

Strategy 2013–2017 at a glance

Funding tomorrow's prosperity



OESTERREICHISCHE
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BANK AG

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OeEB

Oesterreichische Entwicklungsbank AG

Our Strategic Principles

- We are committed to the objectives of the **Austrian Development Cooperation**. We also take into account Austrian foreign policy and foreign economic interests in our work.
 - With our projects, we endeavor to strengthen the **private sector in our target countries**. We focus our activities by defining geographical as well as thematic focus areas.
 - We consider **positive developmental effects** as a core justification for our projects. We assess whether our projects comply with our expectations in respect of developmental effects following clearly established criteria.
 - We acknowledge our **responsibility towards the Austrian economy**. We endeavor to strengthen our cooperations and aim at implementing small projects with Austrian enterprises which are developmentally and economically sustainable.
- We pay due regard to the **environmental and social effects** of our projects. We take into account international environmental, social and labor standards during project assessment and in respect of establishing conditions for the implementation of projects.
- We think and act entrepreneurial. Consequently, we pay attention to **economic sustainability** in respect of our own institution as well as in respect of our projects.
 - We act **complementarily and synergetically** to national and foreign commercial banks in our target regions.

Our Strategic Focus

We, the Development Bank of Austria (OeEB), are a wholly-owned affiliate of Oesterreichische Kontrollbank AG (OeKB) operating on the basis of a **public mandate from the Republic of Austria**. We finance long-term, sustainable investments in developing countries and implement advisory measures.

In our work, we take into account the **objectives of the Austrian Development Cooperation** as defined in the Development Co-operation Act (combating poverty by promoting economic and social development, ensuring peace and human security, preserving the environment and protecting natural resources).

In addition, we take into account the development policy objectives as laid down in the Three Year Programme of the Austrian Development Cooperation as well as documents (such as the Austrian Foreign Trade Mission Statement and the Foreign Trade Strategy of the Ministry of Finance) which embody **Austrian foreign trade objectives**.

In principle, we are able to engage in projects located in **any developing country which is on the OECD-DAC List of ODA Recipients** (as well as, to a limited extent, in Russia, insofar as Austrian companies are involved).

In respect of **sectors**, we are equally able to engage in projects over a **broad thematic range**, which is only limited by our sector exclusion list (based on the EDFI harmonized list).

However, given that OeEB is still a relatively small and young development bank, we are **focusing on specific regions and topics**. In this way, we also intend to enhance the visibility of OeEB as an institution.

In the next years, our **thematic focus** will be as follows:

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- Supporting Micro-, Small and Medium-Sized Enterprises (MSME)
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- Renewable Energy
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- Resource Efficiency
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In addition to these focus areas, **strengthening the financial sector** in developing countries (in its core functions payment transactions, managing savings and lending) constitutes a cross-cutting objective.

Our **geographical focus** during this strategic cycle will be as follows:

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- Africa
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- Southern Caucasus/Central Asia
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- Southeastern/Eastern Europe
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- Central America/Caribbean
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In defining our focus regions and topics we were guided by **development policy as well as foreign policy and foreign economic policy considerations** (in particular the outstanding potential of the Austrian economy in the area of renewable energy). Furthermore, by focusing on renewable energy and resource efficiency, we aim at addressing climate change and globalization as „global meta challenges“ and at taking into account the private sector’s role as a “delivery channel” towards the development of a “green economy“.

It is of crucial importance to us that our projects lead to demonstrable positive **developmental effects**. We make sure that our activities cover segments which are not (yet) adequately served by the market and that financial sustainability as a prerequisite for private sector operations is established. In reflection of our developmental mandate, we also aim at expanding our activities in Least Developed Countries (LDCs) in the course of this strategic cycle.

At the same time, we strive to identify any overlaps between projects eligible under the above mentioned criteria on the one hand and **Austrian economic interests** on the other hand. Ideally, our projects contribute directly to the promotion of Austrian economic interests. In any case, we see our activities also as market development for future Austrian economic engagement.

We expect that more than 10 % of our projects will directly **involve an Austrian company**. Additionally, we expect that an even higher percentage of our projects will be linked to traceable indirect positive effects for Austrian companies or the Austrian economy as a whole.

As an institution **mandated to promote private sector development**, we engage in public sector projects in particular cases only – primarily in the context of EU trust funds. We further engage in projects in the area of **public-private partnerships**.

Finally, we commit to **implementing small projects** (in our definition, these are projects with an OeEB financing or investment volume of less than EUR 5 million), in particular with Austrian and European investors which would otherwise not have access to financings and markets in developing countries.

For our activities, we have **three instruments** on hand:

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- Investment Financing
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- Equity Participations
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- Advisory Programmes
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This set of instruments enables us to work effectively on private sector development in cooperation with other actors.

On the basis of our legal mandate, taking into account our competences and our stakeholders' views, the following **matrix of objectives** will guide our work throughout the strategic cycle:

Main objective: Contributing to poverty reduction by supporting private sector development				
	MSME	Renewable Energy	Resource Efficiency	Other topics: (esp. Infrastructure, manufacturing, industry, services, agriculture)
Africa	Proactive acquisition		Demand-oriented Use of AP-means (directly linked to projects)	
Southern Caucasus / Central Asia	Primary use of AP-means (directly or indirectly linked to current or future projects)			
Southeastern / Eastern Europe	key competence			
Central America / Caribbean				
Other regions: South America South Asia Southeast Asia Russia	Demand-oriented Use of AP-means (directly linked to projects)		Demand-oriented with higher selectivity Use of AP-means (directly linked to projects)	
Market development for and together with Austrian businesses				

Finally, the matrix below illustrates the thematic and geographical **portfolio distribution** (by volume) we aim for over the next years:

Share of projects in Least Developed Countries: 20 %					
	MSME	Renewable Energy	Resource Efficiency	Other topics:	Targeted share
Africa				15 %	70 %
Southern Caucasus / Central Asia					
Southeastern / Eastern Europe					
Central America / Caribbean					
Other regions: South America South Asia Southeast Asia Russia	20 %			10 %	30 %
Anzahl Projekte mit österreichischen Unternehmen: über 10 %					



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