39	
Production sectors	10,35	11,00	9,35	11,34	7,97	12,04	
Agriculture, forestry, fishing	4,35	4,62	5,89	7,14	5,29	7,99	
Industry, mining and construction	2,93	3,12	2,07	2,51	1,70	2,56	
Multisector/cross-cutting	14,84	15,77	11,97	14,51	8,58	12,96	
Commodity aid and general programme assistance	3,20	3,40	3,20	3,88	2,50	3,77	
Action relating to debt	-	-	-	-		0,00	
Humanitarian aid	1,12	1,19	0,84	1,02	1,86	2,81	
Unspecified and other	10,22	10,86	6,29	7,62	5,76	8,70	
Unallocated/unspecified	9,57	10,17	5,64	6,83	5,27	7,96	
Administrative costs of donors	0,65	0,69	0,65	0,79	0,49	0,74	
ADC/ADA, total	94,13	100,00	82,49	100,00	66,23	100,00	

3.3. Multilateral assistance

Multilateral cooperation is an essential part of Austria's development policy. Austria supports multilateral organisations by way of direct ("core") contributions and by financing concrete programmes, as well as through financial contributions to joint projects. In 2012 Austria spent EUR 443.57 m on multilateral cooperation. Of this amount, EUR 17.65 m were disbursed to the United Nations, EUR 211.83 m to the EU and EUR 211.83 m to IFIs and other multilateral institutions.

Table 8: Development of multilateral ODA 2008-2012

Net disbursements in € mill.					
	2008	2009	2010	2011	2012
United Nations Organisations	29,09	25,62	39,62	23,91	17,65
<i>of which: BMEIA voluntary contributions</i>	12,75	13,04	14,88	10,23	5,78
<i>BMEIA obligatory contributions</i>	7,94	6,66	7,51	7,52	5,68
<i>other departments</i>	8,40	5,91	17,24	6,17	6,20
International Financial Institutions	98,21	193,38	161,10	192,22	207,44
<i>of which: World Bank group</i>	84,67	113,85	113,90	118,91	140,91
<i>regional banks</i>	5,91	73,34	42,62	51,80	55,88
<i>other financial institutions</i>	7,63	6,19	4,58	21,51	10,65
European Union	203,26	234,84	245,06	226,27	214,09
<i>of which: budget</i>	118,72	143,54	145,95	144,68	144,01
<i>EDF</i>	84,54	91,29	99,11	81,59	70,08
other Organisations	2,14	1,91	4,18	4,42	4,39

Total:	332,70	455,75	449,97	446,82	443,57
in % of total ODA:	28%	56%	49%	56%	52%
<i>ODA, total*</i>	<i>1.187,97</i>	<i>819,91</i>	<i>912,35</i>	<i>799,30</i>	<i>860,77</i>

In accordance with OECD/DAC classifications, the categories were as follows:

International Financial Institutions:

World Bank group IBRD, IDA, IFC, MIGA (& associated trust funds)

Regional banks AsDB, IDB, AfrDB and others (& associated trust funds)

Other financial institutions IMF-ESAF/PRGF (until 2005), GEF (from 2009 100% ODA), CGIAR (until 2008), CFC

Other organisations: Montreal Protocol, CITES, EPP0, IOM, IUCN (until 2006), IPGRI, IPCC, DDAGTF, OECD Dev. Centre

4. Organisation fit for delivering the development co-operation programme effectively

4.1 Institutional System ⁸

The Minister of Europe, Integration and Foreign Affairs has the primary responsibility for the oversight of Austria's development cooperation activities. Within the MFA, one of eight departments, Section VII - Development Cooperation is in charge of development policy.

Section VII is divided into five Directorates:

- Directorate VII.1 "Multilateral Development Cooperation": It conducts ongoing dialogue with the bodies of the United Nations and the European Union (EU);
- Directorate VII.2 "Development Policy, Strategy and Evaluation" is responsible for strategic evaluations, policy development, the OECD DAC, aid effectiveness, IFIs, debt reduction, the OeEB, soft loans, private sector development and education;
- Directorate VII.3 "Humanitarian aid, Environment and Sustainability" is responsible for humanitarian aid, disaster relief and environmental and sustainability aspects of development policy;
- Directorate VII.4 "Coordination in Austria, Information" is responsible for the Three-Year Programme, coherence, information and coordination, security and development, and statistics;
- Directorate VII.5 "Programming and Planning" is in charge of strategic planning of cooperation with partner countries and regions, in consultation with ADA and represents Austria in the European Development Fund.

The detailed organisational structure of Section VII of the MFA can be found in the Annex 2.

4.1.1. Internal Coordination and Partners

The responsibility for development cooperation is shared between different stakeholders, with the MFA being in charge of the overall strategy and coordination.

Federal Ministry for Europe, Integration and Foreign Affairs (MFA)

The Three-Year Programme on Austrian development policy is drawn up by the MFA in consultation with all Austrian stakeholders, including civil society, and presented to the Council of Ministers. It is the main instrument for coordinating the different actors within Austria.

In addition to the Three-Year Programme, (advisory) boards of various Austrian development institutions play an important role in ensuring internal coherence. ADA's Board of Directors includes representatives from the MoF and other line ministries, the "Business and Development Board" which discusses OeEB projects includes, among others, representatives from ADA, MFA and MoF, the Export Financing Committee which is responsible for soft loans, includes representatives from ADA and MFA, and the committee

⁸ For a detailed description of all relevant actors please visit <http://www.entwicklung.at/en/austrian-development-cooperation/actors/>

for ADA's business partnership projects includes representatives from OeEB and MFA. These boards discuss concrete project proposals as well as policy issues.

Austrian Development Agency (ADA)

Due to the fact that ADA is fully owned by the Federal Government of Austria, with the MFA acting on its behalf, the MFA has a leading role in formulating policy guidance for ADA. In order to facilitate coordination among the major Austrian stakeholders in development cooperation, there are also representatives from other ministries on the Supervisory Board of ADA.⁹

ADA annually supports about 500 programmes and projects. In addition, ADA was commissioned in 2008 to implement EU-financed projects via delegated cooperation. EU funds are channelled through Indirect Management (IM) or twinning projects.

The responsibility for country and regional programming rests with the MFA. However, ADA coordination offices¹⁰ prepare the first draft of any such strategy. In order to accommodate needs and proposals of all stakeholders in Austria, the MFA has established "country teams" composed of representatives of MFA (both development cooperation and diplomacy), other stakeholders and ADA (regional and thematic desks).

The annual budget and work programme of ADA, together with the allocation of resources (country and regional budget lines, horizontal budget lines) is prepared by ADA staff and discussed by the Supervisory Board before being presented to the Minister for final approval.

ADA is currently in the process of reviewing its strategic Business Plan ('Unternehmenskonzept'). A presentation of the new plan is planned for early September.

Ministry of Finance (MoF)

The MoF pursues Austrian interests in development and foreign trade policy at the level of multilateral finance and development institutions and is also responsible for the operations of OeEB. Capital payments and contributions to the various IFI-funds are financed out of the budget of the MoF. Contributions to EU development cooperation under the European Development Fund (EDF) or other EU instruments are also made by the MoF, whereas the MFA represents Austria in the EDF Committee. Soft loans and internationally agreed debt relief measures under the Paris Club or HIPC are also managed by the MoF.

Development Bank of Austria (OeEB)

OeEB is focusing on realising private-sector projects in developing and transition countries. Projects need to be financially viable as well as contributing to sustainable development. As a wholly-owned subsidiary of Oesterreichische Kontrollbank AG (OeKB) - the Export Credit Agency of Austria - it is a private financial entity with a public mandate. Compared to commercial banks, OeEB is in a position to assume higher risks on individual financing transactions given its special mandate (e.g. higher loan volumes, longer tenors, transactions in riskier countries). In addition, since 2012 OeEB is also investing equity in companies and funds, applying funds allocated by the MoF on an annual basis for that purpose. OeEB hence takes up the role of closing the gap between services of the ADC, ADA and the financing

⁹ The Board consists of 12 Members: 6 representatives from MFA and 1 representative each from MoF / Budget Department; Ministry of Agriculture, Forestry, Environment and Water Management; Ministry of Labour and Social Affairs; Ministry of Science and Economy; Austrian provinces; one staff representative from ADA. In order to improve coordination and coherence, MFA has assigned one of its 6 seats to an additional MoF representative from the IFI-department and one seat to a retired DG of "Finanzprokuratur" (= attorney of the Republic of Austria).

¹⁰ A list of all coordination offices can be found on the ADC Homepage: <http://www.entwicklung.at/en/austrian-development-cooperation/actors/ada/contact/#c1484>

solutions offered by commercial banks. At the same time, OeEB is legally bound to safeguarding the objectives of the ADC.

In addition to and accompanying the financing solutions offered by OeEB, the Republic of Austria has earmarked special budgetary resources for project-supporting measures, the so-called Advisory Programmes. These can be made available for the purpose of identifying, preparing, inspecting, monitoring and implementing projects (including measures to enhance developmental outcomes of projects), and shall be creditable as ODA.

In order to ensure coherence and coordination, the Austrian Export Promotion Law (AusFG) states that all projects (investment financing and equity) of the OeEB need to be assessed by an inter-ministerial “Business and Development” board, which assesses expected developmental impacts of projects. This board is composed of representatives from the following institutions: Federal Chancellery, MoF, MFA, Ministry of Economics and Labour, ADA, Economic Chamber, Chamber of Labour and OeEB (non-voting). The task of the committee is twofold: appraisal of projects from a development perspective, and advice to the bank with regard to development policy issues. In addition, investment financings, for which OeEB obtains a guarantee from the Ministry of Finance to cover commercial and political risks, need to be assessed by the Advisory Council with regard to the risk dimension of projects. This committee is composed of representatives of the MoF, MFA, Federal Chancellery, Ministry of Economics and Labour, Ministry for Agriculture, Forestry, Environment and Water Management, Economic Chamber, Chamber of Labour, Chamber of Agriculture, Federation of Trade Unions, Central Bank, and OeEB (non-voting).

Others:

In addition to the above mentioned major stakeholders, several other line ministries (e.g. education), federal states (= provinces) and municipalities also contribute public funds to the overall national development assistance budget (ODA).

4.2. Innovation and behaviour change

4.2.1. Organisational change and Programme innovation

The most remarkable change since the last Peer review has been the growth of OeEB and the creation of an adequate organisational structure fit for purpose. OeEB staff has roughly tripled to a total of 32 between then and 2013.

Although ADA’s administrative budget decreased from EUR 12 m in 2011 to EUR 8 m in 2013, ADA successfully applied for delegated implementation of EU projects. This allowed ADA management to keep the number of staff members almost at a constant level. Joint Programming as a key component of the EU Agenda for Change has brought new challenges and opportunities for our approach to development cooperation in partner countries. In this regard, our vision encompasses not only joint programming, but also joint implementation, results frameworks and evaluations (see para 2.2. Decision-making - Approach to bilateral ODA).

With respect to new modalities for delivering aid, we would like to highlight the following innovations since the last Peer Review:

- In 2012 OeEB introduced a new instrument “equity” which reacts to shortage of equity for private sector projects in developing countries. Equity has the potential to leverage substantial amounts of (private) financing for development.
- In several cases, OeEB and the German DEG and KfW implemented projects jointly, with OeEB assuming political and commercial risks associated with the project up to a determined amount (unfunded risk participation), and DEG/KfW providing funding for the total project volume.
- Austria actively participates in several “blending instruments” (see 1.4)

No major changes have taken place in the organisation of the directorate general for development cooperation in the MFA. Following the elections in 2013 and the appointment of a new Minister, the MFA was assigned with a new and additional competence, namely “integration” and was therefore renamed “Federal Ministry for Europe, Integration and Foreign Affairs”. Discussions have started how to link development cooperation and the new competence for “integration”.

4.3. Human resources

4.3.1 Staffing levels, composition and location

Due to decreasing administrative budgets in the public sector, staffing levels dropped in recent years. While the number of staff in the directorate general for development cooperation in the MfA remained stable at 33, ADA has lost 4 staff at headquarters and 12 in field offices and missions between 2009 and 2013.

Other important stakeholders such as the MoF and OeEB were able to employ an increasing number of experts. The OeEB saw the most impressive increase, with just 13 staff members in 2009 as compared to 32 in 2013.

Figures detailing staffing levels can be found in annex 2 of the Memorandum.

Field offices of the Austrian Development Cooperation are staffed by a mix of experts from headquarters and locally-recruited personnel. Experts from headquarters usually rotate every four years. Longer assignments, particularly in key positions, and experts who can draw on their broad experience and comprehensive knowledge, are key for the institutional memory. Staff exchange and rotation between different organisations is rare.

4.3.2. Staff development

ADA has a strong commitment to staff development and training which is offered to staff both at headquarters and in the field. Occasionally trainings are also open to staff from the MFA.

Trainings are designed to help develop the necessary skills and expertise for specific tasks and activities, and to provide staff with support and continued on-the-job training in order to keep up to date with new developments and challenges.

Austria contributes to and benefits from its membership in the train4dev (learn4dev) network. ADA joined the network in 2007 and has thus gained access to training programmes, international know-how and experience.

To promote the sharing of knowledge and of resources, Austria seeks the cooperation with other donors. One example of this kind of cooperation is a workshop on Knowledge Management“organised jointly with the German and the Swiss Agency for Development and Cooperation in 2012.

Box 6: The ADA staff development concept is based on:

- (1) Compensation
 - (a) Salary: salaries are paid in accordance with the federal government pay scale
 - (b) Premium: at the end of the year bonuses will be paid out in accordance with predetermined criteria
- (2) Recruitment: the selection of new employees is carried out in a transparent and comprehensible manner; job opportunities are advertised as soon as they arise in order to ensure smooth handovers
- (3) Onboarding: employers and employees receive an onboarding manual
- (4) Appraisal interview: appraisal interviews are conducted annually. The purpose of

these interviews is to set new tasks, review performance and discuss contentment, plan personal and career development and listen to feedback

(5) Training and education: the training concept shall enable comprehensive and individual education based on the results of the appraisal interview and requirements defined by the relevant departments

(6) Benefits: benefits are conducive to a good working atmosphere and include monetary arrangements, an innovative working time regulation and health-enhancing measures

(7) Career opportunity: ADA is characterized by a flat organisational structure. Secondments, postings to coordination offices and internal rotation are possible.

5. Delivery modalities and partnerships help deliver quality aid

5.1. Budgeting and programming processes

5.1.1. Budgeting process / predictability and flexibility

In the context of the introduction in 2010 of a first national four-year budget frame for the period 2011–2014, Austria also adopted a first multi-year ODA forecast for this period which is updated annually in line with the rolling national budget frame. Although country programmable aid has not been increased since the 2009 Peer Review and the 2012 Mid-term Review, the programme of the new federal government established in 2013 now foresees the development of a roadmap to meet the international commitment of 0.7% of GNI for development cooperation.

At partner country level, indicative multi-year country allocations are communicated to partners during negotiations of country strategies and, based on these strategies, budget forecasts and disbursement schedules are an integral part of multi-annual cooperation agreements. Such agreements have been signed with Burkina Faso (2008), Ethiopia (2009) and Bhutan (2010). In other countries, the respective strategies (without budgetary forecasts) guide the annual programming and aid allocation process and annual commitments echo the needs and procedures of the respective partner country. This approach provides for flexibility in the choice of modalities, the level of annual disbursements, and reallocations where necessary.

The MoF provides multiannual funding to several IFI Programmes (e.g. FIAS) as well as an annual budget to OeEB for equity investments and Advisory Projects. OeEB, in consultation with stakeholders, can allocate these funds flexibly between the two instruments. Long-term investment loans are extended by OeEB on its own account, covered by project-specific guarantees by the MoF.

5.1.2. Programming process

One key recommendation of the last Peer Review was implemented by re-designing the Three-Year Programme, which has been changed from a rolling programme into a joint three-year strategy for all Austrian government actors in development cooperation.

Programming at country level is guided by multi-annual country strategies or cooperation agreements accessible at the ADC website¹¹ and operationalised through an Annual Work Programme for each focus country/region.

¹¹ <http://www.entwicklung.at/publikationen/strategische-dokumente>

Table 9: Country Strategy Timeline

Focus countries	Multi-annual country strategies
Uganda	2010 – 2015
Mozambique	2010 – 2013 (currently being renewed)
Kosovo	2013 – 2020
Moldova	2011 – 2015
Armenia	2012 – 2020
Georgia	2012 ff.
Burkina Faso	2008 – 2013 (currently being renewed)
Ethiopia	2008 – 2013, 2014 ff.
Bhutan	2010 – 2013 (currently being renewed)
Albania	strategy to be decided
Nicaragua	phasing out
BiH	phasing out

The choice of priorities, sectors and particular modalities is made in dialogue and consultation with partner governments and development partners in order to align them with partner countries' own strategies. Considerations include ensuring the most appropriate response to local context and a mix of modalities to reduce fragmentation and manage diversity.

Quality assurance for ADC programmes and projects includes technical backstopping by sector experts as well as screening and mainstreaming of several topics such as poverty reduction, gender, environment, good governance and human rights, conflict prevention. To facilitate these processes, an ADA-internal document 'Joint principles for cross-cutting issues' has been developed, offering guiding questions against which all interventions have to be reviewed. For two of these cross-cutting issues – i.e. 'gender equality and women's empowerment' and 'environment', standardized appraisals are carried out for every new contract. The recommendations (if any) made by the sector experts become part of the contract.

The programming and project selection of OeEB is aligned to national programmes and guided by the OeEB's strategic framework, which includes the 5-year OeEB strategy, the Three-Year Programme, Austrian foreign policy and Austrian foreign trade interests. Project proposals are evaluated and discussed extensively amongst a group of stakeholders (MoF, MFA, ADA, Ministry of Economy, Chamber of Commerce, etc.) and approved on the basis of their fit with the OeEB strategy, financial soundness, development objectives, and compliance with environmental and social standards.

5.1.3. Alignment and use of country systems

ADC country strategies are by default aligned with partner countries' programming cycles where these exist (not all partner countries have them). The country strategies for Ethiopia and Uganda were synchronised, the new country strategy for Bhutan, presently under preparation, will also be synchronised. In case of absence of a local basis, ADC will align as far as possible with the policy and programming cycle of the EU. For instance, the country strategies for Mozambique and Burkina Faso were extended in order to align their duration with that of national/EU programming cycles. Country-level PFM (Public Financial Management) systems are used by default in partner countries with national execution, sector budget support or budget support (i.e. Mozambique, Uganda, Bhutan, Ethiopia, Burkina Faso).

In case of aid to government - be it in the form of sector support or specific projects or programmes - use of country systems is the standard mode. Support provided in this form is therefore based on results frameworks as well as on the monitoring and review mechanisms

of the partner country. ADA refrains from requesting additional indicators or separate data collection, thus reducing fragmentation of monitoring processes and parallel reporting requirements (as far as own accountability requirements allow).

5.1.4. Analysis of risks and opportunities informs planning and programming

ADA applies various instruments to assess risks, including corruption. Where national execution, sector budget support or general budget support are used (e.g. Uganda, Mozambique), they are subject to a comprehensive risk assessment exercise, done in coordination with development partners whenever possible. ADA also actively participates in joint review and monitoring mechanisms of such programmes. In the case of project funding, implementing partners have to undertake a general risk assessment in the course of the grant application procedure. Anti-corruption clauses are included in all contracts and budget support agreements. Within the agency, several mechanisms are in place aiming at preventing fiduciary risks. These include segregation of duties, more-eyes-principle, declarations of impartiality and evaluation committees for the provision of funds, code of conduct, examining the financial and factual correctness of programmes and projects, periodic risk management, and internal and external audit.

ADC supports the joint application of analytical tools (e.g. Public Expenditure and Financial Accountability - PEFA) to ascertain the capacity of partner country systems to apply transparent and verifiable criteria. ADA supports joint training for donors, partners and civil-society actors in public finance management, as well as capacity-building of domestic accountability institutions such as parliaments and national audit institutions e.g. via the international association of Supreme Audit Institutions, INTOSAI.

5.1.5. Untying and Conditionality

Austria's bilateral ODA is untied with the exception of parts that cannot be untied like administrative costs, secondments, refugee costs or imputed student costs. The subsidy for soft loans under the OECD Arrangement for tied aid presents only a minor part of Austria's ODA.

The strategy "Budget Support" states as one of the principles of ADA's engagement as follows: *"The number of conditionalities tied to the provision of budget support should be minimised. Above all, additional bilateral conditionalities (in addition to those already agreed between the group of donors and the recipient country) should be avoided wherever possible, as this only increases transaction costs for the recipient country and the volatility of the flow of funds."*

5.2. Partnerships (including triangular co-operation)

5.2.1 Division of labour and joint approaches

For Austria, like for many other donors, division of labour has become an important concept underpinning our development assistance. In line with the EU Code of Conduct on Division of Labour in Development Policy, ADC actively supports these efforts at all levels and restricts interventions to two (in exceptional cases three) sectors in a given partner country.

Austria participates in coordination mechanisms of the donor community with the governments of partner countries and has taken over a lead function in a number of countries where relevant sector coordination mechanisms have been established (Uganda and Albania: Water and Sanitation, Burkina Faso: Technical Education, Serbia: Regional Development, Kosovo: Higher Education). Transfer agreements (delegated cooperation from ADA to the EC) have been concluded for the Palestinian Territories, whereas Delegation Agreements (ADA is mandated by the EC) have been signed for projects in the Western

Balkans, Eastern Africa and the Black Sea Region, both of which are reducing transaction costs for partner governments. Austria currently implements a total of six EU Delegation Agreements in Albania, Uganda, Serbia and Moldova.

Like most donors, Austria takes part in the expert forums of the UN, the EU and the OECD/DAC on a regular basis.

In line with recommendations of the last Peer Review, ADC has significantly narrowed its geographical focus. A number of country programmes (in Central America and the Balkans) have been closed. Currently only ten countries (plus Palestine) remain priority partners of ADC. The number of budget lines has also been reduced from 56 to currently 28.

5.2.2 Accountability

ADC participates in mutual accountability mechanisms at the level of partner countries where such mechanisms between donors and partners are in place. Mozambique is outstanding in this respect as it has introduced a separate assessment to measure the performance of bilateral donors with regard to reaching the Paris Declaration Targets. Since 2009, Austria has been listed in this matrix in the category “Best Performer”¹².

The results matrices which form part of the Three-Year Programme and of all Country Strategy Papers incorporate partner countries’ own result frameworks to the extent that these exist and constitute the benchmarks for monitoring ADC’s country programmes. In Mozambique, Uganda and Ethiopia ADC’s monitoring relies almost exclusively on the existing national monitoring framework.

At a global level, ADA reports to a number of international initiatives designed to enhance accountability, for instance the OECD/DAC Forward Spending and Aid Allocation Survey. We also contributed to the first Monitoring Report of the Global Partnership for Effective Development Cooperation, as well as the EU Progress report “The Busan commitments: an analysis of EU progress and performance” (working title).

5.2.3 Partnerships

Working in partnership with a broad range of actors, including government entities, civil society organisations (CSOs), private sector, parliaments, supreme audit bodies, universities and research institutions is central to Austria’s approach to development cooperation.

For ADA this includes at a country-level active engagement in donor coordination, division of labour, joint programming or co-funding (e.g. with the EC, Swiss Development Cooperation/SDC and Czech Development Agency in Moldova). At an international level, it means coordination, knowledge exchange and learning in networks like the Practitioners Network for European Development Cooperation, EU expert groups, Cap4Dev, or the OECD DAC thematic networks. Civil society actors are important partners for the achievement of ADC’s objectives, both at the level of partner countries and at home.

ADA’s Business Partnership Programme, established in 2005, has matured over the past few years and we consider it an important and effective instrument for mobilising the private sector for development cooperation purposes. ADA is increasingly looking to develop long-term strategic partnerships, based on Memorandums of Understanding, with other donors (e.g. with the Czech Development Agency, or long-term cooperation currently under discussion with OFID) and with significant private sector companies. It is envisaged that this will enable both sides to leverage synergies and implement larger envelopes together.

¹² www.oecd.org/dataoecd/61/0/47083538.pdf

Box 7: Private Sector and Development

'Private Sector and Development' is an important thematic area of activity for ADC, in which we try to realise synergies between private businesses and official development cooperation for the benefit of both enterprises and the local population. In 2005, ADA has set up the Office for Business Partnerships that cooperates directly with the Austrian private sector. Companies preparing an investment, joint ventures, or any other type of economic activity with companies in a developing country whose project will help the country to develop and is planned as a long-term commitment, are eligible for funding up to € 200.000,- or 50 % of the investment.

Since 2005, more than 100 projects have been funded with a total volume of EUR 23 m in ADC grants

Also the OeEB has been living a partnership approach since its establishment in 2008. Key partners are the European DFIs (i.e. EDFI-Group, where OeEB is a member), multilateral institutions such as IFC, as well as local banks and regional institutions.

5.2.4 Civil Society Organisations (CSOs)

CSOs continue to play an important role in ADC. They are both independent actors financing and implementing their own programmes, but also partners of ADA in implementing projects and programmes. Around 40 % of ADA's annual operational budget is implemented by CSOs, either by way of co-financed projects or by way of contracting NGOs. With regard to the dialogue established between civil society and the aid administration, NGOs have an essential role to play. They do this by periodically reminding the government of its official commitments concerning development cooperation, but also within the framework of global learning and advocacy, and raising awareness of the general public that also Austria has to take over its fair share to strengthen international solidarity.

ADC's CSO policy is based on two main documents: the *NGO Cooperation Policy* document (May 2007) which mentions strengthening civil society in partner countries as one of the key objectives, and the *Strategy Development Communication and Education* (July 2009). These policy documents serve as guidelines for the strategic design and implementation of cooperation with Austrian CSOs. They provide for regular consultations between NGOs and decision-makers, including the spokespersons for development cooperation of the political parties and the MFA. This "Structured Dialogue" takes place twice a year and the agenda is prepared jointly by ADC and CSOs.

ADA provides various funding instruments for CSO co-financed projects, drawing on the broad range of Austrian organisations with their diverse capacities and activities. Clear guidelines for each funding instrument are available. The CSO co-financed projects and programmes are based on the CSOs' own initiative, their expertise and sector priorities. Maintaining a mix of funding instruments is considered important and has been upheld since the last Peer Review, with the exception of the funding instrument which provided up to EUR 5.000 for micro-projects in developing countries. This instrument was suspended in 2012 because the results and impact of the projects were not satisfactory, while the administrative burden was too high for both ADA and CSO partners. The following funding instruments have been further developed since 2009:

- **ADC co-funding up to EUR 150.000**, project duration 2 - 3 years. In 2013, the maximum funding amount was raised from EUR 100.000 to 150.000 in order to enhance results and impact and to reduce transaction costs. Cooperation and coordination with relevant local and/or international organisations and capacity development of local partners are to be included in project activities.



- **Strategic partnerships** exist with 11 CSOs based on 3 year- **Framework Programmes** (Framework partners can count on continuation of the partnership after a 3 year period on the basis of programme reviews by external evaluators). ADA tried to minimize transaction costs for CSOs by adapting budget formats for the Framework Programmes; so far with limited success due to internal administrative objections.
- A **strategic partnership** exists with one Austrian CSO which provides **Austrian and European experts for long-term missions** in developing countries for supporting the achievement of national development goals. The thematic focus of the missions lies in institutional and organisational capacity development.
- Another important element of cooperation with Austrian CSOs is the **co-financing of projects supported by the EC**. These projects show a very positive leverage of EC funding resources. The administrative burden for CSOs has been further minimized e.g. by respecting the EC regulations and procedures. Funding has been extended from originally one to now several EC budget lines.
- Austria strengthens **CSO Development Effectiveness and Enabling Environment** by funding the Austrian CSO platform “AG Globale Verantwortung” (Global Responsibility Platform) through a three year programme and international projects, together with other donors. Key aspects are capacity development, training, knowledge transfer of CSOs in Austria and in developing countries.
- A joint evaluation was implemented by SIDA, DANIDA, ADA on “**CSOs in policy dialogue**”. Some recommendations were taken up by ADA, e.g. a consortia programme focusing on advocacy and policy dialogue which is being developed in partnership with the Austrian Platform of CSOs and Framework Programme Partners. This “pilot” programme shall be carried out in East Africa and will be funded with an amount of EUR 300.000,- for a duration of 2 years.

MoF also supports CSOs in developing countries through its IFI programming, e.g. through active involvement on advisory panels for the improvement of IFIs’ CSO strategies. The aim is to push IFIs to work more directly with CSOs in contexts where this would lead to a higher development impact (e.g. in the field of disaster risk reduction).

5.3. Fragile states

In the Three-Year-Programme, “Human Security, Human rights and Rule of law” are a priority, including the engagement in fragile situations. The Strategic Guideline “Security and Development in Austrian Development Policy” sets out the priorities for a whole of government approach in fragile situations. All new country strategies take into account the Fragile States Principles and the Peace and Statebuilding Goals (PSGs).

Civil society was included in preparing the Vienna 3C Appeal (coordinated, complementary and coherent approach in fragile situations). An annual “3C Retreat” at Peace Castle Schlaining with all stakeholders and relevant ministries as well as an implementation matrix and the foundation of the Austrian Peacebuilding Platform all contribute to the implementation by way of a comprehensive approach as anchored in the Guideline.

The approach adopted by Austria to engage in fragile states is aligned with the OECD DAC Fragile States Principles and the New Deal for good engagement in fragile states, which Austria has endorsed. ADC established a permanent working group¹³ on fragility which discusses progress in the international debate and ways how to best integrate the Principles of the New Deal/Peace and Statebuilding Goals (PSG) both into the programming process and at a whole-of-government level. Regular staff information on the latest developments of the New Deal is provided and workshops on conflict sensitivity are organized.

¹³ Participants are from ADA, MFA and Austrian Think Tanks.

Together with the integration of a gender perspective into its engagement in fragile states, Austria also concentrates on the strengthening of the role of women in peace processes, gender equality and the implementation of UNSC Res 1325 and follow up resolutions by, for instance, supporting the Gender, Peace and Security Programme (GPSP) approved by the Peace and Security Department (PSD) of the African Union Commission (AUC).

Austria works in five countries listed in the OECD DAC list of fragile states (2014): Burkina Faso, Kosovo, Ethiopia, West Bank and Gaza Strip, and Uganda. In Burkina Faso, Austria supports two programme-based approaches of national sector policies together with other development partners. Government-led coordination, combined with donor coordination, is an important component which can be seen for example in Uganda in two sectors, “Justice Law and Order” and “Water and Sanitation”. The five PSGs of the New Deal are relevant areas of cooperation in all fragile countries Austria is working in.

Austria recognizes the challenge of fragile situations at regional level and supports the implementation of programmes of regional organizations like AU, ECOWAS and IGAD/CEWARN through joint finance agreements (pool funding) with like-minded donors like Sweden and Denmark. Cooperation with CSOs through programmes supporting the implementation of regional or governmental conflict prevention and peace building strategies with the aim of strengthening the relation state-society has a high priority, too. (e.g. ENDA DIAPOL, Senegal: Strengthening local capacities in the field of conflict prevention and peace building in the border areas of Southern Senegambia; West Africa Network for Peacebuilding (WANEP): Strengthening the ECOWAS Conflict Prevention Framework through National Architectures for Early Warning and Early Response in West Africa). Where direct cooperation with governments is not feasible or difficult, Austria works with the UN (West Bank and Ghaza UNRWA; Kosovo UNDP, UNICEF, OSCE) or CSOs.

The MoF contributes to IFI Programmes with the primary objective to reduce disaster risks in most disaster-prone developing countries. MoF contributes also to IFI Funds (e.g. IDA, ADF) that have among others a special focus on fragile and conflict-affected situations). The MoF supports multi-donor programmes in the fields of water and sanitation, energy and climate change, urban, and private sector development and contributes actively to better donor coordination through harmonization of funding channels and endorsement of programme strategies by donors involved.

Key Reference Documents: Chapter Fife

NGO Cooperation Policy document (May 2007)

http://www.entwicklung.at/uploads/media/PD_NGO_Cooperation.pdf

Strategy Development Communication and Education (July 2009)

http://www.entwicklung.at/uploads/media/Strategy_Development_Communication_April2010_02.pdf

Strategic Guideline “Security and Development in Austrian Development Policy”

http://www.entwicklung.at/uploads/media/StratGuide_Security_and_Development.pdf

ADA Strategy “Budget Support”

http://www.entwicklung.at/uploads/media/ADC_Strategy_Budget_Support_EN_Web_.pdf



6. Results, transparency and accountability; ADA

6.1. Results-based management system

6.1.1 Policies, strategies, plans, monitoring and reporting

The Austrian Federal Government has introduced result-based management principles for the entire Austrian public finance structure. In a ministry-wide pilot for the budget year 2013, MFA has defined results and indicators concerning development cooperation. The ministry is obliged to regularly monitor and report against the indicators.

Since 2010, the Three-Year Programme in the ODA matrix lists the respective results for each of the sector or thematic focuses in the selected priority countries and regions.

Austria is dedicated to partner orientation. ADC country strategies are by default aligned with partner countries' strategies and/or development plans as well as programming cycles where they are in place. ADC takes part in EU Joint Programming in priority countries and has, in some countries, taken over a facilitating role (Ethiopia, Moldova).

Country strategies elaborated according to the new format include a results framework with outcomes/output indicators drawn from partner countries' national or sector plans wherever they exist. Country strategies also state monitoring and review mechanisms and the respective time frames, and coordination offices are obliged to report against the results frameworks once a year.

In cases where the partner country has the necessary monitoring and performance review mechanisms in place at national or sector level, ADC participates in it via the coordination office. This is the case in most African priority countries, and to a lesser extent in the remaining priority countries. The joint findings of these exercises are helpful for management to decide on further funding, specific support or remedial measures.

Bearing in mind that in most partner countries the database and/or monitoring and evaluation capacities are still weak, ADC is providing additional support to enhance local capacities where there is need and where Austria has a comparative advantage, like, e.g. for Results Based Management in the Water Sector, or for Management for Development Results (MfDR) training for senior and middle management, or for elaborating a monitoring framework for the Justice, Law and Order Sector in Uganda.

6.1.2 Projects and programmes

ADA is committed to a clear focus on results at the level of projects and programmes. The logical framework approach and project cycle management are the explicit standards applied. Project documents have to cover a clearly stated objective as well as expected results with indicators. Activities and budgets need to be linked to results. Steering measures, evaluation and review mechanisms have to be incorporated into the project design. Almost all project documents comply with this standard. Continuing challenges remain weak results-orientation in planning and - most of all – poor reporting by some partners despite the feedback and support given. Formats and project cycle management tools are regularly reviewed to improve the results-orientation, but also the usability by partners and in-house.

To support monitoring of results at project level, specific features have been included in the development of the new IT aid management system.

The recommendation of the last Peer Review concerning the provision of co-financing for multi-annual results-oriented programmes of NGOs with sufficient demonstrated capacity in programme management, has been taken further forward.

**Box 8: CSO co-financed projects and programmes**

The results-based management approach has been further developed for CSO co-financed projects and programmes. The respective funding guidelines, application and reporting formats have been adopted in order to strengthen focus on results, indicators and steering measures. ADA's unit "NGO Cooperation International" regularly offers PCM trainings to Austrian CSOs (e.g. on results-based logframes), or exchange meetings between Framework Programme partners with the aim to improve results-based management, capacity-development and knowledge-sharing. Annual strategic talks on programme achievements, results and impacts are carried out with Framework Programme partners.

Remark: The results-based management approach may not be suitable for all CSO initiatives; in specific cases process orientation and impact measurement seem to be more adequate.

6.1.3 Capacity for Results Based Management

Capacity development is seen as essential for incorporating systematic results-orientation into development cooperation and progress towards results-based management. Training in the use of the logical frameworks approach as well as project cycle management – specifically focusing on results - are regularly held for ADA staff, but also offered to project partners. In addition, training on monitoring has taken place for the staff of the coordination offices in Africa and Asia.

To learn from peers, a presentation of SIDA's results-based management system and an ensuing discussion took place for members of ADA and MFA in 2010, and a workshop to share experiences with the Swiss Development Co-operation on results-based management was held in February 2012. In 2010, Managing for Development Results was the overarching topic of the annual conference of ADA.

As Austria attaches high importance to the aspect of ownership of partner countries, capacity development for results-based management is also directed to that level. Besides supporting the Expert Group MfDR of train4dev (now learn4dev) at an overall level, ADA engaged with train4dev in the development of a training course in Results Based Management for the water sector. After a pilot at headquarters, the training course was held in Uganda in 2011 and 2012. In addition, ADA is currently funding Managing for Development Results training in the Justice, Law and Order Sector in Uganda.

Box 9: Results-based Management in the Water Sector in Uganda

By making use of experiences in the water & sanitation sector, ADC established an internal training on "Management for Development Results" in 2010. The respective materials have then been further elaborated into a Joint Learning Programme in the train4dev framework. On this basis (and in close coordination with the Ministry of Water and Environment (MWE) for the adaptation to Ugandan needs), trainings were conducted in 2011 for two groups of MWE water sector officers.

In a follow-up workshop in 2012, the participants' experiences in their daily work with MfDR were used to optimize the alignment of the concept with the actual needs. Besides, the target audience was extended to include high-level sector officials and donor representatives.

Overall, ADC-supported activities in the Ugandan water sector contribute to a coherent results-oriented monitoring framework at all levels. This enhances the overall effectiveness

of public sector management and should thus also foster the alignment of donor procedures to national.

The MoF puts an emphasis on results in all its funding operations. IFI-Programmes must have systematic and meaningful results-frameworks. Results reports, selective impact evaluations and comprehensive external programme reviews inform MoF funding decisions for IFI-Programmes

OeEB's results and achievements are measured in a rigorous and comprehensive results framework that was developed in close consultation between OeEB and the MoF. The indicators and targets are aligned with the strategy of OeEB. Inputs, outputs and outcomes are recorded in regular monitoring cycles. These results form the basis for the *Development Report* that is published annually by OeEB.

6.2. Evaluation system

Evaluation Policy/Unit

The evaluation work of ADC is guided by the “*Guidelines for Evaluation in Austria’s Official Development Co-operation*” (2005) which are going to be revised shortly. A multilingual set of operational “*Guidelines for Project and Programme Evaluations*” are available in German, English, French, Spanish and Portuguese. These guidelines explicitly adopt the OECD-DAC Principles for Evaluation.

Regarding staff, there is one person in the Unit for Evaluation, Development Policy and Strategy within MFA and two people in the ADA Evaluation Unit who are responsible for managing strategic evaluations of country programmes, country strategies, instruments, sectors, cross-cutting issues and themes. In the MFA, no structural changes have taken place since the last Peer Review. Regular meetings between MFA and ADA take place in order to discuss and monitor the implementation of ongoing evaluations/reviews and feedback processes of evaluation recommendations. With the current number of staff, three to four strategic evaluations or reviews can be managed per year. Additionally, the ADA evaluation unit also manages programme evaluations and provides feedback to Terms of Reference for project/programme evaluations managed and/or conducted by partner organizations.

Independence

The Head of the Unit for Evaluation, Development Policy and Strategy within MFA reports to the Director General of the Development Co-operation Department. ADA's Evaluation Unit is an independent unit under ADA's Managing Director. In order to ensure independence, all strategic ADC evaluations/reviews and all programme evaluations managed by ADA are conducted by external consultants who are contracted on a competitive basis. All strategic evaluation or review reports are made publicly available on the internet¹⁴. These reports are also submitted to the DAC Network on Development Evaluation (EVALNET).

Planning and Budgeting

A two-year evaluation plan for strategic evaluations is prepared jointly by MFA and ADA. All directorates and units within MFA and ADA are invited to make suggestions for the evaluation plan. These suggestions are then discussed with senior management in MFA and ADA. A draft evaluation plan according to policy needs and management priorities is prepared for approval by management. The evaluation plan is also made publicly available. The next evaluation plan for 2015-2016 is going to be discussed in the course of 2014. A budget in line with the evaluation plan is made available on an annual basis.

¹⁴ <http://www.entwicklung.at/en/evaluation/>



Partnerships/Strengthening Capacity

The ADA Evaluation Unit is an active member of the DAC EVALNET, currently the Head of Unit is acting as vice-chair and participating in several initiatives which promote capacity development. Austria has supported the Paris Declaration Evaluation by financing the Uganda Study twice (2008, 2011) and is currently engaged in the follow up initiative, “Study on Collaborative Partner-Donor Evaluation Work” led by Uganda, Vietnam, France and Finland, in order to identify opportunities to support joint partner-donor evaluations and capacity building in future. In 2011 the ADA Evaluation Unit also shared practical evaluation experiences with SlovakAid. Also in 2011, a evaluation training was conducted in Serbia in which Government officials participated and subsequently took part in the reference group of a programme evaluation. In 2011/2012, Austria managed and financed together with Denmark and Sweden the “Joint Evaluation of Support to Civil Society Engagement in Policy Dialogue” (Bangladesh, Mozambique, Uganda), responding to the initiative of the Donor Group on Civil Society and Aid Effectiveness and two international NGO networks (Better Aid and Open Forum).

To foster internal capacity building, the Evaluation Unit has conducted several trainings since 2008 (Introduction to Evaluation Concepts; Managing Evaluations and International Trends; Improving Project and Programme Evaluations; Selected Topics Regarding Evaluations; Indicators and Logframes; Reflecting Monitoring Plans). These trainings were offered to ADA staff, but also to coordination offices and NGOs. In 2013, an internal analysis was made regarding the quality of NGO framework reviews, and lessons learnt were discussed lately. Learning from evaluations has been continuously improved.

MFA and ADA are also actively engaged in the regional evaluation network “DACH” which encompasses all German speaking DAC evaluation units, but also Belgium, the Netherlands, and Luxembourg.

Austria is also a member of MOPAN which it joined already in 2004. Together with Spain, Austria held the institutional lead for the assessment of UNICEF in 2012 and together with the US the country-lead for the assessments of the Asian Development Bank, IFAD and WHO in Vietnam in 2013. A member of the Multilateral Development Cooperation Directorate takes regularly part in the meetings of the Steering Committee in Paris.

MoF and OeEB

Since 2009, Austria has enhanced its focus on performance monitoring and results in its cooperation with IFIs. Thus, the MoF has consistently advocated the use of results frameworks (RF) and corporate scorecards at the institutional level, and demanded project-specific RFs in multi-bi programmes co-funded by Austria. In addition, Austria monitors performance closely through the MoF representatives on IFI boards, the periodic MOPAN assessments, and independent donor rankings such as the Quality of ODA (QuODA) Tool of the Centre for Global Development (CGD). OeEB commissions external Evaluations of their programmes and projects on a regular basis. These evaluations measure the results achieved by OeEB’s interventions and form the basis for future programming decisions. OeEB also provides self-evaluations of its Advisory Programmes to BMF. Best practice and lessons learnt are reflected in the development of new projects. OeEB itself underwent a major institutional evaluation in its 4th year of existence. The evaluation was commissioned by MoF and conducted by an external evaluation firm following a tender.

6.3. Institutional learning

Feedback Mechanism and Dissemination

A structured management response process has been established for strategic evaluations. Evaluation recommendations are discussed with relevant staff from different organizational

units and levels as well as presented to senior management in ADA and MFA. Management Response Matrices are internally available and updated at least once a year.

Once a draft evaluation report is available, those who were interviewed and all MFA/ADA staff are invited to the presentation by the consultant. Sometimes bigger workshops are organized when evaluation results are targeted to a wider audience such as the Austrian NGOs for the “CSO Evaluation”. During ADC’s annual conference a summary of major recommendations of recent evaluations is presented to the heads of the cooperation offices. As stated under 6.2 above, all strategic evaluation reports are publicly available on ADC’s homepage together with summaries. ADA’s Evaluation Unit also disseminates useful DAC Evalnet summaries (such as the Evaluation Insights) and lessons learned from other donors using the DAC EVALNET data base.

Knowledge Management

Since 2011, an ADA knowledge management strategy is in place and has been constantly implemented since. The strategy also features an action plan (since 2012) and focuses on three target areas: technological infrastructure, strategy and management, processes. The strategy and its action plan include measures such as mapping ADA’s knowledge, elaborating rules for the management of knowledge assets, integrating knowledge goals into the ADA business plan, putting a stronger focus on lessons learned in travel reports and other relevant documents, or installing an ADA-internal intranet. Their implementation and further development is monitored by a knowledge management core team (working group). At the same time, ADA is currently merging its existing databases and piloting the use of social media tools within the organization in order to ensure a better flow of information. While there is room for improvement, all these and other measures aim at learning from activities in the past and also serve as a forward looking management tool.

MoF and OeEB

MoF has transformed the recommendations of the external evaluation of the OeEB into an action plan which has been discussed with the OeEB and major stakeholders (i.e. ADA, MFA, OeKB). Following the action plan of the evaluation, adaptations in the governance structure of the OeEB were implemented. The new OeEB strategy 2014-2017, which is in its finalization stage, provides a major instrument to feed many recommendations back into OeEB operations. The strategy has been extensively discussed with representatives of MOF, MFA, and OeEB’s Supervisory Board.

6.4. Communication, accountability and development Awareness

6.4.1. Transparency and accountability

Austria is not a member of IATI. In our view, the standards provided by the DAC are sufficient for the purpose of predictability and transparency. Furthermore, we are currently not in a position to provide the technical capacities and human resources needed for joining IATI.

Information on individual programmes and projects can be obtained from a projects database on the ADC website which lists all approved projects since 01 January 2010.¹⁵

In Uganda and Mozambique, strengthening domestic accountability is an integral part of budget support operations. Both countries have established specific forums which offer opportunities for civil society to formally interact with their governments. In other partner countries, like Ethiopia and Nicaragua, ADC finances activities to increase participation of civil society in democratization processes. In South Eastern Europe (Kosovo, Moldova and Albania), the media have become a particular focus of ADC interventions. In addition,

¹⁵ <http://www.entwicklung.at/zahlen-daten-und-fakten/projektliste>

capacity development of parliamentarians in partner countries is considered key: ADC supports respective initiatives in Mozambique, Montenegro and the SADC region. Parliaments of 15 African countries (including Uganda and Burkina Faso) receive support through the African Parliamentary Poverty Reduction Network Initiative (APRN II) so that they are better equipped to actively participate in budget processes or to act as a control organ of government. In order to strengthen national oversight institutions, Austria finances the international association of Supreme Audit Institutions, INTOSAI.

6.4.2. Communicating results and risks

ADC Information and Communication is based on a clear strategy (Handbuch Kommunikation, Handbook for Communication, 2012), taking its orientation from the Three-Year Programme. It aims to create broad awareness about and agreement on the importance of ADC in Austrian society by communicating results and effects of development interventions where available, create awareness about and understanding for global development issues, and inform transparently on achievements and challenges of ongoing work and in international development cooperation.

Target groups are stakeholders ranging from decision makers to civil society organizations, the economy and the broader public. Channels of communication include the webpage of the Austrian Development Cooperation (www.entwicklung.at), social media, publications, public awareness campaigns, targeted public seminars and panel discussions, media work and the like. Synergies are identified with the ADA Unit Development Communication and Education in regular exchanges. A noteworthy example was the Football World Championship of 2010, when ADA Communication, Development Communication and Education, and some 60 Austrian NGOs and African diaspora organizations joined hands in a multi-stakeholder campaign titled “Ke Nako Africa” (Africa Now) designed to create a more positive image of Africa in the Austrian public. This campaign was honoured with the Austrian State Award in Public Relations 2010 by the Federal Ministry of Economy, Family and Youth.

No strategy has been formulated to date for communicating risks and risk mitigation.

Website content has grown substantially since the last review, and is continually updated; a design re-launch was undertaken in 2013 to increase user friendliness; social media channels (facebook, twitter and youtube) were launched in the fall of 2013 and are used to attract new target groups and increase interaction with users and cross-linkages with development partners and the broader public.

MoF communicates development results and lessons learnt of its IFI-Programmes to selected stakeholders on an ad hoc basis (e.g. a presentation of the World Bank/MoF Austria Urban Partnership Programme). OeEB publishes annually the Development Report that clearly presents results and impacts achieved by its programmes.

6.4.3. Raising development awareness

Within ADA a specialised Unit “Development Communication and Education” undertakes development information, education, culture, campaigns and advocacy work, thus building a higher degree of public awareness in Austria. Its work is based on the strategy “Development related communication and education in Austria”. The aim is to create and support a lively communication within the Austrian population about issues of development co-operation and development policy. The past few years have seen continuity with regard to the main topics of projects which were funded. They included MDGs, trade / fair trade, CSR, human rights, gender, environment, Global Learning, intercultural dialogue (Migration and Development), or education for sustainable development.

ADA has long-standing partnerships with civil society organisations, which raise development awareness through active advocacy work, campaigning and lobbying. Successful examples in the past 5 years were the “I do not care”-campaign (in support of the 0.7% target), the

Clean Clothes Campaign (for fair standards in the textile industry) or the ECPAT campaign (against the sexual exploitation of children in tourism in developing countries). International conferences and events like Busan 2011, the various international Climate Conferences or the football world championship in South Africa (2010), are used for advocacy work and lobbying.

ADA leads a structured dialogue with the Ministry of Education on how to implement the principles of Global Learning in the formal and non-formal education system, with the Ministry of the Environment on the issues of climate change and consumerism, with ORF (Austrian Radio and Television) on how to strengthen information and communication on development issues in various programmes (production lines) and with the Austrian regions on how to support and implement programmes on the ground.

The “Austrian Partnership Programme in Higher Education and Research for Development – APPEAR”, set up in part in response to recommendations stemming from the previous Peer Review and a strategic evaluation of scholarship programmes, supports partnerships between institutions of higher learning in Austria and those in ADC focus regions. The objectives are to improve the quality in teaching and research, to make the management and the administration at the involved institutions more effective, and to strengthen the scientific dialogue nationally and internationally.

ADA maintains regular exchanges and joint activities with academics from the University of Vienna (Dept. of International Development), the APPEAR Programme, as well as with the Austrian Research Foundation for International Development – ÖFSE, Austria's most important research and information centre on development cooperation and development policy. Representatives of academia participate on a regular basis in the working groups on poverty reduction, fragility, gender and persons with disabilities.

MoF has been working in specific fields such as disaster risk reduction and urban issues with a broad range of stakeholders not only to raise awareness, but also to enhance buy-in among a broad stakeholder community of which not all are prima facie natural supporters of development cooperation.

Key references chapter six

Guidelines “Project and Programme Evaluations”

<http://www.entwicklung.at/en/evaluation/>

Evaluation plan 2013 -2014

http://www.entwicklung.at/fileadmin/media/2013/Evaluierung/Evaluation_Plan_2013_2014.pdf

ADA Strategie “Entwicklungspolitische Kommunikation & Bildung in Österreich”

http://www.entwicklung.at/uploads/media/Strategie_Epol_Juli2011.pdf



7. Humanitarian assistance

7.1 Strategic Framework

7.1.1 Humanitarian policy

The main policy document of Austria's humanitarian assistance is the Strategic Guideline on International Humanitarian Aid of the Austrian Development Cooperation (ADC)¹⁶, published in 2007. The document outlines a multi-dimensional approach with regard to humanitarian aid, including disaster risk reduction, early recovery as well as rehabilitation, defines the basic principles and gives a broad strategic orientation. The policy is based on international humanitarian law as well as on established standards and good practice as - among others - defined by the European Consensus on Humanitarian Aid and the Principles and Good Practice of Humanitarian Donorship. Humanitarian Aid is included in the current Three-Year Programme on Austrian Development Policy. The new Austrian Security Strategy, which was adopted by the Austrian Parliament in 2013, contains as one of the strategic political objectives "reinforcing and extending national and international humanitarian aid and disaster relief policies".

The overall aim – as defined in the Three- Year Programme – is "helping civilians in and after armed conflicts in adherence to the principles of humanity, independence, neutrality and impartiality and/or in connection with natural disasters and the subsequent transition to longer term, capacity development. For this reason, we seek to apply the principle of linking relief, rehabilitation and development (LRRD)".

The MFA/Unit VII.3 is responsible for international humanitarian assistance which includes the administration of the main instrument of Austrian humanitarian aid, the Foreign Disaster Relief Fund (FDRF). Other important actors are the Federal Ministry of Interior (immediate international disaster relief in both ODA and non-ODA eligible countries), the Federal Ministry of Agriculture, Forestry, Environment and Water Management (international food aid), the Federal Ministry of Defence and Sports (participation in disaster relief missions through the Austrian Forces Disaster Relief Unit/AFDRU as well as UNDAC and EUCP-teams), the Federal Ministry of Finance (member of the Global Facility for Disaster Reduction and Recovery (GFDRR)), and the Austrian Development Agency (ADA). In terms of humanitarian aid, ADA administers the majority of the grants provided by the FDRF and also those provided by other funding sources (largely ministries), and channels funds to the ADC's humanitarian implementing partners.

7.1.2 Approach to recovery and transition

Wherever appropriate, ADC strives to ensure that the humanitarian aid measures carried out by its implementing partners are supportive of recovery and long-term development. Supporting the return to sustainable livelihoods is a key aim of ADC's humanitarian assistance. Thus, wherever appropriate, emphasis is put on humanitarian programmes and projects pursuing a holistic response which also encompasses recovery and transition measures, be it in acute or protracted crises.

7.1.3 Approach towards disaster risk reduction and resilience

ADA supports disaster risk reduction activities in selected priority countries and regions of the Austrian Development Co-operation as part of its bilateral country programmes as well as through its NGO-Co-Financing instrument. The projects are realized in the field of early warning, the prevention or mitigation of "sudden onset" disasters like floods, capacity building and strengthening of resilience at the community level. Throughout 2012 and into 2013, largely with funds from the FDRF, the Austrian Development Cooperation supported the work

¹⁶ The term "Austria Development Cooperation (ADC)" is used to refer jointly to the Federal Ministry of Europe, Integration and Foreign Affairs and the Austrian Development Agency (ADA).

of several Austrian NGOs in the Sahel region. Together with their local partners these NGO worked on enhancing the resilience to food and nutritional crises of local pastoralists, agro-pastoralists and refugees as part of their humanitarian response to the food and refugee crisis in the Sahel region.

DRR is also linked to the Austrian activities in the field of environmental sustainability and climate change adaptation.

In 2012 Austria joined the World Bank's GFDRR which works at the intersection of humanitarian aid and resilient sustainable development with a focus on the latter.

7.1.4 Overall humanitarian budget and trends

The total volume of humanitarian aid, including food aid, amounted to EUR 40,4 million in 2012 (2011: 34.7 m; 2010: 41 m; 2009: 44.6 m). Austria's contribution to the humanitarian aid programme of the European Union represents by far the largest share (around 60% in 2012). Un-earmarked core contributions are being made to UNHCR, ICRC, UNRWA and OCHA. GFDRR received contributions to its resilient recovery window and a core contribution in support of mainstreaming DRR in strategies of most vulnerable countries. On average, Austria's humanitarian aid constitutes between 4 and 5 % of total ODA.

The main bilateral financing instrument is the FDRF which was established in 2005 by a Federal Law. Since 2010 the Fund has been replenished with an annual budget allocation of EUR 5 million. The Work Programme of the (new) Austrian Federal Government foresees an augmentation to EUR 20 million. In order to release funds, a decision by the Council of Ministers is needed. In addition, there is a budget line for food aid administered by the Federal Ministry of Agriculture.

ADA had to close its budget line for humanitarian assistance as of 2011. It thus currently channels funds mainly from the FDRF, but also from other sources to ADC's humanitarian implementing partners and administers these grants.

As indicated in chapter 7.1.3., ADA also continues to support activities in the field of DRR in selected countries and regions, through non-humanitarian funding instruments.

The main implementing partners for funds from the FDRF are the humanitarian organisations of the UN-System, the Red Cross Movement and Austrian NGOs. Most of the funds are channelled via ADA to them. In order to be eligible for humanitarian funding, Austrian NGOs need to undergo an accreditation process with ADA and then can participate in "calls for proposals". The funds for food aid are provided by the Federal Ministry of Agriculture, Forestry, Environment and Water Management and implemented mainly by WFP and FAO.

7.2 Effective programme design

7.2.1. Criteria for who, what and where to fund

Austria's humanitarian assistance focuses on severe humanitarian crises. Resources are provided on the basis of needs analyses in coordination with the efforts of the international community. The identification/analyses of the crisis situations draws on a broad spectrum of sources of the UN (Consolidated Appeals Process and needs assessment reports; Global Food Security Update; OCHA crisis situation reports); ICRC (Emergency Appeals, Updates); European Union (ECHO crisis reports; EU Global Vulnerability and Needs Assessment); reports by Austrian Embassies and Coordination Offices of ADC.

In 2012 and 2013 the focus of our bilateral humanitarian aid, including food aid, were the humanitarian crises resulting from the conflict in Syria, and Mali/Sahel (together around 70%).



7.2.2. Role of early warning

In ADC humanitarian aid, there is no specific focus on early warning. However, early warning and disaster prevention are a thematic priority of ADA's bilateral regional programme in the Caribbean.

7.2.3. Approach towards participation of beneficiaries

Involvement of beneficiaries in all phases of a humanitarian response is key for ADC. ADA requests the partners to apply this participatory approach in all their programmes and projects and monitors participation of beneficiaries through reports, evaluations and field visits. On the level of its NGO implementing partners, involvement of beneficiaries is one of the prerequisites for ADA allocating funding in any call for proposals.

7.3 Effective delivery, partnerships and instruments

7.3.1 Tools available for protracted crises and recovery

At a multilateral level, Austria supports the work of the GFDRR.

In selected priority countries, ADA provides development funding in recurring and/or protracted crises. In the Occupied Palestinian Territories, humanitarian aid continues to be a thematic priority. In Burkina Faso with its latent food insecurity and recurring food crises, improving the food security of the population is a thematic priority of the bilateral ADA country programme.

7.3.2 Rapid response tools and mechanism

The funds of the FDRF are mainly used for sudden onset disasters as well as deteriorations in protracted crises situations.

7.3.3. Partnerships with the humanitarian community

Given the very limited presence of the ADC in countries/regions which are confronted with severe humanitarian crises, Austria relies heavily on its implementing partners - humanitarian organisations of the UN, the Red Cross family and NGOs - to deliver humanitarian aid. With its NGO implementing partners, ADA strives to ensure that their programmes/projects are embedded well into the overall humanitarian response in any given context and makes this one of the prerequisite for allocating funding in any call for proposals.

7.3.4. Coordination with other donors

Austria participates in the Good Humanitarian Donorship initiative and is a member of the OCHA Donor Support Group. GFDRR serves also as a forum of donor coordination. At the EU level the relevant fora are COHAFA and the HAC. At the country level the Humanitarian Coordination Platform, which was established in 2011, is the main forum for a structured interaction between humanitarian NGOs as well as the above mentioned institutional actors.

7.4 Organisation fit for purpose

7.4.1 Co-ordination across Government

The lead entity for international humanitarian assistance is the MFA. There are regular meetings between representatives of the Ministries of Interior, Defence, Foreign Affairs as well as ADA. The specific allocation of food aid by the Federal Ministry of Agriculture, Forestry, Environment and Water Management is decided in consultation with the MFA as well as ADA.



7.4.2 Approach to Civil-Military Cooperation

Since 1960, more than 90,000 Austrian military staffs and civilians have been participating in more than 50 international peace support and humanitarian missions. Since the end of the Cold War the number of missions has been growing rapidly. In addition to classical peace-keeping or peace support operations there are now a growing number of humanitarian and disaster relief operations to be taken care of.

In a specific instance the Federal Ministry of Defence can become involved outside the existing international operations (UN, EU, NATO) through AFDRU and can send specialist troop units (e.g. for logistics, water treatment, health care, food supply, telecommunications, bridge building) as well as disaster relief military experts like UNDAC and EUCP members for assessment issues to international disaster areas. In order to avoid the inadmissible mixing of politico-military and humanitarian goals, the cooperation between civilian and military actors is subsidiary (if civilian forces are not sufficient) and based on the relevant rules and regulations for use of military forces (e.g. Oslo Guidelines) .

One of the recommendations of the Austrian Security Strategy is the intensification of the participation in humanitarian and disaster relief operations in view of Austria's special, internationally recognised civil-military expertise and experience in this area.

7.4.3 Humanitarian staff

See general overview on staffing. In addition to the responsibilities for international humanitarian assistance and the FDRF, MFA-unit VII.3 is in charge of a number of other issues (international aspects of DRR; Development Policy Aspects of Environment & Sustainability).

ADA employs a desk officer for humanitarian assistance.

7.5 Results, learning and accountability

7.5.1 Monitoring own performance

ADC commissioned an evaluation of the "Humanitarian Aid of the Austrian Development Cooperation 2004-2008" in 2009, the report of which was published in 2010. ADC adopted those recommendations which it was able to adopt given the reality of the structural and funding situation of Austrian humanitarian aid.

7.5.2 Monitoring the impact of programs

ADA monitors the impact of humanitarian aid programmes and projects it funds through annual financial and narrative reports provided by its implementing partners, as well as through dialogue with its partners and field visits. In addition, humanitarian aid partners are strongly encouraged to integrate reviews or evaluations into all humanitarian programmes/projects funded by ADC/ADA.

7.5.3 Communicating results

In terms of communicating results, the Austrian Development Cooperation publishes annual ODA reports in which it reports also on the use of the official humanitarian aid funds. In addition, ADA communicates objectives and results to the public as part of its annual business report.



Key Reference Documents: Chapter Seven

International humanitarian aid (2007), Policy document

www.entwicklung.at/uploads/media/PD_International_humanitarian_aid_03.pdf

Evaluation Report „Evaluierung der Humanitären Hilfe der Österreichischen Entwicklungszusammenarbeit 2004-2008“ (Executive Summary in English)

http://www.entwicklung.at/uploads/media/Evaluierung_HuHi_2004-2008_Endbericht_Juni_2010_01.pdf

Annex 1: Glossary and Abbreviations

ADC	Austrian Development Cooperation and Cooperation with Eastern Europe
ADA	Austrian Development Agency
AsDB	Asian Development Bank
AfDB	African Development Bank
AusFG	Austrian Export Promotion Law
AFDRU	Austrian Forces Disaster Relief Unit
AUC	African Union Commission
AU	African Union
APRN II	African Parliamentary Poverty Reduction Network Initiative
CFC	Common Fund for Commodities
CGIAR	Consultative Group on International Agricultural Research
CSO	Civil Society Organisation
CSR	Corporate social responsibility
CDI	Commitment to Development
CEWARN	Conflict Early Warning and Response Mechanism
CGD	Centre for Global Development
COHAFA	Working Party on Humanitarian Aid and Food Aid
DAC	OECD Development Assistance Committee
DANIDA	Denmark's development cooperation
EC	European Commission
ED	Executive Director
ECOWAS	Economic Community of West African States
EDF	European Development Fund
EPPO	European and Mediterranean Plant Protection Organization
ESAF	Enhanced Structural Adjustment Facility
EU	European Union
ERP	European Recovery Program
EDFI	European Development Finance Institutions
EBRD	European Bank for Reconstruction and Development
ECHO	European Commission - Humanitarian Aid & Civil Protection
ENDA	Employment Non-Discrimination Act
EVALNET	DAC Network on Development Evaluation
EU-ITE	EU-Africa Infrastructure Trust Fund
GEF	Global Environment Facility
GNI	Gross national income
GPSP	Gender, Peace and Security Programme
GFDRR	Global Facility for Disaster Reduction and Recovery
FAO	Food and Agriculture Organization of the United Nations
FfD	Financing for Development
FDRF	Foreign Disaster Relief Fund
IBRD	International Bank for Reconstruction and Development
IDA	International Development Association
IDB	Inter-American Development Bank
IFAD	International Fund for Agricultural Development
IFC	International Finance Corporation
IFI(s)	International financial institution(s)
IMF	International Monetary Fund
IOM	International Organization for Migration
IUCN	International Union for Conservation of Nature
INTOSAI	International Organisation of Supreme Audit Institutions
INCAF	International Network on Conflict and Fragility

IATI	International Aid Transparency Initiative
IGAD	Intergovernmental Authority on Development
ICM	Indirect Centralized Management
IM	Indirect Management
ICRC	International Committee of the Red Cross
JP	Joint Programming
JPO	Junior Professional Officer
LDC	Least developed country
LIC	Low Income Country
LRRD	linking relief, rehabilitation and development
LMIC	Lower Middle Income Country
MFA	Austrian Federal Ministry for European and International Affairs
MIC	Middle income country
MIGA	Multilateral Investment Guarantee Agency
MoF	Federal Ministry of Finance
MOPAN	Multilateral Organizations Performance Assessment Network
MoU	Memorandum of Understanding
MS	Member State
MWE	Ministry for Water and Environment
MfDR	Managing for Development Results
ODA	Official Development Assistance
OeEB	Development Bank of Austria
OeKB	Österreichische Kontrollbank (Export Credit Agency)
ÖFSE	Austrian Foundation for Development Research
OCHA	United Nations Office for the Coordination of Humanitarian Affairs
OSCE	Organization for Security and Co-operation in Europe
OFID	OPEC Fund for International Development
ORF	Austrian Radio and Television
PCD	Policy Coherence for Development
PCM	Project Cycle Management
PSGs	Peace and Statebuilding Goals
PFM	Public Financial Management
PIDG	Private Infrastructure Development Group
PEFA	Public Expenditure and Financial Accountability
RF	Results Framework
SADC	Southern African Development Community
SIDA	Swedish International Development Cooperation Agency
SDC	Swiss Agency for Development Cooperation
UNDP	United Nations Development Programme
UNIDO	United Nations Industrial Development Organization
UNRWA	United Nations Relief and Works Agency for Palestine Refugees in the Near East
UNDAC	United Nations Disaster Assessment and Coordination
UNHCR	United Nations High Commissioner for Refugees
UMIC	Upper Middle Income Country
VIDC	Vienna Institute for International Dialogue and Cooperation
WB	World Bank
WBI	World Bank Institute
WANEP	West Africa Network for Peacebuilding
WFP	UN World Food Program
WoNA	Whole of Nation Approach
WBIF	Western Balkans Investment Framework
QuODA	Quality of ODA
3C	coordinated, complementary, coherent
3JP	Three-Year Programme

Annex 2: Human Resource Profile

		2009	2013		
Institution	Type of Staff	# of posts filled	# of posts filled		
MFA	experts and diplomats	21	22		
	trainees	2	3		
	support	10	8		
ADA	experts	Headquarters	87	83	
		Field Offices	From HQ	23	16
			Locally recruited	52	45
		Other Missions	-	2	
MoF	financial experts	HQ	10	10	
		Representation at IFIs	6	4	
OeEB	experts (e.g. financial, legal, risk)	11	29		
	support	2	3		
Total		224	225		

JPOs to UN Organisations		
	2009	2013
UNDP	7	
UNCDF	2	
UNICEF	5	2
UNIDO	2	
UNP	1	
CERF/OCHA	1	
UNODC	2	
UNOOS	1	
UNEP	1	
UNFPA	1	
DCF/ECOSOC	1	
UNIFEM	1	
UNDESA	1	
UN Women		1
SE4ALL		1
Total	26	4

Austrian Experts financed at IFIs		
	2009	2013
IBRD-JPO	9	9
IBRD-EFSP	1	1
AsEB-Secondment	0	4
IDB-APO	3	6
EBRD	1	1
AfDB Secondment	0	1 (via ADA sekundiert)
Total	14	20

Annex 3: Follow-up to the recommendations from the previous peer review in matrix form
Peer Review of Austria 2009

	Recommendations taken from DAC's Main Findings and Recommendations	Organisation / department responsible for implementation of the recommendation	Current status of implementation (April 2014)
	<p>Overall framework for development co-operation -Strengthening Austria's legal and political orientations- Promoting policy coherence for development</p> <p>The DAC notes efforts made by Austria to give strategic direction to its development co-operation and to make aid policy more coherent. To build on this, Austria should:</p>		
Rec 1	<p>Prepare a medium-term development policy such as a "white paper", which addresses all ODA activities and is endorsed at the political level. This should commit all Austrian aid at the strategic level to the primary objectives of Austrian development co-operation, including Austria's commitment to implementing the Paris Declaration principles. Such a medium-term development policy, prepared under the leadership of the MFA, could be an effective instrument for increasing coherence in Austria's aid system and bringing all aid-spending ministries in line with, and accountable to, the objectives of the Development Co-operation Act.</p>	MFA VII.2, VII.4	<p>The preparation of a "white paper" could not be realised.</p> <p>A Mission Statement for Austria's development policy was developed in 2012 under the guidance of the State Secretary MFA.</p> <p>A new inter-ministerial Three-year Programme 2013-2015 was drafted by MFA (S VII) and passed by the Council of Ministers. This document offers a multi-annual strategic framework for all Austrian ODA-actors and replaces the previous rolling document.</p>
Rec 2	<p>Strengthen efforts to win political and public support for development co-operation, and in particular for achieving international aid targets and the MDGs. The MFA should take the lead on developing, in consultation with the MoF, ADA and other government stakeholders, a comprehensive and well-targeted communication and advocacy strategy that promotes public and political debate about development in Austria. Austria is encouraged to build on its good practice in global education and share this experience with other donors.</p>	MFA VII, ADA	<p>ADC uses its communication strategy to foster various strategic co-operations e.g. with parliamentarians have been fostered: the Chair of the Parliamentary Sub-Committee on Development Policy was part of the Austrian Delegation in Busan; Austrian Parliamentarians participate in parliamentary twinning programmes (AWEPA); Parliamentarians visit development programmes and projects in partner countries on an annual basis and participated in the formulation of the Mission Statement.</p> <p>Since 2009 a strategy for development communication and education in Austria is in place. Austria has continued to effectively promote its good practice in global education and shares this experience with several donors. The draft report of an evaluation of ADCs "Development Education and Communication" will be presented in June 2014.</p>
Rec 3	<p>Deepen commitment to and move forward on policy coherence for development. Austria needs to publish clearly-prioritised and time-bound action agendas; to clarify mandates and responsibilities for policy coherence for development; and to build a system for analysis,</p>	MFA VII.4	<p>Strategic guidelines, one on "Environment" and one on "Security", were developed jointly by all relevant stakeholders (ministries, NGOs, scientific community...), approved by the Council of Ministers and are thus Whole-of-Government guidelines. To monitor</p>

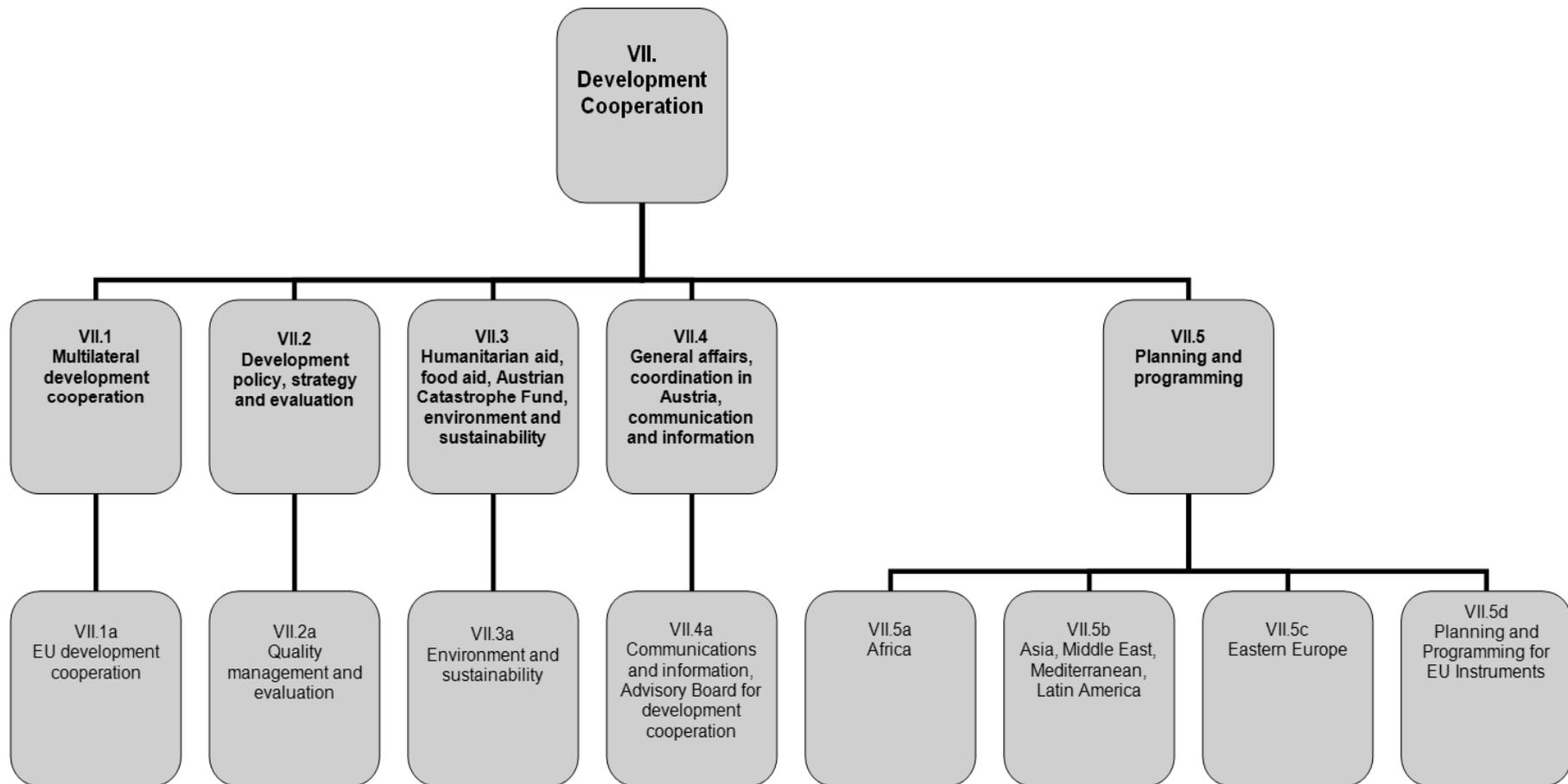
	monitoring and reporting which includes perspectives and experiences from the field. Austria should look to the experiences of other DAC members.		implementation, two permanent inter-ministerial working groups have been established. However, implementing a comprehensive and systemic approach to PCD across Government remains an ongoing challenge..
	Aid volume, channels and allocations In light of Austria's restated commitment to meet EU aid targets by 2015 and its plans to increase programmable aid, Austria should:		
Rec 1	Continue to make progress towards meeting the ODA/GNI target of 0.7% in 2015. Reaching its interim target of 0.51% in 2010 is essential even in an environment of financial crisis. This would send a strong, positive signal to the development community.	MFA VII, MoF	The 2010 target of 0.51 % of GNI was not met but reaffirmed by the Council of Ministers in November 2010. The 0.7% target is part of the government work programme 2013-2018 but will only be achieved after 2015 for budgetary reasons.
Rec 2	Develop a specific plan containing annual targets for reaching these commitments. This is necessary to give credibility to Austria's aid promises and will make aid volumes more predictable for partner countries and other development partners. Any increase in Austrian aid should prioritise existing country and multilateral programmes. Austria should not rely on debt relief as a significant component for meeting its ODA commitments.	MFA VII, MoF	In 2010, Austria introduced a four-year rolling budget frame listing budgetary implications (i.e. mainly reductions) for all ministries, including MFA and ADA. The current budget frame covers the period up to 2017 and provides kind of a "reversed" predictability. In its work programme 2013-2018 the Austrian Government declares its intention to develop a legally binding phased plan to increase ODA until the 0.7% target is reached. Debt relief will continue to be part of Austria's future ODA commitments and will influence the ranking of Austria's top 10 recipients of gross ODA.
Rec 3	Implement Paris Club debt relief decisions without delay to ensure that recipients receive the benefit of relief promptly, and that Austria's ODA figures are fully comparable with those of other donors. It is important for the Ministry of Finance to communicate Paris Club decisions in a timely manner to the MFA.	MoF, MFA VII	Once decisions are taken in the Paris Club, MoF negotiates the terms and conditions for debt reduction in form of a bilateral agreement with the respective country.
Rec 4	Concentrate the aid programme to improve efficiency and effectiveness, as previously recommended in the 2004 DAC peer review. Austria should step up efforts to diminish the fragmentation of total ODA and of the aid programme managed by ADA. The MFA should use <i>ex ante</i> aid allocations by all ministries to help achieve greater coherence in the aid policy, and build the transparency and predictability of total ODA.	MFA VII, ADA	With only 10 priority countries (plus Palestine) remaining, fragmentation of ADA's bilateral portfolio was reduced. It now focuses both on larger and on joint programmes with other donors. Ex ante aid allocations by all major ODA providers are based on the four-year rolling budget frame of the Federal Government and are listed in the ODA forecast which forms an integral part of the Three-Year-Programme .
Rec 5	Provide co-financing for multi-annual results-oriented programmes of NGOs with sufficient demonstrated capacity in programme management. This will help reduce transaction costs and give NGOs more flexibility and predictability.	ADA	Multi-annual (i.e. three years) funding programmes are in place and NGOs have strengthened their programmatic profile. Due to internal financial regulations it has however not yet been possible to move to multi-annual results-oriented programme funding.

	Organisation and management – To continue the organisational reform started in 2004, Austria should:		
Rec 1	Fine-tune the organisation of Austria's aid system to deal with capacity pressures and to clarify roles and responsibilities between the MFA and ADA. Austria should ensure that the MFA has the required resources to meet its responsibilities to set policy, give strategic direction, monitor and evaluate, and report on results.	MFA VII, ADA	<p>In 2011, the Department of Internal Oversight of MFA carried out an analysis of existing interfaces between ADA and S VII, but did not identify any significant overlaps or redundancies.</p> <p>Currently, ADA is formulating a new corporate concept ("Unternehmenskonzept") and is, as part of this exercise, also reflecting the 2004-matrix which specifies the division of labour between MFA and ADA and their respective roles and responsibilities.</p> <p>Since 2012 a second representative of the Ministry of Finance has been on the Board of ADA on a MFA ticket.</p>
Rec 2	Develop a culture of managing for results in Austria's aid system by placing results at the centre of planning, implementation, disbursement reporting, monitoring and evaluation and staff performance objectives. Country programmes should have specific results frameworks, which should align with partner countries' own objectives.	MFA VII, ADA	<p>The Austrian Federal Government introduced result-based management principles for the entire Austrian public finance structure. This process also has consequences on the implementation of the Three-year Programme and will eventually trickle down to all actors. In a ministry-wide pilot for the budget year 2013, S VII has defined results and indicators for e.g. ownership in country-programming, and for gender.</p> <p>In 2010, an additional column on results was added to the country matrix of Three-year Programme</p> <p>Since the last Peer Review new country programmes (Bhutan, Burkina Faso, Central America, Ethiopia, Mozambique, Nicaragua, Uganda, Armenia, Bosnia Herzegovina, Georgia, Kosovo, Moldova) have all been designed in compliance with partner countries' own objectives, but not all have specific results frameworks, whereas programme and project documents include results.</p>
Rec 3	Bring Austria's evaluation system in line with DAC guidelines on evaluation. An independent evaluation unit with sufficient staff and budget needs to be established within the MFA	BMeiA VII	<p>The Austrian evaluation system applies and is in line with DAC guidelines for evaluation. However, no solution could be found so far either for the structure within MFA or for increasing its capacities.</p> <p>All strategic evaluations of ADC are published on the official website: http://www.entwicklung.at/en/evaluation/</p> <p>A separate list of all strategic evaluations is also available http://www.entwicklung.at/fileadmin/media/2013/Evaluierung/List_of_Strategic_Evaluations_Since_1999.pdf</p>

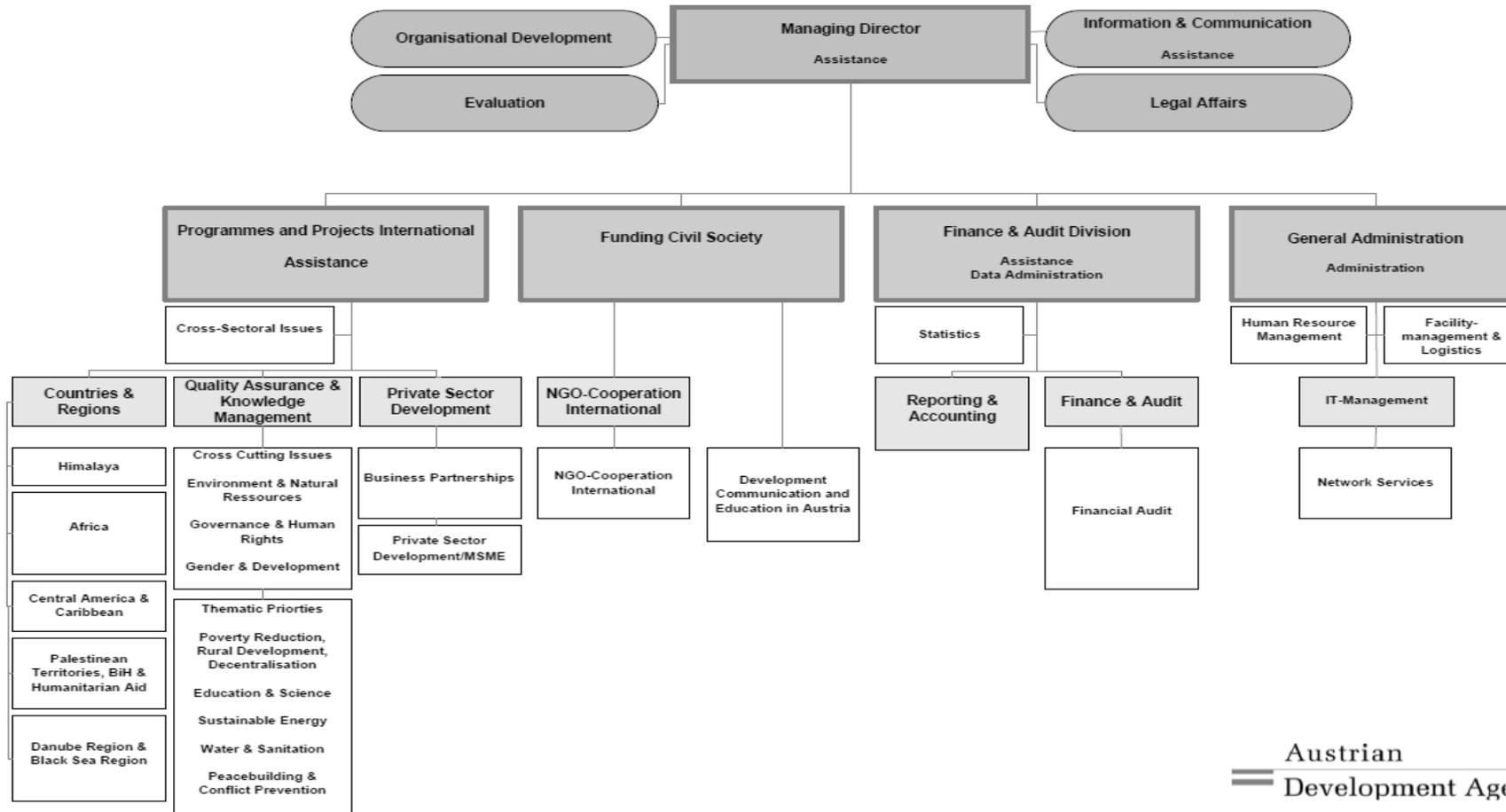
	<p>Practices for better impact</p> <p>Implementing aid effectively Learning from experience on priority topics</p> <p>To build on its commitment to make aid more effective and to focus on preserving the environment, Austria should:</p>		
Rec 1	<p>Complement the Aid Effectiveness Action Plan with a binding, system-wide operational plan for taking forward the lessons from Austria's aid effectiveness review. These include increasing the emphasis on results; clarifying the division of labour between ADA and the MFA in their relations with the field; making aid more predictable; using partners' monitoring, evaluation and reporting procedures and systems; and identifying appropriate niche sectors as it improves division of labour and increases country programmable aid.</p>	MFA VII, ADA	<p>Wherever possible, Austria acts in line with its Aid Effectiveness Action Plan, using partners' monitoring, evaluation and reporting procedures and systems. These endeavours which concentrate on seven areas are listed in a report on the implementation of the Accra Agenda for Action (AAA) published ahead of the Busan Forum.</p> <p>http://www.entwicklung.at/uploads/media/20110819_Austria_Implementation_of_Accra_Action_Plan_web.pdf</p> <p>Budget cuts, particularly regarding budget support, have hampered the application of some of the measures and steps stated in the Aid Effectiveness Action Plan.</p> <p>Austria is committed to the Busan Principles and participated in the High Level Forum of the Global Partnership in Mexico in April 2014.</p>
Rec 2	<p>Develop guidance on practical approaches to capacity development jointly with other donors and partners, including for situations of fragility. Austria should assess the capacity needs of partner countries together with partner governments and donors and establish systems for ensuring that technical co-operation remains demand-driven.</p>	ADA	<p>About 70% of ADA's projects include major capacity development measures. ADA develops its bilateral programs jointly with partners and ensures a demand-driven approach (alignment).</p> <p>A handbook on capacity development with operational guidelines, has been published:</p> <p>http://www.entwicklung.at/uploads/media/Manual_Capacity_Development.pdf</p>
Rec 3	<p>Continue to reform the scholarship programme as a matter of priority. This should involve providing a coherent and holistic approach to ensure that scholarships are an efficient and cost-effective way of contributing to building sustainable capacity in partner countries. They should also contribute substantially to Austria's geographical and thematic development priorities.</p>	ADA	<p>Based on the results and recommendations of a strategic evaluation, the former scholarship programme, was phased out and a new programme, APPEAR (Austrian Partnership Programme in Higher Education and Research for Development) was successfully introduced. It aims at strengthening institutional capacities in higher education, research and management in partner countries as well as in key regions of ADC. This constitutes a transformation from providing individual scholarships to supporting south-north partnerships with institutions of higher learning. http://www.appear.at/</p> <p>APPEAR was evaluated in 2013 and recommendations will be part of the next tender for APPEAR in 2014.</p> <p>http://www.entwicklung.at/en/evaluation/evaluation-reports-2013/</p>
Rec 4	<p>Approve without delay the inter-ministerial strategy on environment and development making it binding on all relevant governmental bodies. The DAC welcomes Austria's initiative in this area and asks Austria to ensure that human and financial resources dedicated to environment and</p>	MFA VII, ADA	<p>The inter-ministerial strategy on environment and development was approved by the Council of Ministers in 2009. In 2013 a review of some aspects of the strategy was conducted, while a strategic evaluation is planned to begin at the end of 2014.</p>

	climate change at headquarters and in the field match the strategic importance these issues are given in policy.		http://www.entwicklung.at/uploads/media/Web_ADC_Leitfaden_Umwelt_Entwicklung_engl_02.pdf Due to budgetary constraints it was not possible to increase human and financial resources for this sector within ADC. Regular meetings of all stakeholders are taking place twice a year.
	Humanitarian action As it increases funding for humanitarian assistance, Austria should		
Rec 1	Bolster support to UN agencies and Red Cross organisations with un-earmarked core funding, as recommended in the Good Humanitarian Donorship Initiative, and in line with its position within the international community, as well as to establish an annual budget allocation for the Foreign Disaster Relief Fund. The recent pledge to increase significantly Austrian humanitarian assistance is very encouraging.	MFA VII, ADA	All humanitarian core funding is now un-earmarked. An annual budget allocation to respond to humanitarian crises is now part of the federal budget ("Foreign Disaster Relief Fund").
Rec 2	Consider more streamlined approaches for support channelled through multilateral partners, including (but not limited to) multi-annual framework agreements. As the budget increases, efficiency dividends could also be gained by establishing humanitarian partnership agreements with accredited NGOs, such as those that already exist in the development sector.	MFA VII, ADA	Budgetary constraints have hampered a more streamlined approach, while at the same time ADA had to phase out the budget line for complementary humanitarian measures like disaster risk reduction.. Funds made available by the Government out of the "Foreign Disaster Relief Fund" are channelled through specialized multilateral partners and/or listed Austrian NGOs. As a result of the evaluation in 2009, the Humanitarian Coordination Platform was established in 2011. It convenes humanitarian NGOs as well as institutional actors.
Rec 3	Strengthen evaluation and learning functions within the humanitarian sector in line with the greater scrutiny likely to emanate from increased financial flows to the sector	MFA VII, ADA	Evaluation and learning functions continue to be an integral part of all ADC-funded humanitarian projects and programmes.

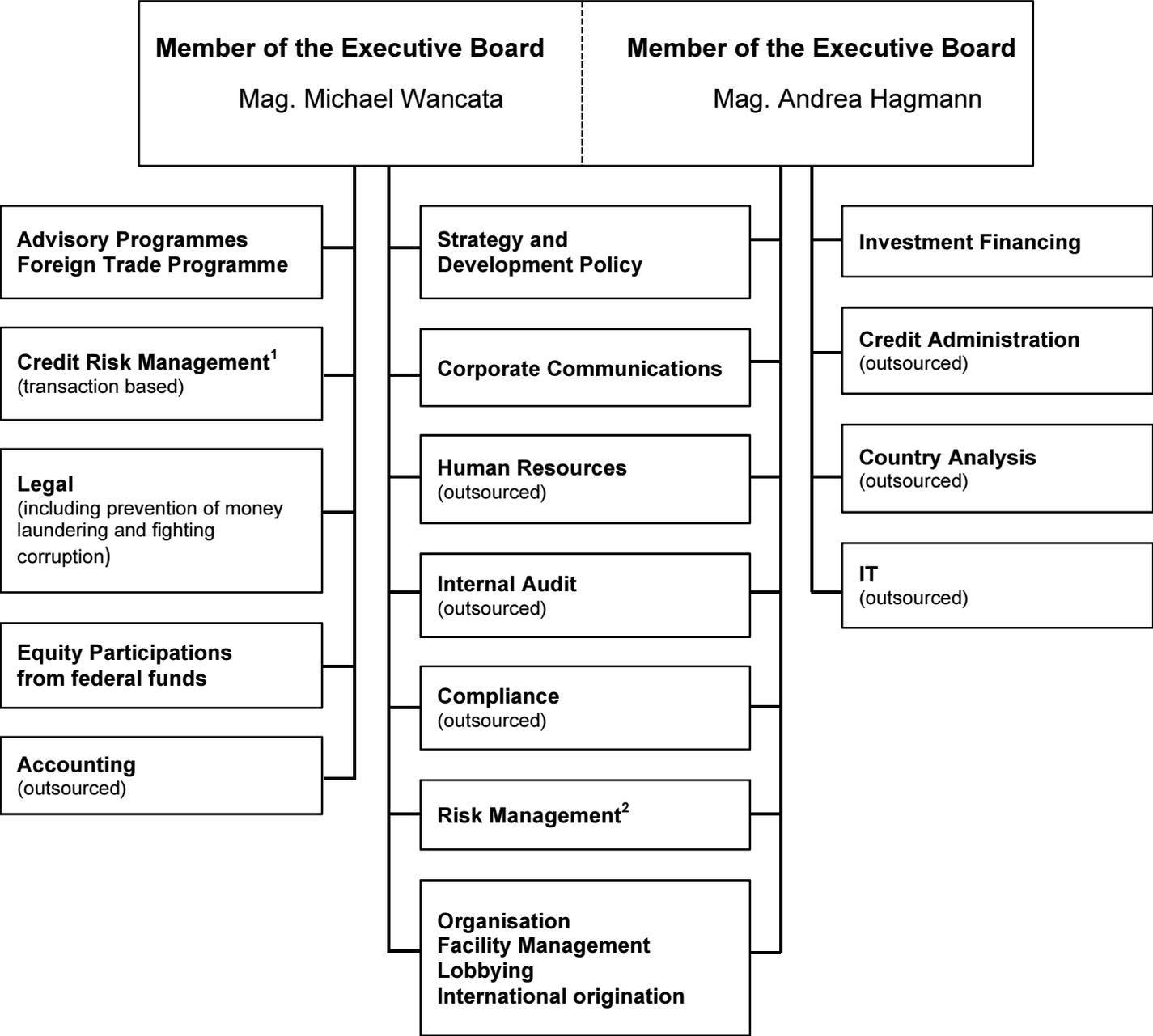
**Annex 4: Organisation structure
Federal MFA, Directorate-General for Development Cooperation**



Organisational Chart Austrian Development Agency, ADA



**Organisational Chart
Austrian Development Bank - OeEB**



¹ Andrea Hagmann is responsible for the risk assessment of equity participations.

² Michael Wancata is responsible for the operational implementation.

Annex 5: Geographical distribution of bilateral ADC funds of ADA to priority countries and other partner countries by key region 2010-2012

		2010		2011		2012	
OEZA - ODA		€ mill.	in %	€ mill.	in %	€ mill.	in %
Key region West Africa/Sahel, total		8.35	8.87	6.79	8.24	5.64	8.52
Priority country	Burkina Faso	3.36	3.57	4.79	5.80	4.60	6.94
Partner countries in the region	Cape Verde	3.25	3.45	0.00	-0.01	0.01	0.02
	Senegal	0.65	0.69	0.77	0.94	0.18	0.28
	other	0.20	0.21	0.35	0.43	0.35	0.52
West Africa, regional		0.90	0.96	0.88	1.07	0.51	0.77
Key region Southern Africa, total		8.59	9.13	8.39	10.17	7.43	11.22
Priority country	Mozambique	6.10	6.48	6.71	8.14	5.64	8.52
Partner countries in the region	South Africa, Rep.	0.55	0.59	0.36	0.43	0.08	0.13
	Zimbabwe	0.33	0.35	0.42	0.51	0.08	0.12
	other	0.06	0.06	0.06	0.08	0.05	0.08
Southern Africa, regional		1.55	1.65	0.84	1.02	1.57	2.38
Further priority countries in Africa:		15.93	16.93	15.77	19.12	12.13	18.31
	Ethiopia	6.22	6.60	6.17	7.48	5.45	8.22
	Uganda	9.72	10.32	9.61	11.64	6.68	10.08
Key region Central America/Caribbean, total		10.67	11.33	10.22	12.39	6.73	10.17
Priority country, in phase-out	Nicaragua	5.63	5.98	6.23	7.55	3.48	5.25
Partner countries in the region	El Salvador	0.25	0.27	0.25	0.30	0.52	0.78
	Guatemala	0.80	0.85	0.78	0.95	0.53	0.80
	other	0.05	0.06	0.03	0.04	0.03	0.04
Central America, regional		3.81	4.05	2.69	3.26	2.12	3.20
CARICOM , region		0.13	0.13	0.24	0.29	0.06	0.08
Key region Himalaya-Hindu Kush, total		5.28	5.61	5.02	6.09	3.66	5.52
Priority country	Bhutan	3.27	3.47	2.71	3.29	2.47	3.73
Partner countries in the region	Nepal	1.10	1.17	1.40	1.70	0.51	0.77
	other	0.44	0.46	0.26	0.31	0.16	0.24
Himalaya-Hindu Kush, regional		0.47	0.50	0.66	0.80	0.52	0.78
Key region South Eastern Europe/Danube region, total		17.34	18.42	9.69	11.75	7.12	10.75
Priority country	Kosovo	1.31	1.40	2.55	3.09	2.23	3.37
Priority countries, in phase-out	Albania	2.27	2.41	0.62	0.75	0.65	0.98
	Bosnia and Herzegovina	3.86	4.10	1.96	2.37	0.99	1.49
	Macedonia	0.24	0.26	-0.12	-0.14	0.05	0.08
	Montenegro	1.28	1.36	0.42	0.51	0.20	0.31
	Serbia	3.58	3.80	0.77	0.93	0.98	1.47
	South Eastern Europe/Danube region, regional		4.80	5.10	3.50	4.24	2.01

Key region Black Sea region/South Caucasus, total		1.97	2.09	3.74	4.53	4,48	6.77
Priority countries	Moldova	1.41	1.50	1.41	1.71	1.19	1.79
	Georgia	0.10	0.11	0.65	0.78	1.61	2.43
	Armenia	-	-	0.36	0.44	0.84	1.27
Partner countries in the region	Azerbaijan	0.06	0.06	0.05	0,06	0.16	0.24
Black Sea region/South Caucasus, regional		0.40	0.42	1.28	1.55	0.69	1.04
Other priority	Palestinian Territories	3.55	3.77	3.74	4.54	3.49	5.26
Key regions, total		52.20	55.45	43.86	53.17	35.07	52.96
Priority countries, total		48.33	51.35	48.56	58.87	40.54	61.22
Priorities, total		71.68	76.15	63.37	76.83	50.68	76.53
ADC – ADA outside priorities		22.45	23.85	19.12	23.17	15.55	23.47
ADC – ADA, total		94.13	100.00	82.49	100.00	66.23	100.00

Source OECD/DAC (2011/12)