

Financing on Concessional Terms (soft loans)

International Business Development / Soft Loans
as of August 1st 2026

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1. Financing on concessional terms (soft loans) - Preface

In addition to export finance facilities on commercial terms, the Austrian export industry can make use of financing on concessional terms under certain conditions (see chapter 1 to 6). Financing on concessional terms can only be provided to countries which have qualified for specific projects.

Soft loan policy

Soft loan financing is used in accordance with the soft loan policy of the Federal Ministry of Finance to assist Austrian exporters competing in international markets with the overall objective of fostering sustainable development in recipient countries. The financing is solely done in EURO.

Exporter's qualification

Export companies/general contractors domiciled in Austria must employ staff at the Austrian company's site with the relevant technical know-how in the relevant sector and which is trained to further develop its knowledge. Furthermore, the exporter/general contractor must show a track record of projects already realized with this staff on non-concessional terms in the relevant sector and continue to do so.

Type of soft loan

Soft loan financing is available in the form of a **pre-mixed credit** (this is a loan with a low interest rate, a grace period and long repayment terms). These attractive terms and conditions are made possible by official support from Austrian public authorities.

Due to the particular development-policy motivation in connection with soft loan financing, the Federal Ministry of Finance offers, as a special measure, a reduction of the guarantee charges, that – in combination with the partial assumption of other financing costs – reduces the total costs for the recipient country and is done until further notice.

Transaction in Austria's interest

Soft loan financing is provided in the form of tied aid credits, i.e. it is restricted to the export of mainly Austrian goods and services. The maximum permissible foreign content (which means foreign content from third countries plus local costs) is limited to 50 % of the value of the contract.

Assessment

Within OeKB's Department Export Services Risk & Operations , the group Risk & Environmental Assessment is in charge of assessing projects. To do so, the exporter has to complete a questionnaire which must be added to his application for an export guarantee.

For so-called de-minimis projects - projects with a contract value below 2 million SDR (Special Drawing Rights) - a simplified questionnaire is foreseen. It contains questions concerning the project itself as well as questions about the export company and the character of the project.

Thus, Austrian exporters can benefit from Austrian soft loans only if they can verify they have the relevant know-how in Austria to realise the project they apply for. In the case of pure/predominant services according to the Austrian soft loan policy the questionnaire also includes a clear description of possible soft loan eligible services.

In addition to the requirements on the Austrian exporter's credit rating and performance risk, the application procedure considers more intensively the exporter's ratio between business financed on commercial terms and business financed on soft loan terms.

2. Soft loan eligibility of the recipient country

in accordance with

- the OECD Arrangement, meaning countries whose per capita GNI does not exceed the current limit of USD 4,635 and
- the Austrian cover policy, these are countries for which medium- and long-term cover is available or
- the Austrian soft loan policy, these are countries which are explicitly defined as soft loan target countries.

Potential Restrictions

If required, country and transaction limits may be applied for selected countries within this group of countries eligible for soft loans. Such measures might be necessary in case the recipient country is affected by negative economic and/or political developments.

No soft loans are granted to countries for which the Austrian cover policy provides no cover.

2.1 Currently eligible soft loan countries

In accordance with the OECD Arrangement and the soft loan policy of the Federal Ministry of Finance the following countries are currently eligible for soft loans.

In brackets you will find the reference for the OECD country risk classification (cat 3 - cat 7), the UN-classification as LDC (Least Developed Countries) as well as the minimum concessionality requirement according to IMF (International Monetary Fund) and/or WB (World Bank), if relevant.

Transaction benchmarks per recipient country can be requested by telephone in OeKB's International Business Development team responsible for Soft Loans.

As there can be changes at any time concerning all recipient countries, please contact OeKB's International Business Development team during each phase of the business development/contract negotiations.

valid as of August 1st 2026 until further notice

Region	Country
Asia	Bangladesh (cat 6, LDC, IMF)
	India (cat 3)
	Nepal (cat 6, LDC, IMF/WB)
	Philippines (cat 3)
	Vietnam (cat 3)
Central and South America	Bolivia (cat 7)
	Honduras (cat 5, IMF)
Sub-Sahara Region*	Angola (cat 6, LDC)
	Kenya (cat 7, WB)
	Lesotho (cat 6, LDC, WB)
	Rwanda (cat 6, LDC, WB)
	Tanzania (cat 6, LDC, IMF)
	Uganda (cat 6, LDC, WB)
Middle East/North-Africa/Other countries in Africa	Egypt (cat 6)
	Marocco (cat 3)
	Tunisia (cat 7)

*) All countries in this region are subject to special requirements. Please get in touch with OeKB's International Business Development team in case of interest.

3. Soft loan eligibility of the product/project

3.1 According to the OECD Arrangement

- projects which lack capacity with appropriate pricing determined on market principles to generate cash flow sufficient to cover the projects operating costs and to service the capital employed (Financial Non-Viability, First Key Test)

or

- projects for which no financing on market or Arrangement terms is available from other OECD-countries (Availability of Funds, Second Key Test).

For information purposes and to get an idea whether a product/project can possibly qualify for soft loan financing, the OECD publication "Ex Ante Guidance for tied aid" may prove useful. The Ex Ante Guidance is a collection of experience concerning the soft loan eligibility of products/projects gained since 1992.

3.2 According to the Austrian soft loan policy

3.2.1 Services

If pure/predominant services shall be financed on concessional terms special criteria are used for assessment.

The service must be customized, clearly identifiable, shall not be consumed right after its performance and endure for a long time. The service must be independent of all other services and must not be a preparatory measure for a possible soft loan project which follows this service.

3.2.2 Market entry

Soft loans should be a "door-opener" into a new market with the expectation that in the foreseeable future soft loan projects will be followed by transactions financed on commercial terms. Soft loans will not be granted on a continual basis.

For the assessment of this criterion Austrian exporters have to submit a concept that explains how the new market will be opened up including a timeframe. Such a concept is only required for projects with a contract value above SDR 2 million.

3.2.3 Relevance in terms of economic policy

including technological spill-over effects

In this context the product's/service's or the exporting firm's/producer's impact on other sectors of the Austrian economy is examined. The result of this study enters into the overall assessment of a soft loan application.

In the case of healthcare projects an intensified Austrian reference is needed:

- Special attention will be given to the actual Austrian added value,
- in an individual project the delivery of non-Austrian equipment must not exceed on a value basis the Austrian deliveries according to the regulation of the certificate of origin,
- as a matter of principle healthcare projects which encompass the delivery of equipment only and/or which shall be implemented in multiple locations will not be supported.

For projects with a contract value below SDR 2 million a simplified procedure is applied.

3.2.4 Sustainability of the project

Projects that benefit from Austrian soft loan terms and conditions should foster economic growth and consequently contribute to the sustainable development in the recipient country. Therefore aspects relevant to sustainable development are incorporated in the assessment of a product/project.

The evaluation of the sustainability of the project is made after delivery/implementation of a project. For projects with a contract value below SDR 2 million a final report is demanded.

Projects with a contract value above SDR 2 million require a monitoring procedure. The scale and intensity of the monitoring are set individually for each project.

Differences in procedures between projects with a contract value below/above SDR 2 million can be seen in the questionnaire.

4. Soft loan terms and conditions

The OECD Arrangement requires soft loans to have a concessionality level of at least 35 %.

Soft loans for "Least Developed Countries" according to the UN-Classification (LDC-countries) must have a grant element of at least 50 %.

Concerning soft loan eligible countries which are subject to the "Sustainable Lending Initiative" the grant element has to be furthermore in conformity with the requirements of the International Monetary Fund (IMF).

To reach the afore-mentioned concessionality level, soft loan financing is calculated in the form of a **pre-mixed credit** (this is a loan with a low interest rate, a grace period and long repayment terms).

The overall concessionality level provided by the public authorities consists of the interest subsidy and other cost components (reduction of the guarantee charges and other financing costs).

5. Application procedure for soft loan financing

5.1 Contract award by means of bidding

As soon as an Austrian exporter intends to take part in bidding, he has to inform us at least 40 working days before the bid closing date. In case of tenders with a bid period shorter than 40 working days, the exporter has to inform us of his participation within the first 5 working days of the bid period.

For this purpose, a form has to be filled in and sent to the International Business Development team of OeKB within this period. At the same time a so-called “Zustimmungserklärung zur Notifikation” (declaration of consent for notification) has to be sent. The appropriate guarantee and financing applications have to be submitted without delay after the tender award. The supply contract must not be signed before disclosure of the decision taken by the relevant Austrian committees.

In the case of non-compliance with this application procedure no soft loan financing will be available.

5.2 Contract award by means of direct negotiation

In the case of direct negotiations, the appropriate guarantee and financing applications have to be submitted at the beginning of the delivery contract negotiations. The supply contract must not be signed before disclosure of the decision taken by the relevant Austrian committees and before a valid OECD-notification is available.

In the case of non-compliance with this application procedure no soft loan financing will be available.

6. Program of the Federal Ministry of Finance for the purpose of supporting the identification and/or preparation of projects

by means of grants - in short "Project Preparation Program Soft Loan"

Within the framework of this program, project identification and/or project preparation measures in connection with **soft loan eligible** exports can be supported by grants provided by the Federal Ministry of Finance. This program generally refers to developing countries that qualify for aid financing according to the OECD/DAC list. Moreover, the individual projects have to have a realistic chance of being subsequently financed by an Austrian soft loan.



Export
Services