Summary

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The EU programming period 2014-2020 introduced a **new conception of EU cohesion policy** with increased vertical and horizontal coordination and a results-orientated approach. For the first time, cohesion policy funds were brought together under the umbrella of the European Structural and Investment Funds (ESI Funds) with the Agricultural Fund for Rural Development and with European Maritime and Fisheries policy.[1] The Partnership Agreement (PA) is the strategic framework that creates the bridge to the EUROPE 2020 objectives and programmes.

The **Austrian Partnership Agreement** is embedded in fund-specific objectives and also in the Europe 2020 objectives of intelligent, sustainable and inclusive growth. It addresses nine of the eleven thematic objectives (TO) of the ESI funds. In Austria, objectives with a reference to the environment (climate, environment, resources) and the objective of strengthening competitiveness of small and medium-sized enterprises (SME) has a higher quantitative weighting than the European average. The structure of funding allocation is determined by EAFRD which accounts for 80% of the funds from the ESI Fund Programme (EU average: 26%).[2]

By the end of 2018, a volume of almost EUR 3.2 billion in EU funding had been approved for the Austrian ESI Funds programmes. This corresponds to an **implementation ratio** of around 64% as measured by EU funds. Therefore, the implementation ratio compared to the Progress Report 2017 has increased substantially. The status of implementation nearly doubled. The funds that rose steeply in the last two years were especially those that still had low approval rates at the end of 2016, among other reasons, because of the creation of structures resulting from the new requirements of the "New Cohesion Policy". The approval status of the funds now ranges between 56% (IGJ/ERDF) and 71% (EMFF).

In an **EU-wide comparison**, the payout ratio of ESI funds is extraordinarily high in Austria relative to EU funds.[3] This above-average ratio was due mainly to EAFRD and is explained by the continuous payouts for territory-linked financial assistance. The payout ratio for the IGJ/ERDF and ESF programmes is around the level of the entire EU.

The Partnership Agreement will be implemented in accordance with the agreements reached. Up to now, no major changes within the programme were necessary. The n+3 rule was complied with.[4] The milestones of the **performance framework** were achieved with just few exceptions.

There are extensive differences in implementation by **thematic objective**. The approval status of the nine thematic objectives selected varies between 44% and 72%. This shows that particularly those thematic objectives with commitment ratios still around 50% or lower (low-carbon economy, employment, combatting poverty, ICT) call for increased efforts in project development and approval in order to secure the implementation of the Partnership Agreement in accordance with the agreements reached.

Territorial development takes place at two levels: First, in the decentralised implementation of the programmes at the Länder level and the territorial strategies developed there; second, in the specific measures of the programmes such as the LEADER approach or support for disadvantaged (mountain) regions under EAFRD. In this context, the multi-fund

1 The ESI funds comprise the European Agricultural Fund for Rural Development (EAFRD), the European Maritime and Fisheries Fund, the European Regional Development Fund (ERDF) and the European Social Funds (ESF).
2 With respect to EU funds, the share of EAFRD in Austria is 80% funding from the ESI Funds.
3 Cf. DG Regio – Open Data Portal for the European Structural Investment Funds (https://cohesiondata.ec.europa.eu/, data queried on 12 June 2019). Implementation ratios as measured by "Total net payments".
4 Explanation of the 'n+3' rule: The budget commitments of the European Union for each of the programmes are made for the annual instalments for each fund during the period 1 January 2014 to 31 December 2020. (The annual tranches of the programmes are reported in the Operational Programme.) The respective EU annual tranche of a programme (year = n) must be triggered at the latest 3 years later by the submittal of a payment application with the EC (n+3) to avoid releasing the funds automatically.

approaches under the Community-led Local Development (CLLD) pilot project are stressed as well as the measures relating to the urban and territorial dimension in Vienna, Upper Austria and Styria. Additionally, the cross-border ETC programmes and Austria's participation in transnational cooperation regions must be pointed out in this context. Implementation of specific measures takes place mostly in line with the Partnership Agreement planning. The situation is similar for **horizontal themes** relating to equality, non-discrimination, barrier-free access and sustainable development.

In the current programming period, enormous efforts were made to improve the performance of the programme management authorities. However, the gains were counteracted by the additional requirements of the "new cohesion policy". Therefore, the operating activities of the programme management authorities will continue to require considerable resources for the management and 'servicing' of ongoing and recurring control activities. In the view of the programme authorities, this will only be achieved at the expense of work on the contents of the programmes.

As regards the application of the **simplified cost option**, there are substantial changes in the ESI funds. For example, in October 2018 the settlement of accounts in the ESF was completely switched to standard unit costs and lump sum funding instead of a settlement of actual costs. The ESF Programme in Austria is thus at the forefront in Europe in the application of the simplified cost options. Likewise, new account settlement models will be tested starting in the autumn of 2019 in the IGJ/ERDF – also with a view to the coming programming period.

Extensive project approvals will be necessary to continue the successful implementation of the programmes. What is also necessary is to speed up the process of turning approvals into payouts in order to be able to comply with the n+3 rule in the future. This may be viewed as a challenge considering the beginning overlap of the management of the current programming period with the commencement of new programming for the period 2021-2027. The overlapping of the periods will engage personnel capacities in the coming years, and will result in programmes running parallel in the transition phase.