The fourth EU programming period 2014–2020 for Austria introduced a number of innovations. Apart from the more focused horizontal and vertical coordination of European and national programmes, the cohesion policy funds were brought together with the funds for rural development and for maritime and fisheries policy under the umbrella of the European Structural and Investment Funds (ESI Funds). The Partnership Agreement (PA) – in Austria STRAT.AT 2020 – is the strategic framework that forms the link to the Europe 2020 targets and programmes, and is embedded in the fund-specific objectives.

An amount of up to EUR 5 billion in EU funds will be disbursed until the year 2023 under the ESI Funds programmes for projects and territory-linked payments in agriculture. These funds are supplemented by national public funds and by private investments within the framework of shared management.

The ESI Funds address nine of the eleven thematic objectives defined in the Europe 2020 Strategy. In international comparison, the focus on environmental objectives (climate, environment, resources) as well as on the objective of “competitiveness of SME” is stronger than the EU average. As regards the allocation structure of the funds, it is dominated by the largest fund, the EAFRD.

After the first phase of implementation of the Partnership Agreement, Austria is within the range of the EU average with respect to the commitment rate of the funds. As of 31 December 2016, approximately EUR 1.6 billion or 33% of the EU funds were committed. In relation to total costs, Austria reported an approval rate of 28.3% at the end of 2016 (entire EU 27.7%).¹ Implementation is driven mainly by EAFRD, which – also internationally – shows a high commitment ratio and is in the top ranks in European comparison.

The programmes of the ESI funds are in widely divergent stages of implementation and vary regarding the commitment of the funds from 9% (IGJ/ERDF) to 37% (EAFRD). In the area of ETC, the approval rates in the bilateral cross-border programmes reach an average of around 30 percent. However, the levels of commitment vary from programme to programme.

The reasons for the divergent developments are the fund-specific framework conditions. The high degree of fund commitments within the EAFRD is due, among other things, to the relatively stable structural framework conditions and to the possibility of territory-linked payments under the transitional rules as early as in 2014. Nonetheless, the project-linked funding has started out well.

The cohesion policy programmes by contrast were late in starting implementation throughout Europe compared to earlier programming periods. The main reasons for this were (i) overlapping funding programming periods, (ii) the closure of the programming period 2007–2013, and (iii) work to meet the new implementation requirements. Moreover, the official implementation figures of the monitoring do not fully reflect the level of activity. The reasons include technical-administrative issues and the delays in the designation process. When these factors cease to exist, a sharp rise in the use of the funds (approvals) is expected for the year 2017.

With regard to the Europe 2020 targets of intelligent, sustainable and inclusive growth, the following picture is revealed: The thematic objectives (TO) that support the Europe 2020 target “Intelligent Growth” – showed a low to medium-level degree of implementation at the end of 2016 according to the official monitoring data. Implementation rates range up to 26% according to the monitoring (TO 3). Furthermore, numerous projects from the European Territorial Cooperation programmes are of relevance for the objective of intelligent growth. By contrast, the thematic objectives assigned to “Sustainable Growth” are characterised by a high degree of use with commitment

¹ See also DG Regio – Open Data Portal for the European Structural Investment Funds (data queried on 2 May 2017).
rates of around 40% (TO 5/TO 6). Three of the four ESI Funds contributed to the goal of “Inclusive Growth” with relatively good levels of fund commitment ranging up to 30% (TO 10).

Territorial development takes place on two levels: First, through the decentralized implementation of the programmes at the Länder level and the territorial strategies developed there. Second, through the specific measures of the programmes such as the LEADER approach in EAFRD, the measures of the “Städtische Dimension” in Vienna, Upper Austria and Styria (IGJ/ERDF) as well as the cross-border ETC programmes and the participation in the transnational cooperation regions. The horizontal themes of equality, non-discrimination and barrier-free access are also largely implemented according the Partnership Agreement plans.

The planning phase of the Partnership Agreement was overshadowed by difficult economic conditions and insecurity, with relatively low growth rates and a weak propensity to invest of the business sector. The after-effects of the major financial and economic crisis were still being felt. The forecasts for economic development now indicate the situation is improving and point towards stabilization and recovery for the economy and labour market.

Considering the increasingly stable environment, what is needed now for the ESI Funds is a transition to the second phase of implementation of the Partnership Agreement. While under EAFRD, the challenges for the coming years will be to advance the new project types added to the programme, the tasks of the cohesion policy programmes will be to secure stable implementation. The years 2017 to 2019 are ultimately decisive for implementation also with respect to the attainment of the targets under the agreed performance framework.

At the European level, the aim is to prepare the framework conditions for designing the programming period after 2020. From Austria’s perspective, it is necessary – considering the conclusions drawn by the Council on cohesion policy in which the “one size fits all approach” of the policy was questioned for the first time – to stress a policy approach adjusted for the volume and framework conditions at the EU level.