

**Program of the Federal Ministry of Finance for supporting
the identification and preparation of projects within the framework
of the Austrian Concessional Financing Scheme
("Project Preparation Program")
Version: February 2023**

I. Objectives of the Program

1. The Program primarily aims at supporting developing countries in identifying and preparing projects that serve their sustainable economic and social development as well as their financing capabilities. The Program shall apply to those sectors constituting areas of Austrian economic strength.

To this effect, the Program offers financial support for project identification or preparatory services in conjunction with undertakings in eligible partner countries which are of special interest in terms of economic and developmental policy and qualify for tied/untied aid financing according to relevant OECD rules.

2. The Republic of Austria (represented by the Federal Ministry of Finance - hereinafter referred to as „MoF“) provides grants based on the current version of the Export Financing Guarantees Act, that may qualify as Austrian Official Development Assistance depending upon the requirements of the Program at hand and the availability of budgetary resources for the intended use set out in paragraph 1.
3. The Program is handled within the framework of the existing Austrian Concessional Financing Scheme based upon an agreement with Oesterreichische Kontrollbank Aktiengesellschaft (hereinafter referred to as „OeKB“) as the Clearing Agent.
4. MoF decides within the framework of the Austrian Concessional Financing Scheme on the applications for grants prepared by OeKB. The Applicant has no legal claim to the provision of a grant by MoF. If the requirements for a grant in conformity with paragraphs 1 and 2 are met, the Applicant may enter into a contract relating to the grant in private law.

II. Purpose of the Program

1. Within the framework of the Program, project identification or preparatory services in conjunction with project undertakings abroad –which may get concessional financing– can be supported by grants provided by MoF.

In particular, the following services and related costs may be supported:

- a. Identification, assessment/review/evaluation, development and preparation of project undertakings, including pilot project undertakings
 - b. Pre-feasibility and feasibility studies
 - c. Expert opinions related to specific issues, sector-specific technical solutions, other specific consulting services including contracting and procurement issues (consulting for contract awarding).
2. The following services are, in particular, excluded from support:
- a. Services related to military, nuclear power and genetically modified organisms.
 - b. Services the rendering of which has already commenced upon application, and services that have already obtained support from other programs or third parties.
 - c. Services that have already been rendered in a comparable way, hence constituting no new services.

III. Service-Recipients

Service-Recipients within the meaning and purview of the Program are in principle those organizations that are in charge of the preparation, commissioning/procurement and/or execution of the project undertakings in the respective developing country. This also applies in the case of a competitive bidding procedure and business operation conducted by OeKB for and in the name of these organizations.

IV. Service-Providers

1. Service-Providers within the meaning and purview of the Program are in particular:
 - a. Suppliers of services, technical solutions and other forms of assistance
 - b. Consultants in a narrow sense
 - c. Other service-providers able to complete viable projects or contribute to these.
2. Service-Providers in accordance with lit. a) through c) have to render their services independent of and detached from the conclusion of any supply contracts related to the relevant project.
3. Companies acting as general consultants for the Service-Recipient are excluded from providing services within the framework of the Program.

V. Clearing Agent

OeKB acts as the Clearing Agent for this Program. As stipulated in the corresponding agreement, OeKB's duties include, in particular, the following items:

- a. Servicing and handling the Program, applying the care of a prudent business person
- b. Acknowledging receipt and screening of expressions of interest and applications for grants for measures according to section II.
- c. Reviewing the grant-eligibility requirements, preparing them for decision-making purposes on the part of MoF and handling these decisions
- d. Where required, conducting the business activity for and in the name of the Service-Recipient

VI. Grant-eligibility Criteria

1. The undertaking to conduct a project abroad has a reasonable chance of being subsequently realized.
2. Moreover, the undertaking to conduct a project abroad has to have a realistic chance of being granted Austrian concessional financing.
3. The undertaking to conduct a project abroad shall contribute to the promotion of sustainable economic development in the recipient country as well as to the realization of economic policy goals.
4. The costs of the program-related services have to be appropriate and reflect market prices and be in due proportion to the project intended.
5. The potential Service-Provider has to
 - be in the economic position to carry out the service successfully,
 - possess the required technical and engineering skills and
 - provide credible evidence through references of the above-mentioned skills and of its ability to conduct the commissioned work.
6. The service-provider may not start the commissioned service before the application for the grant is submitted. Any related preparatory work has to be made known upon application.
7. The potential Service-Provider shall be the best suited candidate selected by the Service-Recipient (using the appropriate selection process) based on its recent references within the framework of the respective sector as well as with respect to the specific recipient country. Procurement will – without prejudice to relevant procurement laws and regulations in the recipient country – be guided by the overriding principles of openness, transparency, fair competition, and impartiality.

VII. Type, Scope and Amount of Support

1. As a rule, grants for costs in connection with the program-related services, in pursuance of section II, are to be provided as non-repayable grants up to an indicative amount of € 100,000.-- per individual undertaking. This benchmark may only be exceeded in justified and documented individual cases. Costs may only be recognized in conjunction with pertinent program-related services in accordance with section II, based upon an in-depth breakdown, a financing schedule as well as on detailed accounting upon completion of the services rendered.
2. A financial contribution on the part of the Service-Recipient (i.e. for costs accruing locally during the preparation of the study) will be determined on a case-by-case basis.

VIII. Procedure

1. An expression of interest and an application for the execution of and for the grant support for the services as set out in section II may be filed by project-executing organizations („Applicants“), designated in section III, in writing to OeKB as the Clearing Agent with a copy to MoF (for contacts, refer to attachment 1), using the corresponding form (Application).

Upon request of either OeKB or MoF, further documentation may have to be submitted, if need be.

Based upon the documentation supplied, OeKB assesses the grant-eligibility criteria and subsequently makes a positive or negative recommendation to MoF.

2. The decision whether to provide the grant is taken by MoF. OeKB shall inform the Applicant of the decision in writing including a validity period for the availability of the grant.

If the application is rejected, be it in part or in its entirety, OeKB has to provide the Applicant with the main reasons for this decision in writing.

3. Reporting requirements

The recipient of the grant as well as the Service-Provider are obliged to immediately report to MoF, via OeKB the following circumstances:

- a. the application for/provision of additional grants for the same undertaking
- b. the modification, discontinuation or impossibility of achieving the intended purpose of the grant
- c. opening of insolvency proceedings involving assets of the Service-Provider or the Service-Recipient.
- d. any incident within the sphere of the Service-Provider, the Service-Recipient or the recipient country which may impact the provision of the service or the future realization of the undertaking in preparation.

IX. Payment

The Service-Recipient pursuant to section III of this document shall be the beneficiary.

Unless otherwise agreed, the payment of the grant will be effected by MoF via OeKB directly to the Service-Provider, in tranches to be stipulated in individual agreements. The Service-Provider may be requested to furnish securities for his rendering of services (e.g. bank guarantee in the amount of the down-payment).

X. Evidence of Proper Use

1. The proper use of grants has to be substantiated to the satisfaction of OeKB within one month of completing the supported services, at the very latest, in the form of a written declaration, by presenting receipts/documents as well as tangible results. OeKB is obliged to scrutinize the correctness of the accounting for the resources granted.
2. The results of the program-related services rendered (studies, concepts, in-depth analyses etc.) remain in the ownership of the recipient of the services; however, they will be supplied to MoF and OeKB as well. MoF/OeKB may assert an unrestricted, free-of-charge right to use the results.

XI. Termination and Reclaiming of the Grant

Indication of incidents according to items a.-f. below will trigger an immediate suspension of the respective project/study. The following investigation may lead to the termination of the right to disbursement of already approved grants as well as the reclaiming of grants already paid out.

- a. failure to submit or late supplying of requested reports, evidence, and information
- b. failure to report promptly incidents and material changes that may considerably delay or render impossible the execution of the service supported
- c. opening of insolvency proceedings involving the assets of the Service-Provider prior to proper completion of the service supported
- d. entire or partial misuse or delayed use of grants
- e. unjust enrichment, obtaining the grant via inaccurate or incomplete information
- f. criminal activities, especially corruption or warranted suspicion of corruption, money laundering, bribery or financing of terrorist activities etc.

XII. Further Development and Review of the Concessional Financing Scheme

As part of the Concessional Financing Scheme the Program is reviewed in regular intervals.

For review as well as for further development of the Concessional Financing Scheme, the MoF can request participation of OeKB as well as contract studies under the Program. The conditions of the Program apply accordingly.

XIII. Entering into Force and Duration of the Program

This Program will be published on the OeKB website¹ and shall enter in force on January 1, 2023, remaining in force until December 31, 2024. Decisions about the provision of grants within the Program may be taken until this date. A prolongation of the Program may be considered depending upon the availability of budgetary resources.

¹ www.oekb.at -> *Export Services* -> *Covering and financing exports* -> *Concessional financing (soft loans)* -> *Project Preparation Program*

Contacts

Oesterreichische Kontrollbank Aktiengesellschaft

International Relations, Analyses & Sustainability

Alexandra Griebel alexandra.griebel@oekb.at

Wolfgang Lueghammer wolfgang.lueghammer@oekb.at

Products Export Service / Export Guarantees & Soft Loans

Verena Macher-Valduga verena.macher-valduga@oekb.at

Markus Kranabetter markus.kranabetter@oekb.at

Federal Ministry of Finance

Christoph Kreutler christoph.kreutler@bmf.gv.at

Benjamin Walter benjamin.walter@bmf.gv.at