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STRAT.AT Progress Report 2019

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## **STRAT.AT PROGRESS REPORT 2019**

PREPARED BY:

convelop - cooperative knowledge design gmbh

(Concept, overall coordination & reports, focus: ERDF)

Simon Pohn-Weidinger, Markus Gruber

In cooperation with

Österreichisches Institut für Wirtschaftsforschung - WIFO

(Focus: EAFRD, EMFF, ESF, socio-economic development,

Europe 2020 objectives)

Franz Sinabell, Hedwig Lutz, Peter Mayerhofer

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Directors: Johannes Roßbacher/Markus Seidl  
Project coordination: Andreas Maier  
Fleischmarkt 1, A-1010 Vienna  
Phone: +43 (1) 535 34 44  
Fax: +43 (1) 535 34 44 – 54  
email: oerok@oerok.gv.at  
Internet: www.oerok.gv.at

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Editorial team:

convelop – cooperative knowledge design gmbh  
(Concept, overall coordination & reports, focus: ERDF)  
Simon Pohn-Weidinger, Markus Gruber  
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Österreichisches Institut für Wirtschaftsforschung – WIFO  
(Focus: EAFRD, EMFF, ESF, socio-economic development, Europe 2020 objectives)  
Franz Sinabell, Hedwig Lutz, Peter Mayerhofer

Steering group:

BMASGK: Doris Ballwein, Bibiana Klingseisen  
BMNT II/2: Markus Hopfner, Markus Stadler  
BMNT VII/5: Georg Schadt, Ilse Göll  
Land Lower Austria: Henriette Leuthner  
Land Tyrol Martin Traxl  
ÖROK Office: Johannes Rossbacher, Markus Seidl, Andreas Maier, Markus McDowell, Andrea Wallner

Translation: Edith Vanghelof

Art design: www.pflegergrafik.at

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# Foreword

## BY THE ÖROK OFFICE

Legislation for the EU Structural Funds period 2014 to 2020 states that the “European Structural and Investment Funds” (ESI Funds: ESE, ERDF, EAFRD, CF, EMFF) must be coordinated with the objectives of the Europe 2020 strategy for growth and also support the efforts of the member states to this end. At the European Union level, a Common Strategic Framework (CSF) was developed for this purpose, while at the national level, there is a Partnership Agreement (PA) for each member state that links the EU framework to the individual national programmes of the various funds. The PA defines the national contribution to the EU objectives and the concrete measures to achieve these.

The Partnership Agreement is prepared in Austria by the Austrian Conference on Spatial Planning (ÖROK) and has the title “STRAT.AT 2020”. The PA is prepared in conjunction with the programming process for the ESI Funds (EAFRD, EMFF, ERDF and ESF). For the period 2014 to 2020, a volume of EUR 5.18 billion are available to Austria from the ESI Funds.

Pursuant to Article 52 of Regulation (EU) No 1303/2013, the member states must submit ‘Progress Reports’ at the end of August of 2017 and 2019 on the implementation of the PA to the European Commission (EC). The Report’s findings are summarised by the EC and presented to the European Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions.

The first Progress Report 2017 was prepared in 2017 and published in German and English as ÖROK publication series no 200. This (second) Progress Report 2019 on the implementation of the European Structural and Investment Funds in Austria was prepared within the framework of the monitoring process steered by ÖROK for the “Partnership Agreement” under the lead of the ÖROK Subcommittee on Regional Economy. The process was supported externally by “convelop gmbh” in cooperation with the Austrian Institute of Economic Research (WIFO).

The Report was adopted on 30 July 2019 by the ÖROK Commission of Deputies and accepted by the European Commission on 29 August 2019. Thus, Austria has fully complied with the special statutory reporting obligations for the year 2019. The structure of the Report is guided by the Regulation’s provisions and takes into account the relevant guidelines of the European Commission. Based on an analysis of socioeconomic developments, the financial and material implementation status of the Funds and the conclusions drawn are presented. An outlook for the period 2021-2027 completes the Report.

This publication has been written primarily for the expert public, and, apart from providing facts and information, it serves to raise awareness for the EU’s financial assistance policy with respect to the Structural and Investment Funds in Austria. The Report is published in German and English to help facilitate communication and the sharing of views among experts at the European level.



Markus Seidl

Directors



Johannes Roßbacher



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# Summary

## ÖROK SERIES NO 206 - STRAT.AT PROGRESS REPORT 2019

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.<sup>1</sup> 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%).<sup>2</sup>

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.<sup>3</sup> 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.<sup>4</sup> 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.

# INTRODUCTION

The EU financial period 2014-2020 is the fourth programming period in which EU funds are used in Austria to grant financial assistance. It introduces innovations that address mainly the horizontal and vertical coordination of European and national programmes, and increase the clarity and visibility of the results.

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. The Partnership Agreement (PA) – in Austria STRAT.AT 2020 – is the strategic framework that forms the link to the EUROPE 2020 objectives and programmes. It is the joint reference document for the ESI funds at the national level. The Common Provisions Regulation (EU) 1303/2013 of the ESI Funds requires the member states to report two times – 2017 and 2019 – on the progress of the ESI funds with respect to the Partnership Agreement, and also defines the basic contents of the Progress Report.<sup>5</sup>

This Progress Report 2019 (PR 2019) presents a condensed overview of the implementation of the ESI

funds for the period until the end of 2018. The status of the implementation data refers to project approvals and payouts pursuant to monitoring as at 31 December 2018. The projected figures are based on the Partnership Agreement as valid at the end of 2018 (Version 3). In contrast to the Progress Report 2017, the present report had a number of highly indicative output indicators at its disposal based on the implementation status of the ESI funds. These were integrated into the report as well as the evaluation findings for the individual funds available in May 2019.

The report was prepared under the leadership of the ÖROK Subcommittee on Regional Economy established at ÖROK and with the participation of the STRAT.AT 2020 Partnership. A monitoring group was set up for the implementation of the operational preparation process. The preparation of the report was supported externally by the project team of convelop gmbh (overall coordination, IGJ/ERDE, ETC) in cooperation with the Austrian Institute of Economic Research (WIFO) (socio-economic context, Europe objectives 2020, EAFRD, EMFE, ESF). Below is an overview of the preparation process (Table 1):

Table 1: Key Points of the Preparation of the Progress Report (PR) 2019

Steps	Deadlines (2019)	Table of Contents
<b>PR Monitoring Group Kick-off</b>	20 February	Kick-off, implementation of horizontal themes
<b>Fund-specific processing</b>	March-May	Data gathering, interviews, clarification, preparation, fund-specific internal reports
<b>STRAT.AT 2020 discourse</b>	22 May	Information and discussion on the content of the report
<b>PR Monitoring Group</b>	5 June	Discussion of the draft report
<b>Report sent to Subcommittee on Regional Economy</b>	17 June	Sending of the final draft of the report
<b>Subcommittee on Regional Economy</b>	26 June	Discussion and processing of final draft of the report
<b>Resolution of Commission of Deputies</b>	30 July	Sending of the report - written procedure
<b>Submitted to EC</b>	End of August	Submitted via SFC <sup>6</sup>
<b>EC response</b>	Sept./Oct.	Response of the European Commission (EC)
<b>Joint annual meeting with the EC</b>	20 November	Presentation in connection with the joint review meeting ESI funds programme authorities with EC 2019

5 In no 2, lit. a) to i) of Art. 52 of (EU) Regulation 1303/2013. The Implementing Regulation 2015/207 of the Commission contains a concrete template for the progress reports.

6 SFC: System for the administration of the funds of the European Union



# 1 ESI FUNDS PARTNERSHIP AGREEMENT - OVERVIEW<sup>7</sup>

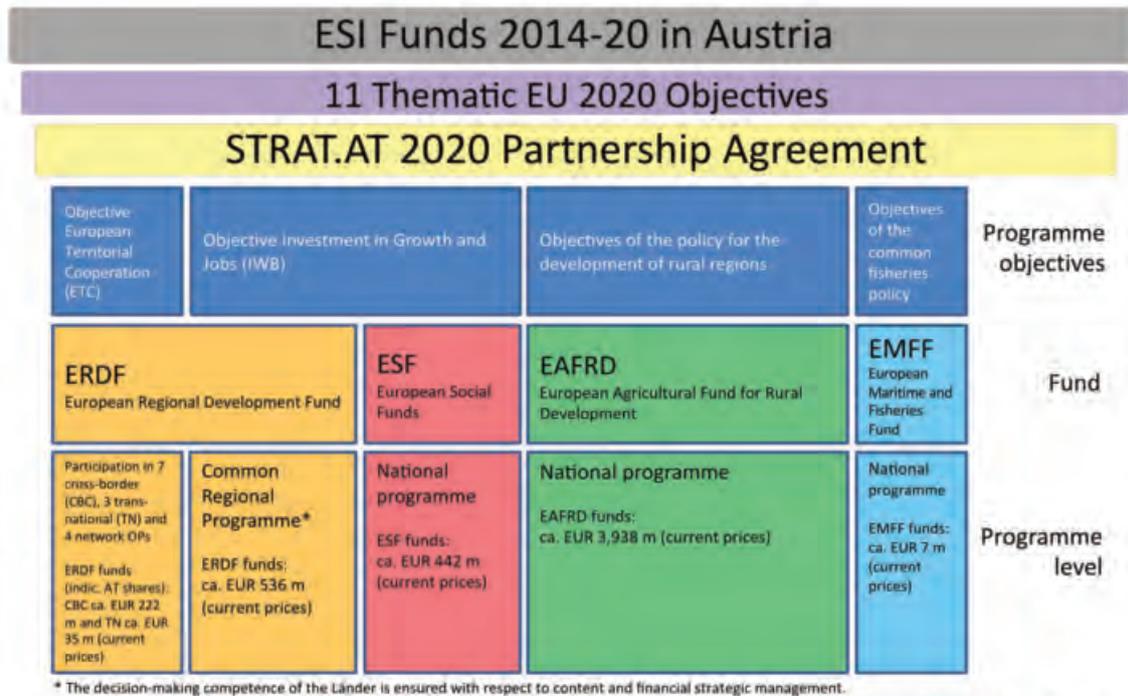
In the period 2014-2020, the ESI funds contributed to the attainment of the Europe 2020 objectives. The interventions are designed to fit into national reform programmes and support the relevant reforms set out in the country-specific recommendations within the framework of the European Semester. A key reform theme in the EU legal framework relating to the European Structural and Investment Funds (ESI Funds) is the strategic orientation strengthened by the definition of a “Common Strategic Framework” (CSF). In accordance with the fund-specific rules, the interventions are concentrated into strategic growth fields across the EU.

As a consequence of the increasing requirements of the European programmes for the implementing bodies, a reform was carried out in Austria in the European Regional Development Fund (ERDF) in which nine ERDF Länder programmes were bundled

into an Austria-wide regional programme and a central managing authority was established within the ÖROK Office. In the new programming period, the European Social Funds (ESF) will also be implemented within the scope of one single programme. Thus, the four main Austria-wide programmes as well as the programmes of the European Territorial Cooperation (ETC) are implemented under the Partnership (Figure 1).

For the entire period 2014–2020, Austria has an indicative amount at its disposal of approximately EUR 5.18 billion from the European Structural and Investment Funds (incl. ETC), with EUR 3.9 billion being used for EAFRD. Around EUR 475 billion are budgeted for all of Europe. The system of the shared administration of funds requires the co-financing of EU funds with national (public or private) funds, which significantly increases the leverage of the financial assistance.

Figure 1: Structure of the ESI Funds in Austria



Source: ÖROK Office, October 2014

Chart: Baumgartner/Maier ÖROK Office

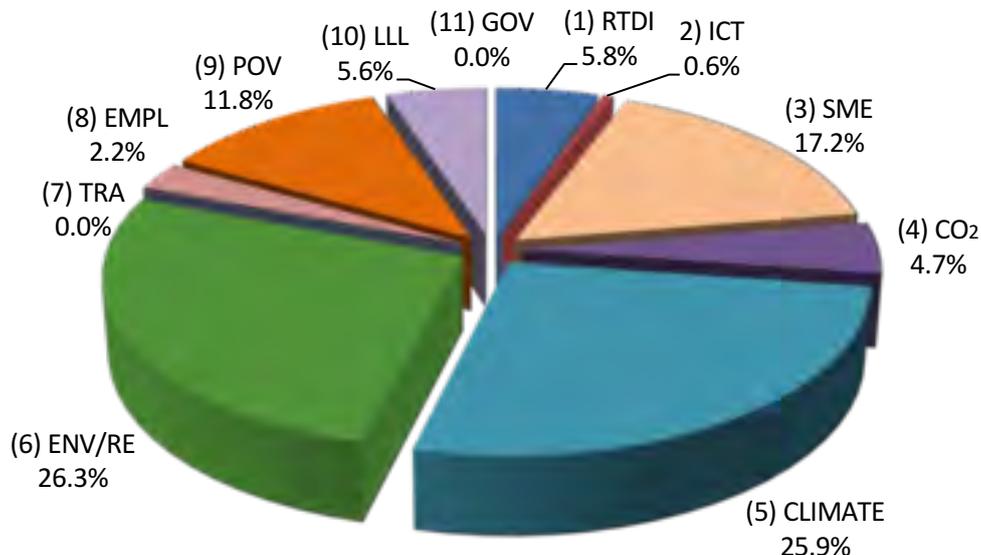
7 This chapter is based, i.a., on ÖROK (2017): STRAT.AT 2020. Austria's Partnership Agreement. On the Implementation of European Structural and Investment Funds 2014–2020. Figures – Data – Facts. As at October 2017, updated version

Table 2: Europe-2020 objectives and thematic objectives (TO)

Europa 2020 – objectives	Thematic objectives
Intelligent growth	TO 1: Strengthening research, technological development and innovation (RTDI) TO 2: Enhancing access to and use and quality of ICT TO 3: Enhancing the competitiveness of SMEs, of the agricultural sector (for EAFRD) and of the fishery and aquaculture sector (for EMFF) (SME);
Sustainable growth	TO 4: Supporting the shift towards a low-carbon economy in all sectors (CO <sub>2</sub> ) TO 5: Promoting climate change adaptation, risk prevention and management (CLIMATE); TO 6: Preserving and protecting the environment and promoting resource efficiency (ENV/RE) TO 7: Promoting sustainable transport and removing bottlenecks in key network infrastructures (TRA)
Inclusive growth	TO 8: Promoting sustainable and quality employment and supporting labour mobility (EMPL) TO 9: Promoting social inclusion, combating poverty and any discrimination (POV) TO 10: Investing in education, training and vocational training for skills and lifelong learning (LLL) TO 11: Enhancing institutional capacity of public authorities and stakeholders and efficient public administration (GOV)

Source: EC (European Commission) 2015, European Structural and Investment Funds 2014–2020, official texts and comments

Figure 2: Relative distribution of funds from the ESI Funds to the thematic objectives 2014–2020 in Austria



Source: Projected data PA – Version 3, incl. performance reserve, excl. Technical Assistance, as at July 2017

In the Common Provisions Regulation (EU), eleven thematic objectives (TO) were defined for the ESI funds for the current period and with a view to coordination with the Europe 2020 Strategy and its objectives of intelligent, sustainable and inclusive growth (Table 2).

In Austria, nine thematic objectives were selected under the Partnership Agreement and ESI funds were allocated to these objectives. Figure 2 gives an overview of the proportionate indicative allocation (excl. ETC) to the thematic objectives (excl. Technical Assistance – TA).

The following overview (Table 3) shows the contribution of the funds' programmes to the respective thematic objectives:

Table 3: Allocation of funds from the ESI Funds by thematic objective - Projections\*

TO	EAFRD	EMFF	IGJ/ERDF	ESF	ESI-Funds	Share in %
(1) RTDI	71,257,620	-	210,985,238	-	282,242,858	6%
(2) ICT	26,459,915	-	-	-	26,459,915	1%
(3) SME	650,409,522	3,591,500	166,532,433	-	820,533,455	17%
(4) CO <sub>2</sub>	105,666,508	505,000	112,156,167	-	218,327,675	4%
(5) CLIMATE	1,233,131,982	-	-	-	1,233,131,982	25%
(6) ENV/RE	1,242,915,586	2,282,000	4,850,000	-	1,250,047,586	25%
(7) TRA**	-	-	-	-	-	0%
(8) EMPL	25,466,727	360,000	10,280,000	66,697,349	102,804,076	2%
(9) POV	410,467,052	-	11,437,640	137,642,139	559,546,831	11%
(10) LLL	57,389,577	-	-	211,448,374	268,837,951	5%
(11) GOV	-	-	-	-	-	0%
Techn. Assis.	114,387,508	226,500	20,020,601	26,299,491	160,934,100	3%
<b>Total</b>	<b>3,937,551,997</b>	<b>6,965,000</b>	<b>536,262,079</b>	<b>442,087,353</b>	<b>4,922,866,429</b>	<b>100%</b>

Source: STRAT,AT 2020, Partnership Agreement Austria 2014–2020, Approved Version – Version 3, Information on current prices in € incl. performance reserve as at November 2017.

\* ETC funds are not included, because these are not direct components of the PA.

\*\* Potential measures for sustainable transport are defined under TO 1, 3, 4 and 6.

Below are the highlights with respect to the content and priorities of the Funds' programmes:

The **EAFRD programme** concentrates over EUR 3.9 billion in rural regions giving financial priority to environmental objectives, operational investments, creation of infrastructure and the diversification of the rural economy.

The **EMFF programme** is the smallest of the ESI Funds programmes (around EUR 7 million) and focuses on the competitiveness of SME in the fisheries and aquaculture sector as well as on the environment and resource efficiency. Additionally, it addresses issues relating to a low-carbon economy and employment.

**IGJ/ERDF OP** focuses on areas with potential with around EUR 536 million and in this context on R&D and innovation, growth and competitiveness of SMEs, and a low-carbon economy supplemented by the territorial dimension and urban development.

The **ESF OP** places the focus on approaches to social inclusion of groups of persons at risk of exclusion and on the enlargement of the financial assistance approaches to education (education guarantees and offers for groups with educational disadvantages). Moreover, the focus is also on innovative ways of increasing opportunities of gainful employment for women and older persons. The programme has over EUR 442 million in EU funds. The programme is implemented throughout Austria and pursues a target group-oriented approach. Spatial differentiation plays a minor role.

There are also ERDF funds of EUR 257 million for the ETC programme of the transnational and cross-border strand as well as further ERDF funds for the interregional strand (e.g. INTERREG Europe, URBACT III). The ETC programmes 2014–2020 have sharpened their focus and concentrated on R&D and innovation, SME, environment and resource efficiency as well as the improvement of institutional capacities. The topics of CO<sub>2</sub> reduction and transport are also addressed.



## 2 REPORT SECTIONS PURSUANT TO IMPLEMENTING REGULATION 2015/207 ANNEX I

### 2.1 Changes in development needs in the Member States since the adoption of the Partnership Agreement (Article 52 (2) a of Regulation (EU) No/2013 of the European Parliament and of the Council (Socio-economic Development and Trends).

#### 2.1.1 General description and assessment of the changes in development needs including a description of the changes in development needs identified in the new relevant country-specific recommendations adopted in accordance with Articles 121 (2) and Article 148 (4) of the Agreement.

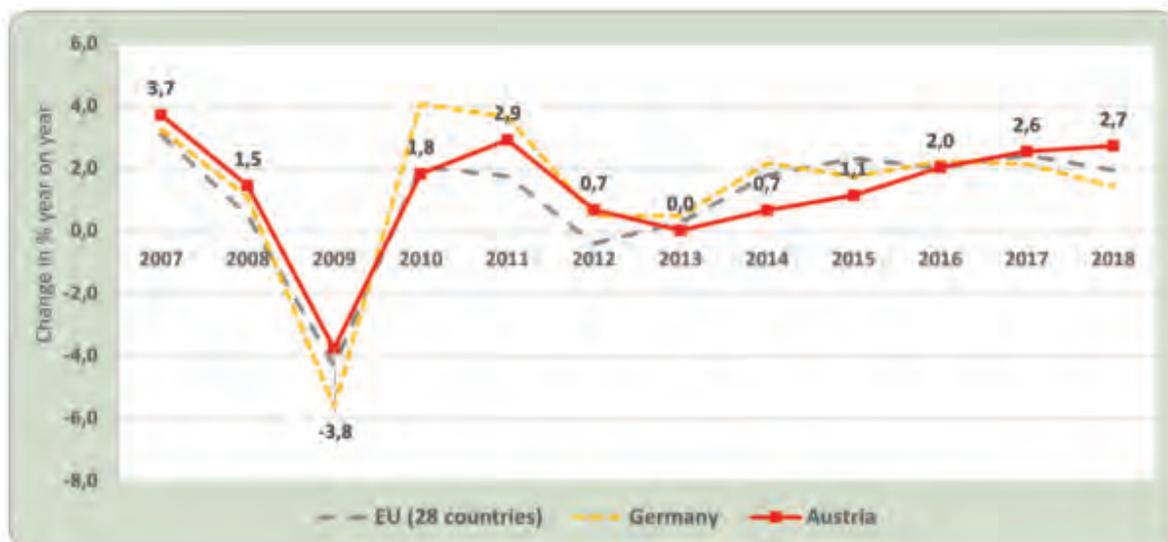
##### Economic development since the acceptance of the Partnership Agreement

The contextual orientation of the Austrian ESI Funds programmes take guidance from the objectives of EU cohesion policy, the Common Agricultural Policy (CAP) and the goals of the Europe 2020 strategy in five fields: employment, R&D, climate and energy, education as well as social inclusion and combatting poverty.

A central factor for the attainment of these goals – apart from the effectiveness and efficiency of the measures taken – is the development of the economy in Austria. Since the Partnership Agreement STRAT.AT 2020 was accepted, Austria's economy has passed through different economic phases (Figure 3) – with varying types of influence on each of the objectives (such as employment vs. climate objective).

The after-effects of the financial crisis of the years 2008/09 were still clearly being felt at first, and therefore, the preparatory phase and the initial implementation of STRAT.AT 2020 was marked by an instable and sluggish economy. After a short (and partly technical) “rebound effect” in the two post-crisis years, the recovery of the Austrian economy progressed at a rather slow pace from 2012 to 2015 due to low consumption demand and a low propensity to invest among entrepreneurs. The development of real economic output developed far below the long-term growth trajectory at figures between +0.0% (2013) and +1.1% (2015), and for the first time in 15 years, it was weaker than in the EU 28 (and in Germany). Nonetheless, the number of active employees increased (2012-2015 +0.8% p.a.), driven

Figure 3: Real gross domestic product growth rates 2007-2018



Source: Eurostat, WIFO calculations

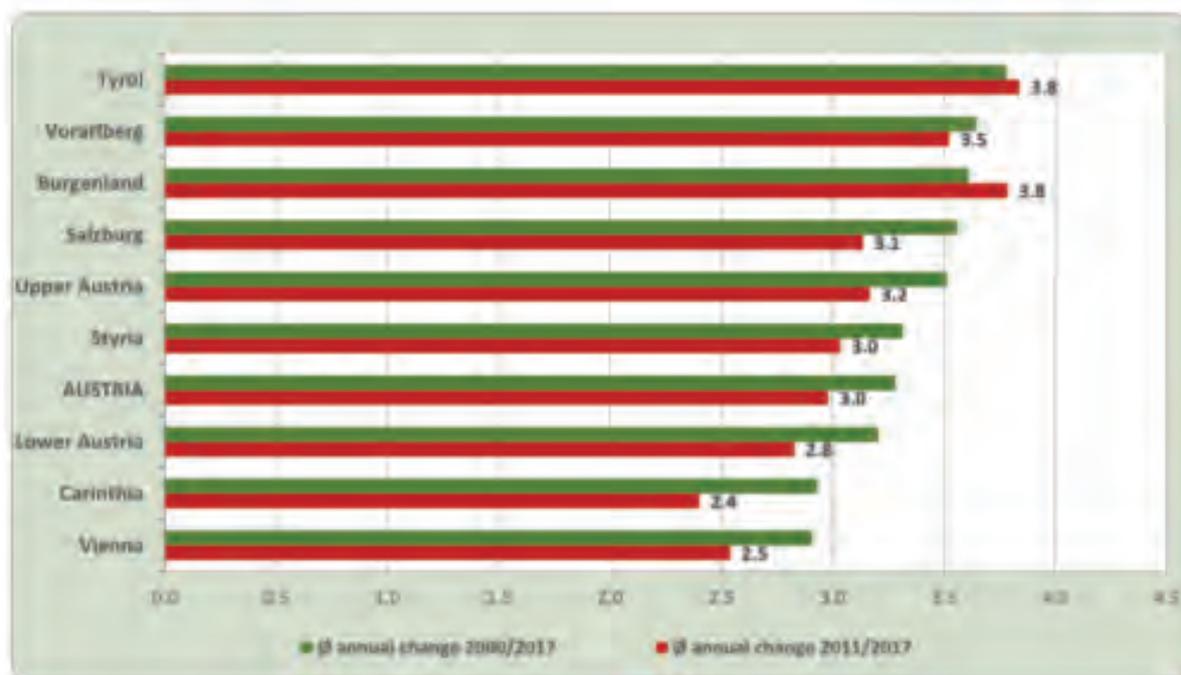
mainly by part-time work and atypical jobs, and without a rapidly rising supply of labour (+1.4% p.a.) to stabilize the labour market. Contrary to the trend throughout the EU, the unemployment rate in Austria rose significantly (according to Eurostat) (2012-2015 +0.8%-points; EU28 -1.1); thus, Austria lost its leading position in Europe in the ranking of job markets (2012–2015 from place 1 to 5).

As of the summer 2015, however, recovery tendencies started to appear, initially driven by impulses from the global economy and robust public consumption. Subsequently, reviving investment activity and the positive effects of the tax reform 2016 became self-sustained and ultimately matured into a vigorous booming economy: Already in 2016, the Austrian economy nearly doubled as fast as in the previous year (real +2.0%), and consequently, the pace accelerated again to +2.6% (2017) and +2.7% (2018). The domestic economy profited from the strongly expanding global economy, but also from the continued robust investment cycle and (not least) from a dynamic pace of consumption by private households resulting from high job gains and perceptible real wages increases. Employment growth accelerated continuously and in 2018 reached +2.5% - a level last seen in the early 1990s. This enabled a trend reversal on the labour market, although the supply of labour continued to grow robustly (2015–2018 +1.4% p.a.). Alone in the two boom years, the unemployment rate dropped by 1.1%-points and was again at the level of the last year before the crisis broke out (4.9%).

However, the production cycle in Austria has meanwhile passed its all-time high. The weakening global economy and the decline in industrial production in Germany are increasingly putting a damper on the domestic industrial economic cycle. Although slowing global trade is only having a moderate impact on Austria, because it is caused to a large extent by the specific effects of the trade dispute between China and the US, and production outages in the German automotive industry due to a backlog in certification of the autumn 2018 are having an adverse effect on domestic suppliers. Economic support is increasingly being supported by private consumption, and therefore, the economy is still strong in the service sector. Consequently, the latest WIFO forecast (Schiman, 2019) predicts a significant slowing of economic growth for the years 2019 and 2020, but not a crash into recession. The increase in real gross domestic product will attain +1.7% and 1.8%, and the employment dynamic will only gradually lose steam due to the supportive role of the (labour-intensive) services sector.

The growth patterns in Austria have hardly changed for the Länder in the past few years. Just like at the turn of the millennium, the West-South-East disparity in nominal economic growth continued, also in the period of the STRAT.AT 2020, with the only breakout from the pattern being the high rate in Burgenland as a former Objective 1 and “phasing-out” region. In this context, gross regional product (GRP) has been expanding beyond the long-term growth trend only

Figure 4: Average annual growth rate of gross regional product (nominal) by Land



Source: Statistik Austria, WIFO calculations

in Burgenland and in Tyrol since 2011, while the trend throughout Austria has remained at 0.2%-points per year below the period trend 2000–2017, with stronger dips being seen in growth in Carinthia (-0.5%-points p.a.) as well as in Salzburg, Lower Austria and Vienna (each -0.4%-points (Figure 4). Overall, the regional differences in economic development have been dominated by geographic aspects since 2011, with the advantages for western Austria (+3.4% p.a.) derived from the proximity to the dynamically-growing region of southern Germany with its supply opportunities. The disadvantages for southern and eastern Austria (+2.8% and +2.7% p.a.) stem from the weakness in Italy and an only sluggish recovery from the crisis in Southeast and Eastern Europe. Structurally, regions with a predominance of industry and commerce – in line with international economic development – but also regions with intensive tourism had an advantage over service-oriented regional economies. Apart from Carinthia as a region with the demographically weakest development, also Vienna with its strongly growing population lagged behind the overall economic dynamic.

The regional labour markets reflect the growth disparities and were additionally influenced by the regional differences in the development of the pool of available labour. Although unemployment declined in all Länder during the past three years of economic

expansion (2016–2018), over the medium term though, the differences in the supply effects with territorially differentiated impacts were decisive – namely the differences in demographic trends and in the development of gainful employment trends among older persons and women, but also the freedom of movement of labour from the new EU member states (2011, 2014) as well as the refugee movements of the year 2015.<sup>8</sup> While the unemployment ratios according to Arbeitsmarktservice Österreich (AMS) were hardly higher in large parts of western and also southern Austria recently (2018), and in Tyrol (-1.0%-points), Vorarlberg (-0.2%-points) and Styria (-0.1%-points) even lower than in 2011, the tendency was clearly upwards in this phase in Lower Austria and Upper Austria (+1.0%-points and +0.8%-points) and especially in Vienna (+3.1%-points) (Figure 5). Regional differences in the labour market situation have tended to widen since the implementation of the Partnership Agreement, and recently (2018) the unemployment rate in the agglomeration area of Vienna exceeded that of Tyrol (4.9%) at 12.3% or by two and half times as much (2011 factor 2.1).

### Challenges and development needs

In fact, the **challenges from a spatial-territorial perspective** are greater at the smaller scale as seen in the divergent demographic development that shows

Figure 5: Unemployment rates in the Länder, 2007-2018



Source: Hauptverband der österreichischen Sozialversicherungsträger (Main Association of Austrian Social Insurance Institutions), Arbeitsmarktservice Österreich (Austrian Employment Services) WDS – WIFO-Daten-System.

<sup>8</sup> According to the data of Statistik Austria, the number of asylum applications rose in the period 2006–2013 by only around 14,300 p.a. and peaked in 2015 with 88,340 applications. Ever since, the number has been dropping again sharply, and in 2017, the number of asylum applicants was 24,735 in Austria. International (net) immigration increased in total already with the implementation of the freedom of labour movement from the new neighbouring member states (from +30,700 in 2011 to +72,300 in 2014) and remained at a high level after the high of 2015 (+113,100) with +64,700 and +44,600 in the subsequent years.

a continued widening of economic disparity among Austria's regions. Therefore, the most recent data on regional accounts published by Statistik Austria shows a tendency of declining disparities between the 35 NUTS3 regions in Austria both as regards economic development as a central determinant of regional income as well as for labour productivity as a core indicator of regional competitiveness. Subsequently, the diversification of GRP per capita between the regions measured by the variation coefficient has declined since 2001 by 15%, and since 2011, by around 6%; the situation is similar for gross value added per gainfully employed person (-15% and -9.5%). In fact, a series by growth of the NUTS 3 regions by GRP p.c. since the turn of the millennium shows a tendency of rural regions to be ahead, while the urban centers Vienna (incl. catchment area), but also Graz, Klagenfurt-Villach and Innsbruck rank last. However, the differences in the economic development trends remain large in rural regions (with benefits for areas close to centers), and as indicated by population trends, the attraction of urban regions is unbroken.<sup>9</sup> At considerable population increases from international and internal migration, and also positive birth rates, the agglomeration of Vienna and the central places of the regional capitals (major urban centers 2002–2018 +17.5%) and (weaker) the local centers (urban medium and small centers +6.9%) are growing strongly. The consequences are new problems with the financing and management of new infrastructure, and in securing “affordable housing”, but also with the creation of sufficient new jobs and the integration of (in this case numerous) inhabitants who do not speak German in their everyday life.<sup>10</sup> As suburbanisation tendencies continue to exist, these challenges will not be solved by the core cities alone, but only jointly with the functionally interrelated catchment areas. The ÖREK Partnership<sup>11</sup> “Cooperation Platform Urban Regions” has developed an extensive agenda on this topic over the past few years (ÖROK, 2016c) that was considered in the latest ÖROK recommendations for an Austrian urban regions policy (ÖROK, 2017a).

The other side of this urbanisation tendency is the out-migration phenomena in rural-peripheral regions with poor accessibility.<sup>12</sup> Therefore, the population figures for rural regions declined half as fast as in the capital region despite the dynamic development in the external zones of the centers with

rates of +3.8% (2002–2018). The 1,233 rural municipalities located far from the centers completely stagnated at considerable internal out-migration. Especially younger people emigrated and this is accelerating demographic aging in these areas, and causing the gainfully employed population to shrink, which in turn, further limits the economic prospects of these regions. Analyses and recommendations for action to counteract this trend were presented by the ÖREK Partnership “Strategies for Regions with a Declining Population” (ÖROK, 2019a). It provided fundamental materials for the implementation of the federal government's “Master Plan Rural Regions” of 2017 (BMLFUW, 2017).

Much more well-known are the **challenges in the areas of climate change and resource efficiency** – due also to the increasingly frequent extreme weather and severe weather conditions affecting urban and rural regions – but that also affect broader economic areas including agriculture and industry as well as tourism. The spatial perspective plays a key role considering the further rise in traffic and increasing sealing of soil to secure compact settlement structures in spatial planning for a growing population: The daily utilisation of surface areas in Austria is around 12.9 (2015–2017) hectare per day according to data of the Umweltbundesamt (Environmental Agency Austria) and still massively higher than the target defined in the “Austrian Sustainable Development Strategy” of the federal government from the year 2002 (2.5 hectare per day). ÖROK also developed recommendations on this topic for better risk management of natural hazards (also due to the climate) (ÖROK, 2017c, 2016a). Furthermore, the ÖREK Partnership established in 2018 addressed “Energy and Spatial Planning 2” the same as the predecessor initiative (ÖROK, 2015a) containing spatial planning options to strengthen resource-saving forms of energy.

All these initiatives are related to the overarching climate goals defined in the Paris Agreement 2020, and which have been put into concrete terms in the EU's European energy and climate policy objectives 2030. According to the objectives, the EU has to achieve a decline by 40% in greenhouse emissions by 2030 compared to 2005. Considering the planned reduction by 43% in the economic sectors under the EU emissions trading system (ETS), this means a

9 See Wiesbauer-Klotz (2019) for a more detailed analysis of demographic structures and trends in urban and rural regions.

10 In the large urban centers, the share of non-Austrian citizens rose from 2002 to 2018 by +10.4%-points to 24.6%, while in rural regions away from the centers, it only rose by +2.8%-points (to 7.6%).

11 The Austrian Spatial Development Concept (ÖREK) is implemented through partnerships.

12 According to the latest analyses of ÖROK (2018), 85% of the population is able to reach a supraregional center within 50 minutes, with the lowest rates found in the inner alpine districts (Lienz, Tamsweg, Murau), Waldviertel (Waidhofen a. d. Th.) and in southern Burgenland (Jennersdorf). As regards public transport, the degree of accessibility is low around 64%, and in 16 districts (14%) it is not possible to reach a supraregional centre within 50 minutes.

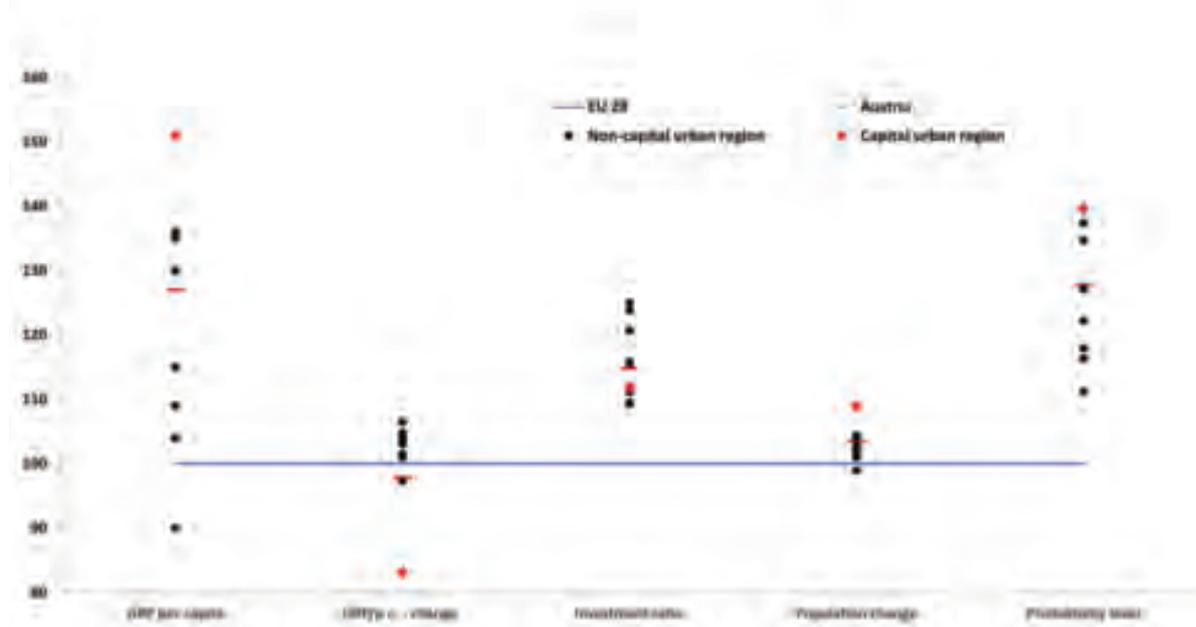
reduction of the greenhouse emissions by 30% in the other areas (agriculture, transport, energy). In the agreements on national implementation of this goal, Austria has committed itself to a reduction of -36% versus 2005 for the non-ETS area. This is to be achieved on the basis of the last climate and energy strategy initiated by the federal government (BMNT/BMVIT, 2018).

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In the light of advancing globalisation, the spread of new digital technologies and the increasing spatial fragmentation of the value chains, the **challenges for regional competitiveness** ultimately defined in the STRAT.AT 2020 remain fully valid. To strengthen

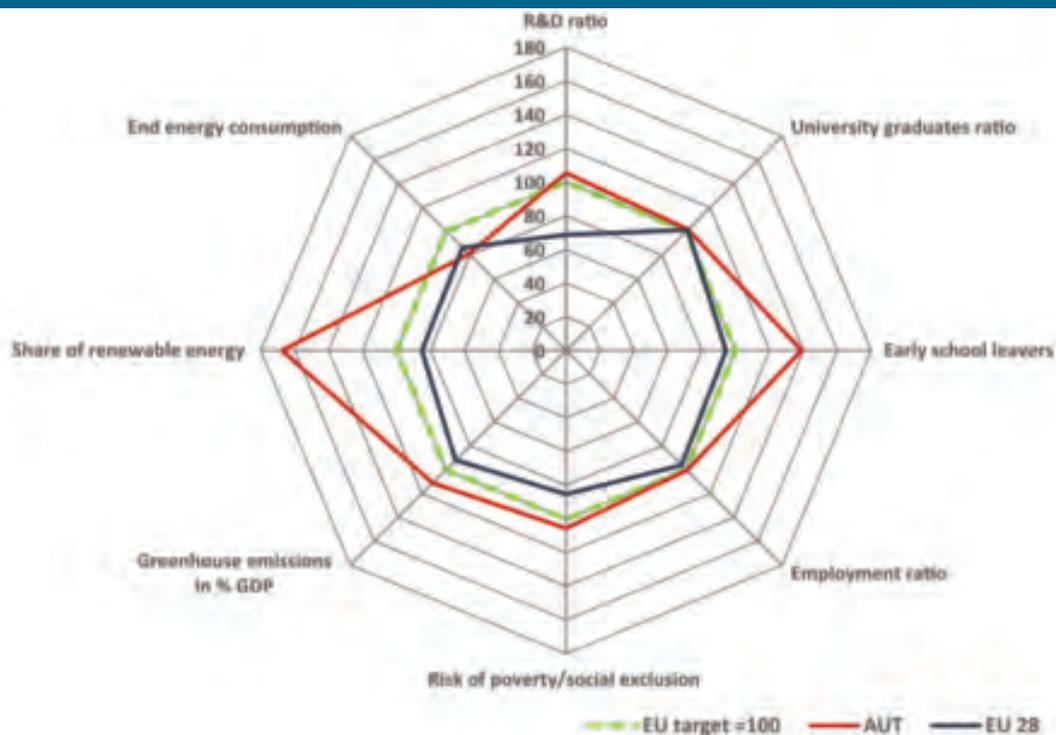
growth and competitiveness at the spatial level, Austria pursues the innovation policy concept of “smart specialisation” of the EU. This policy concept attempts to optimally develop growth potentials in all types of regions and to this end encourages the diversification of regional economic structures based on existing economic and technological areas of competence into new (multi-industry) strong points. The adjustments to the measures needed to achieve this in the respective regional context – in line with the federal system in Austria – are a combination of strategies that serve as guidance for the national level and an established architecture of economic and innovation policy strategies at the Länder level. Coordination is done within a system based on coordination and cooperation on the respective specific themes within the framework of information and exchange forums organised by the Austrian Conference on Spatial Planning as well as within the ÖREK Partnerships. Meanwhile, all Länder have economic, innovation and research concepts that take into account the overarching EU and national policies (Europa 2020, RTI strategy of the federal government) and specify the regional strengths and opportunities. The form, design, planning period and content of these concepts are guided by the regional situation and circumstances, and their implementation is supported by regional location agencies (cf. ÖROK, 2018a). A systematic and current overview of the status and the implementation of the concept is a challenge. A stronger focus on objectives that can be clearly

Figure 6: Result indicators of competitiveness by region



Source: Eurostat, WIFO calculations. GRP per capita: at purchasing power parities, 2017; GRP per capita change: 2017 (2010=100); investment ratio: investments in % of GRP, Ø last 5 years; productivity level: gross added value at base prices per gainfully employed person, 2017; population change: 2018 (2010=100).

Figure 7: Europe 2020 core indicators for Austria and the EU 28 in 2017 and EU target 2020



Source: Eurostat, WIFO calculations – Note: Values for end energy consumption of 2016 – Scale: 100 = respective EU target.

measured with the corresponding indicators would be much more useful (ÖROK, 2016b).

Empirically, the current values of the key indicators on competitiveness confirm the position of the Länder – Figure 6 compares it to the average of the EU 28 – a picture of an above average performance of Austria with some lags versus individual leading indicators. This assessment was presented already in the Partnership Agreement and confirmed in the “Regional Competitiveness Index” (RCI) of the EU last published in 2016.<sup>13</sup>

Thus, GRP per capita in relation to purchasing power parities recently (2017) surpassed the average of the EU 28 (Austria 127%) in all Austrian Länder with the exception of Burgenland (90%), with Vienna and Salzburg exceeding this average by more than half (each 151%). Therefore, 5 of the 9 Länder were ranked in the upper one-seventh of the 281 European NUTS 2 regions, which also applies equally to labour productivity as a core variable for regional competitiveness: At values ranging from 140% (Vienna) to 111% (Burgenland) of the EU 28 average, the domestic regions rank in places 19 to 85 of the European economic location hierarchy. This is clearly supported

by an investment ratio far above the average over the medium term in all Länder (Austria Ø 2011–2016: 115%; thereof Tyrol 125%, and Vorarlberg and Upper Austria each 109%). This is also the reason why GRP per capita growth has exceeded that of the EU 28 in six of the nine Länder since the turn of the millennium, which had not been expected considering the significant convergence processes between the European regions (with a tendency towards higher growth rates in those with a development lag at the starting time). Carinthia, Lower Austria and especially Vienna remained below the per capita growth rates of Europe in the period 2000 to 2017, with Vienna also being influenced by an especially fast pace of demographic development (as denominator of the indicator).

In a broader perspective, the benchmark indicators also confirm the generally favourable performance of Austria in comparison to the EU 28 with the framework of the Europe 2020 strategy for intelligent, sustainable and inclusive economic growth, but also in comparison to the overall targets defined here for Europe (Figure 7). In all core indicators with the exception of end energy consumption, Austria has attained the European targets and is, therefore, (in

13 The position of Austria's Länder in the RCI 2016 was presented in ÖROK Progress Report 2017. According to the Index, the Länder in the overall index with a relatively low diversification rank higher than the EU average and are thus in place 49 (Vienna/Lower Austria) and 125 (Burgenland) in the ranking of 278 NUTS2 regions. Favourable results are seen primarily in the (sub)indicators on institutional framework conditions, and also in indicators relating to economic, innovation and labour market aspects.

some cases significantly) higher than the average of the EU 28, with this favourable position also being a result of the high economic development status of the country. Therefore, Austria has committed itself to a number of ambitious targets. The implementation status and the contribution of the ESI Funds to this goal will be discussed in the following section.

### 2.1.2 Other elements, if applicable

Not applicable

## 2.2 Progress towards the achievement of the European Union strategy for smart, sustainable and inclusive growth as well as the fund-specific missions through the contribution of the ESI funds to the thematic objectives selected, and, in particular, with respect to the milestones set out in the performance framework for each programme, and to the support for the climate change objectives (Article 52 (2) (b) of Regulation (EU) No 1303/2013).

Description and evaluation of the progress achieved in the national Europe 2020 objectives and the contribution of the ESI Funds, with a reference to the milestones defined in the performance framework and the financial assistance used for climate protection goals, if applicable.

Description and evaluation, with a reference, if applicable, to the milestones defined in the performance framework and the financial assistance used for the attainment of the climate protection goals, such as the ESI Funds on the implementation of the thematic objectives and on the progress made in obtaining the main findings expected for each of the thematic objectives as defined in the Partnership Agreement, if applicable, including a description of the contribution of the ESI Funds to the attainment of economic, social and territorial cohesion, including a reference to the milestones of the performance framework for each programme.

Description of the contribution of the ESI Funds to the relevant country-specific recommendations

If applicable, a description of how changes in the development needs are addressed in the ESI Funds.

A summarised analysis of the data in Table 2, including an evaluation of the reasons for the failure to attain the milestones and of the countermeasures defined.

### Progress achieved by Austria in attaining the Europe 2020 objectives

Within the framework of the Europe 2020 Strategy, Austria has committed itself to the achievement of national targets. These vary depending on aspirations and are in most areas more ambitious than defined in the Europe 2020 Strategy as overall goal for all EU countries. Thus, the goals to be achieved by the year 2020 include an R&D ratio of 3.76% of GDP (EU overall goal 3.0%), a share of 38% university graduates among 30 to 34-year-olds (EU 40%), a share of early school leavers of a maximum of 9.5% (EU 10%) among 18 to 24-year-olds, an employment ratio of 77% to 78% (EU 75%), and a reduction in the number persons at risk of poverty or social exclusion by 235,000 (EU 20,000,000). Furthermore, greenhouse emissions are to be reduced by 16% versus 2005 (to 47.75 million tons CO<sub>2</sub>; EU -10%) and the share of renewable energy raised to at least 34% (EU 20%). Additionally, the indicative target of the national Progress Report Energy Efficiency defines an end energy consumption of <25.1 million tons of oil equivalents.

Table 4 presents the implementation status of these goals as at the last available report published by Eurostat (mostly 2017). These data are supplemented by projections that show which objectives may be expected to be achieved by the year 2020 if the development of the respective benchmark in the remaining years of the implementation do not differ from a) those of the long-term period (2000–2017) and/or from b) those of the last three years.<sup>14</sup> Therefore, Austria is ahead of the EU average in all areas defined by the Europe 2020 objectives (as shown above) and also meets most benchmarks defined for the overall EU. However, in some cases it will only be possible to achieve the (usually ambitious) national objectives of the technical projections made if efforts are stepped up substantially.

The national targets have already been surpassed in the area of education, and in this case full attainment by 2020 seems feasible for the two defined core indicators irrespective of the selected development scenario. Thus, in 2017 the share of the 30 to 34-year-

<sup>14</sup> As a purely technical continuation of the trend, these projections may not at all be interpreted as “forecasts” of the degree of attainment 2020. It will only be able to assess it after the data is available for 2020 considering the uncertainties given. However, the projections on the expected objective attainment based on different assumptions leave the course of further development open. They may supply indications of the sub-areas in which greater efforts are believed to be necessary.

Table 4: EU 2020 core indicators

Indicator	National target 2020	Target attainment current value (in % of target)	Projection & attainment 2020 (Development 2000 to last available)	Projection & attainment 2020 (Development of last available 3 years)
<b>Higher education graduates in % of pop. aged 30-34</b>	38	40.7 (107.1%)	42.0 (110.6%)	43.3 (113.9%)*
<b>Early school leavers in % of pop. aged 18-24</b>	9.5	7.2 (131.9%)	6.8 (139.1%)	7.1 (133.2%)
<b>Employment ratio in % of pop. aged 18-64</b>	77-78	75.4 (97.9%/96.7%)**	76.1 (98.8%/97.6%)**	76.6 (99.5%/98.2%)**
<b>Persons at risk of poverty or soc. exclusion</b>	-235,000	-135,000 (57.4%/93.7%)**	-180,000 (76.6%/96.4%)**	-181,000 (77.0%/96.5%)**
<b>Greenhouse emissions in mill. t. CO<sub>2</sub></b>	47.75	51.27 (93.1%)	50.04 (95.4%)	54.55 (87.5%)
<b>Share of renewable energy in %</b>	34	33.50 (98.5%)	37.17 (109.3%)	34.97 (102.8%)
<b>Energy end consumption in mill. t. oil equivalents</b>	25.1	28.10 (89.3%)	29.32 (85.6%)	28.23 (88.9%)
<b>R&amp;D ratio in % of GDP</b>	3.76	3.16 (84.0%)	3.38 (90.0%)	3.24 (86.2%)

Source: Eurostat, WIFO calculations

\* Break in the time series. \*\* Target attainment ratio to lower/higher benchmark. \*\*\*Target attainment ratio to change or status of persons at risk of poverty or social exclusion.

olds who completed university studies was 40.7% and thus clearly higher than the target (of 38%). This has been the case since the reclassification of vocational education and training programmes as tertiary educational programmes in 2014 and is not likely to change until 2020. Even clearer is the fact that the target for 2020 has been surpassed with respect to early school leavers and education which aims for a maximum of 9.5%. In 2018, this ratio decreased again after rising slightly in the previous year and was least at 7.2% – a level that will hardly be surpassed in 2020 regardless of the expected development scenario.

Programme implementation by 2020 seems possible in the remaining years of the programming period, and according to our projections, the national employment goals should also be achieved. In 2017, the employment ratio reached a historic high at 75.4%, with the uptrend being due mainly to the medium-term rise in employed women.<sup>15</sup> At an unchanged development until 2020, the target of 77% seems attain-

able, with stronger efforts being necessary due to the recent slump in economic development.

What will be much more difficult is the attainment of the objectives by 2020 in the area of social inclusion/combating poverty in the view of the competent staff member. Moreover, the number of persons at risk of poverty or social exclusion was lowered by 135,000 compared to 2008. Austria thus achieved a higher degree of attainment than the EU average, but is still far below the national reduction target. The national reform programme (Federal Chancellery, 2018) therefore defines further measures to support women, retirees and single parent households. Nonetheless, full attainment of the objective by 2020 seems difficult in the opinion of the experts with respect to the change, but also to the status of persons at risk of poverty or social exclusion.<sup>16</sup>

The assessment of the development for climate and energy efficiency targets is also ambivalent. Austria

15 In this context, it is pointed out that there is a much higher share of women working in part-time jobs in Austria in EU comparison (47.9%; EU average 31.3%).

16 To achieve the reduction target would require a decrease in the number of persons by around 33,000 each year for the years 2018 to 2020. By way of comparison, it has only been possible to reduce the number by 15,000 per year on average since 2000, and in 2017, it rose by 21,000.

nearly reached the target of a share of renewable energy in gross end consumption of 34% just recently, and full attainment by 2020 is hardly at risk. In contrast, what is likely to be difficult in the view of experts – even if greater efforts were to be made in the area of buildings, promotion of photovoltaic plants with storage capacity and the expansion of e-mobility (as announced in the national reform programme) – is the full attainment of the objective of a 16% reduction of greenhouse emissions in non-ETS areas by 2020. This would require a reduction of the relevant emissions by 2.4% per year over the next four years, which hardly seems realistic considering developments to date. Ultimately, the outlook is similar in the area of energy efficiency: In this case as well, a limitation of end energy consumptions to a maximum of 25.1 million tons of crude oil units by 2020 seems hardly possible even if the Energy Efficiency Act passed in 2014 were to be rigorously enforced.

Ultimately, a research ratio of 3.76% in Austria hardly seems attainable by 2020, with this being due more to an especially ambitious target rather than to an inadequate development in research spending. Thus, Austria is one of the EU countries in which the research ratio has risen the most steeply since 2000. At R&D spending of 3.17% of GDP, Austria ranks second after Sweden among the EU 28 as at the release of the latest data by Eurostat (2017), with only these two countries exceeding the EU overall target. A research ratio of 3.3% to 3.4% by 2020 still seems attainable though.

Due to the different aspiration levels of the Europe 2020 objectives and their interdependence and potential synergies, it seems less constructive to use these differences in implementation to date in a strict form as a basis for defining priorities for the further course of economic policy. Further efforts to achieve the objectives should be based rather on a comprehensive assessment of the determinants for sustainable and socially inclusive economic growth, and therefore, on a broader policy approach. The ESI Funds provide funding to a limited extent – at least in ERDF and ESF as compared to the national financial assistance – only for specific parts of the policy fields addressed by the national Europe 2020 objectives. The country-specific recommendations of the EC within the framework of the European Semester (most recent, European Commission, 2019) also show that the key leverage for the achievement of these goals through regulations, competition policy, finance policy and social and pension insurance systems is not to be found in areas directly covered by the interventions of the ESI Funds.

Nonetheless, the ESI Funds contribute to all national Europe 2020 objectives with a differentiated range of corresponding investment priorities and focus areas. Therefore, the Austria-wide ERDF regional programme 2014–2020 defines its key priorities on strengthening research and development, the competitiveness of SME as well as on raising energy efficiency and the use of renewable energy at enterprises. The priorities of the ESF programmes also correspond to the national Europe 2020 objectives with the goals of financial assistance for sustainable and quality employment, investments in education and life-long learning as well as funding for social inclusion and combatting poverty. Ultimately, the (relatively small) EMFF programme (with the development of market-oriented processing enterprises and the adaptation of internal fishery and aquaculture in the areas of environmental impact and energy efficiency), and especially the (large) Austrian ERDF programme contribute to the attainment of the objectives. The latter contribute, in particular, to achieving the objectives through interventions to reduce emissions, by strengthening the use of renewable energy sources and energy efficiency, and by securing employment in rural regions (including support for expanding broadband and social facilities such as childcare and nursing care).

With respect to the coherence of the ESI Funds and the Europe 2020 objectives defined at the national level as well as the country-specific recommendations, the reader is referred to the explanations in the respective national reform programmes in Austria.

### Overview of the implementation of ESI Funds<sup>17</sup>

By the end of 2018, a volume of almost EUR 3.2 billion in EU funding had been approved in the ESI Funds. This corresponds to an implementation ratio of around 64% (Tables 5, 6). Therefore, the implementation ratio has almost doubled compared to the Progress Report 2017. Especially those funds, which still had low approval rates at the end of 2016 (IGJ/ERDF and EMFF), rose steeply in the last two years. The approval status of the funds now ranges between 56% (IGJ/ERDF) and 71% (EMFF). On account of the programme size of the ERDF, both overall performance as well as the structure of the implementation at the level of the thematic objectives is determined by the EAFRD.

In an EU-wide comparison, the funds from the ESI Funds in Austria had a commitment ratio of 57% in relation to total costs (EU: 68%) at the end of 2018 (indicative comparative data are currently available only for this ratio).

<sup>17</sup> Unless otherwise stated, the implementation data refer to the approval status pursuant to the Monitoring Bodies of the ESI Funds, data as at 31 Dec. 2018.

Table 5: Overview of implementation of ESI Funds by approvals und payouts (as at 31 Dec. 2018)

	Projections	Approvals		Payouts	
	EU Funds in mill. €	EU Funds in mill. €	Implementation in % of projections	EU Funds in mill. €	Implementation in % of proj.
EAFRD	3,937,6	2,598,3**	66%	2,137,8	54%
EMFF	7.0	5.0	71%	2.4	35%
ERDF (IGJ)	536.3	300.8	56%	87.4	16%
ESF	442.1	266.1	60%	115.6	26%
<b>ESI Funds total</b>	<b>4,922,9</b>	<b>3,170,2</b>	<b>64%</b>	<b>2,341,3</b>	<b>48%</b>

Source: ESI Funds Monitoring Bodies, as at 31 Dec. 2018, incl. TA, \* purs. to PA approved version 3 of 8 Nov. 2017, \*\*thereof approvals for territorial payments (Agri-environmental Programme and compensation payments for disadvantaged regions): EUR 1,728 million

Table 6: Implementation by ESI Fund and thematic objectives (approvals)

TO	ESI Funds		EAFRD		EMFF		IGJ/ERDF		ESF	
	Approvals mill. €* % of proj.									
(1)RTDI	190.5	68%	72.5	102%	-	-	118.0	56%	-	-
(2) ICT	12.2	46%	12.2		46%	-	-	-	-	-
(3) SME	542.4	66%	434.7	67%	3.2	89%	104.5	63%	-	-
(4) CO <sub>2</sub>	97.5	45%	47.3	45%	0.0	0%	50.2	45%	-	-
(5) CLIMATE	849.2	69%	849.2	69%	-	-	-	-	-	-
(6) ENV/RE	854.3	68%	851.1	68%	1.6	69%	1.7	34%	-	-
(7) TRA**	-	-	-	-	-	-	-	-	-	-
(8) EMPL	54.9	53%	10.7	42%	0.1	38%	9.1	88%	34.9	52%
(9) POV	245.5	44%	147.5	36%	-	-	5.3	46%	92.8	67%
(10) LLL	193.4	72%	59.8	104%	-	-	-	-	133.5	63%
(11) GOV	-	-	-	-	-	-	-	-	-	-
Subtotal	3,039,9	64%	2,485.0	65%	4.9	73%	288.7	56%	261.2	63%
Techn. Assistance	130.3	81%	113.3	99%	0.1	23%	12.1	61%	4.9	19%
<b>TOTAL</b>	<b>3,170,2</b>	<b>64%</b>	<b>2,598,3</b>	<b>66%</b>	<b>5.0</b>	<b>71%</b>	<b>300.8</b>	<b>56%</b>	<b>266.1</b>	<b>60%</b>

Source: Monitoring data of the ESI Funds. \* EU Funds. approvals. as at 31 Dec. 2018

The payout ratio (by EU funding) across all ESI Funds has a value of 48%. This value is supported by EAFRD (payout ratio 54%) and is explained especially by the continuous payouts for territory-linked financial assistance. In EMFF, IGJ/ERDF and ESF, the payouts are between 35%, 16% and 26% (Table 5, Table 7).

As measured by total payouts, Austria is significantly higher than the EU average in EU comparison<sup>18</sup> and ranks behind Finland, Ireland and Luxembourg in fourth place. This above average value is due mainly to the EAFRD programme. The EMFF programme ranks at the top in Europe. The IGJ/ERDF and ESF

programmes are at around the level implemented in the entire EU.

Geographically the entire national territory is eligible for funding under the ESI Funds. The funding territory of the EAFRD Programme comprises several measures only for rural regions.<sup>19</sup> Eight of the nine Länder are categorised as “more developed regions”, Burgenland is defined as a “transition region” (TR).

Within the scope of this report, fund-specific implementation aspects are only reported separately when it is deemed necessary.

18 Cf. DG Regio – Open Data Portal for the European Structural Investment Funds (data queried on 12 June 2019). The payout status (51%) is slightly divergent from the payout status by EU Funds (48%) as set out in Table 7. The difference is explained by the different points in time to which the values refer. While the data in Table 7 refer to the status as at 31 Dec. 2018, the data used for the international comparison were queried in June 2019.

19 See Chapter 2 for details of the regional demarcations of the EAFRD Programme.

Table 7: Implementation by ESI Fund and thematic objectives (payouts)

TO	ESI Funds		EAFRD		EMFF		IGJ/ERDF		ESF	
	Payments		Payments		Payments		Payments		Payments	
	mill.€*	% of proj.	mill.€*	% of proj.	mill.€*	% of proj.	mill.€*	% of proj.	mill.€*	% of proj.
(1) RTDI	47.8	17%	12.5	18%	-	-	35.3	17%	-	-
(2) ICT	0.0	0%	0.0	0%	-	-	-	-	-	-
(3) SME	323.2	39%	290.1	45%	1.6	46%	31.5	19%	-	-
(4) CO <sub>2</sub>	40.2	18%	25.2	24%	-	0%	15.0	13%	-	-
(5) CLIMATE	831.7	67%	831.7	67%	-	-	-	-	-	-
(6) ENV/RE	833.5	67%	832.3	67%	0.7	31%	0.6	12%	-	-
(7) TRA	-	-	-	-	-	-	-	-	-	-
(8) EMPL	16.9	16%	5.1	20%	0.1	28%	1.0	10%	10.8	16%
(9) POV	108.7	19%	71.9	18%	-	-	1.9	16%	34.9	25%
(10) LLL	83.6	31%	15.4	27%	-	-	-	-	68.1	32%
(11) GOV	-	-	-	-	-	-	-	-	-	-
Subtotal	2,285,6	48%	2,084,2	55%	2.4	36%	85.2	17%	113.9	27%
Techn. Assis.	55.8	35%	53.6	47%	0.0	2%	2.1	11%	1.7	7%
<b>Total</b>	<b>2,341,3</b>	<b>48%</b>	<b>2,137,8</b>	<b>54%</b>	<b>2.4</b>	<b>35%</b>	<b>87.4</b>	<b>16%</b>	<b>115.6</b>	<b>26%</b>

Source: Monitoring data of the ESI Funds. \* EU Funds. approvals. as at 31 Dec. 2018

As Austria's strategy is oriented on the complementarity of the programmes as regards target groups and regions, a brief overview of the focus areas and implementation progress of the individual programmes by Fund is given below. Table 8 contains selected indicators on the programmes. Subsequently, a presentation is given of implementation progress along the Europe 2020 objectives together with a presentation by thematic objective.

The “**Programme for Rural Development**” LE 14-20 under EAFRD targets actors in rural regions from different areas, but mainly from rural and forestry enterprises. The financial focus is on environmental goals with a strong reference to the sustainable cultivation of land, operational investments, the making available of infrastructure and the diversification of the economy in rural areas.

As at 31 December 2018, a volume of EUR 2.6 billion was approved in EAFRD funds. This corresponds to an approval ratio of 66%. Of this amount, EUR 2.1 billion were paid out (payout status of EAFRD funds: 54%). Implementation concentrates on Austria's Agri-environmental Programme (ÖPUL) as regards financial aspects, with the programme addressing the compensation payments for disadvantaged regions and investments (especially in animal husbandry). The funds were used to support the following measures, among others:

→ More than 19,400 enterprises were supported with funding for investments in restructuring and modernisation. There were applications from 6,748 enterprises for financial assistance for start-ups for young farmers.

- Almost 29,200 farming enterprises received support for participating in quality programmes, local markets and schemes to shorten delivery distances as well as production cooperatives and associations.
- Around 28,200 beneficiaries participated in animal protection measures.
- A total of 2,358 investment projects received financial assistance in the areas of energy savings and energy efficiency as well as energy production from renewable sources.
- The surface area of farmland with cultivation agreements that contribute to biological diversity, improvement of water quality and soil cultivation /prevention of erosion comprise 3.7 million hectares. A total of EUR 0.27 billion from EAFRD funds were paid out to support organic farming. EUR 0.72 billion were made available for the agri-environment and climate protection measures.
- Over 81,000 farming enterprises in disadvantaged regions received compensation payments with a volume of EUR 0.69 billion of which over 57,000 were located in mountainous areas.
- A total of EUR 15 million were spent on measures for knowledge transfer, 18 operational groups were set up under the European Innovation Partnership “Agricultural Productivity and Sustainability” (EIP, AGRI), and 140 cooperation projects (networks, clusters, pilot projects) established.

The programme now focuses much more strongly on innovation than previously. Almost all measures address this horizontal objective. Since many innovations in agriculture can only be commercially exploited to a limited extent, the programme

Table 8: Selected indicators by ESI Funds programmes (as at 31 Dec, 2018)

<b>EAFRD</b>	<b>Values</b>	<b>in % of proj.</b>
Enterprises supported by restructuring and modernisation investments as well as for business development plans or investments for young farmers	19,411	66%
Number of farming enterprises receiving support for participating in quality programmes, local markets/short delivery distances as well as production cooperatives (Focus Area 3A)	29,168	81%
Number of beneficiaries that participated in animal protection measures (3A)	28,227	78%
The surface area (ha) of farmland with cultivation agreements that contribute to biological diversity, improvement of water quality and soil cultivation/prevention of soil erosion (Priority 4)	2,253,948 ha	102%
Number of investment projects in the areas of energy savings and energy efficiency as well as energy production from renewable sources	2,358	47%
Agricultural and forestry areas (ha) with cultivation agreements to promote carbon sequestration, to reduce greenhouse emissions and ammonia emissions or to change over to more effective irrigation systems (5D)	101,684 ha	99%
<b>EMFF</b>		
Measures to increase profitability (esp. for SME) (€)	5,503,136 €	95%
Promotion of human capital and networking (€)	303,137 €	87%
Number of projects with productive investments in aquaculture	88	97%
Projects for the promotion of human capital in aquaculture	3	100%
Promotion for the improvement of market organisation (€)	484,090 €	97%
<b>IGJ/ERDF</b>		
Number of approved projects	823	48%
Total investments in projects funded	1,5 Mrd, €	70%
Employment new (FTE)	812 FTE	40%
R&D jobs created (at least for the project term)	54	11%
Reduction of greenhouse emissions (t CO <sub>2</sub> -equiv.) (CO <sub>34</sub> )	150,158 t	70%
<b>ESF*</b>		
Number of approved projects	791	-
Number of companies advised (PA1)	2,705	69%
Number of participating persons, total	143,077	-
<i>Women</i>	61,566	-
<i>Max. ISCED2 level</i>	111,349	-
<i>Younger than 25 years</i>	85,192	-
<i>Immigrants, participants of foreign origin, members of minorities (i.a. marginalised communities such as Roma)</i>	90,734	-

Source: Monitoring data from the ESI Funds, as at 31 Dec. 2018, \* Based on the specific programme and measures structure of the ESF OP, the projected values as given for the other ESI Funds are not indicative for ESF, and therefore, are not reported.

supports innovative behaviour throughout all areas. Empirical investigations have revealed that innovation is most frequent in the area of the environment (Sinabell et al., 2017; Sinabell and Unterlass, 2018).

A number of studies have been completed up to now within the framework of monitoring evaluations (as at May 2019). A study by Sinabell et al (2019) on the impact of the EAFRD paints a mostly positive picture

regarding the scope of the objectives aimed for and shows that the growth and employment effects reach beyond just rural regions. As regards effects on the environment, a macroeconomic model shows that the desired effects of a wider use of renewable energy and higher energy efficiency are counteracted by higher greenhouse emissions. This is due primarily by the higher output triggered by the programme. The compensation payments and the agri-environmental

programme help maintain farmland cultivation in marginalised locations. The programme has helped enlarge the area covered by alpine meadows by 69%. Organic farming is also supported, thereby increasing the surface area for organic farming by 29%.

The “Operational Programme (OP) Austria – **European Maritime and Fisheries Fund 2014–2020**” (EMFF 2014–2020) is a small one compared to the volume of the other ESI Funds programmes.<sup>20</sup> As Austria is a land-locked country, the fisheries sector is only of minor significance in international comparison. Regardless of the starting conditions, a small cluster of companies has become established, especially in aquaculture with good market opportunities for sustainably farmed freshwater fish. The EMFF programme 2014–2020 is designed to support smaller companies to take advantage of growing market opportunities and to support establishing aquaculture as a credible and sustainable alternative to ocean fishing.

A total of 125 projects were supported with financial assistance up to and including 31 December 2018. The approved amount of financial assistance from EMFF funds was EUR 5 million and the amount paid out was EUR 2.4 million. Therefore, a solid 71% of the funds have already been approved and one third has been paid out. Key indicators show that the sector is developing quite well in the direction aimed for – even though it started out from a low level: In the period 2014 to 2017, food fish production increased by 14% to 3,866 t (Statistik Austria, 2018) and the number of gainfully employed persons rose by 9%.

The EMFF programme makes a major contribution to the objective of raising the production of freshwater fish from Austrian aquafarming. An interim evaluation (Resch and Hamza 2019) provides positive findings with respect to the attainment of objectives and shows, among other things, that some highly innovative projects are being implemented with a stimulating effect. Steeply rising investments in aquaculture production over the past few years has also shown that presently the need for available funds substantially exceeds the relatively small EMFF programme.

The programme **IGJ/ERDF** was implemented for the first time as a joint nation-wide programme for Austria. It represents only a section of the financial assistance development policy options available in

Austria that address the economy and innovation. It focuses on areas with potential and in this context on R&D and innovation, growth and competitiveness of SMEs, and a low-carbon economy supplemented by the territorial dimension and urban development.

The programme’s structure features a high concentration of funds on the thematic objectives 1 (RTI), 3 (SME) and 4 (CO<sub>2</sub>). More than 90% of the funds budgeted for IGJ/ERDF are used in these three areas.

As of the end of 2018, a number of 823 projects in IGJ/ERDF had been approved with funding of over EUR 300 million. Thus, the implementation ratio was 56% (ERDF funds). The fast pace of implementation in the years 2017 and 2018 increased the implementation ratio by 46%-points since the last ESI Funds Progress Report.<sup>21</sup> The payout ratio (ERDF funds) was 16% with a volume of EUR 87 million. Approved projects receive co-funding for investments of EUR 1.5 billion. Of this amount, EUR 1,019 million are contributed by the project organisers as own funds. The ratio of private funds used is therefore 70%. At around EUR 300 million in ERDF funds, every euro invested is matched by national public and private funds in a fivefold amount. Two-thirds (around 440 companies) out of a total of more than 660 funded companies are SMEs. Support for major corporations concentrates on CO<sub>2</sub>-linked measures (absolute: 130) and on R&D projects (absolute: around 70). The approved projects have created 812 full-time equivalent jobs (FTE). This corresponds to 40% of the direct employment effects for the overall programme expected until 2023. Moreover, 54 new R&D jobs have been created in the area of RTDI under the currently committed funds. At the same time, the approved projects have achieved an annual decline in greenhouse emissions of 150,158 t. This corresponds to 70% of the OP target.

Similar to the IGJ/ERDF programme, the **ESF-OP** represents only a small section of the policies concerned in Austria and pursues an independent profile before this backdrop with a view to the three thematic objectives of employment (TO 8 – EMPL), education (TO 10 – LLL) and combatting poverty (TO 9 – POV). The quantitative focus here is on the thematic objective 10 to which 48% of ESF funds have been allocated. The interventions pursue the goal of lowering the number of early school leavers and increasing participation in further education of persons with low levels of qualification or low levels of education (ESF

20 The 2<sup>nd</sup> change to the Operational Programme Austria – European Maritime and Fisheries Fund 2014–2020 was adopted by the Commission on 13 December 2018.

21 It must be stressed that the data status after approvals as at the end of 2018 underestimates the current level, because at the end of 2018, the available resources of the intermediate bodies were used more frequently to report payouts in the monitoring. In May 2019, the project approval status in the monitoring was EUR 362.5 million (EU funds). This corresponds to an implementation ratio of 68%.

OP). At 31% of the funds, the weighting of the themes of social inclusion of disadvantaged persons and/or of persons at risk of poverty was increased compared to the preceding period (TO 9). TO 8 accounts for 15% of funds, primarily for innovative enterprise-linked approaches to promote gainful employment opportunities for women and older persons, and to improve access to employment in Burgenland.

As at the end of 2018, the ESF programme had approved 791 projects with a volume of EU financial assistance of EUR 266 million. This corresponds to 60% of the projected financial assistance volume. Of the committed volume of EU funds, EUR 116 million were already paid out.<sup>22</sup> Therefore, the financial realisation ratio with respect to total funding volume is 26%. The greatest progress has been achieved in the implementation of TO 10 (LLL) with 32%, followed by TO 9 (POV) with 25% and TO 8 (EMPL) with 16%. The financial implementation status in the transition region Burgenland is slightly higher than in the more developed regions: approvals 63% to 60%, and spending 27% to 26%.

These ESF measures provided 143,077 persons with direct support of which 57% were men and 43% women as at the end of 2018. Therefore, the target of 50% for the share of women was not attained. The interventions benefit mainly young people (60% younger than 25) and persons with low levels of education (78% maximum ISCED2, 7% no school leaving certificate). Most participants were unemployed when the measures started (43.5%), followed by unemployed persons attending school or vocational training (34.5%) and other unemployed persons (14.6%). Due to their special position regarding the problems addressed, a central focus was placed on immigrants and persons of non-Austrian origin and/or persons belonging to minorities that together accounted for 63% of all participants.

As regards participation, the targets have been achieved in most of the investment priorities (IP): Considerably more than half of the consulting provided to enterprises was finalised with an accord on a viable plan of measures (IP1.1 60% instead of 40%, IP1.2 at least 62% instead of 50%). The drop-out ratio, i.e., the share of persons prematurely exiting measures is relatively low (IP2.1 12% instead of the 35% target, in the overall programme almost 14%). At a 75% participation in basic education, qualification was completed with a certificate (target 70%).

Apart from the wider range of options for financial assistance in the area of education and life-long learning (LLL), the impulses created for fighting poverty and with respect to innovative measures for enterprises are stressed in this context. Especially in the area of combatting poverty, the flexibility of the programme became evident when in accordance with a recommendation of the EC to integrate persons granted asylum, this was done successfully in a number of calls.

Overall, the ESF programme has made it possible to focus on new aspects (particularly on equality, active aging, working poor) in contrast to mainstream employment policies.

The ETC programmes 2014–2020 have sharpened their thematic focus substantially versus the preceding period due to the EU rules and were concentrated on R&D and innovation, SME, environment and resource efficiency as well as on the improvement of institutional capacities. The topics of CO<sub>2</sub> reduction and transport are partially addressed. Overall, the focus is on the added value of cooperation – apart from pilot project models.<sup>23</sup> The programmes, for example, make it possible to strengthen the international exchange for mutual learning that supports projects and thus contribute to capacity-building and the advancement of regional policy. At a total of 425 approved projects, the approval ratios in the area of ETC in the bilateral cross-border programmes are almost 80% on average. The implementation ratio broken down by approvals fluctuates depending on the programme from 65% to 95%. Additionally, Austria participates in 176 projects in the transnational programmes and in 15 projects under the networking programmes. The approval ratios in the transnational programmes are within the range of 70% to 80%.

**Summarised analysis of the data in Table 9, including an evaluation of the reasons for the failure to attain the milestones and description of the countermeasures planned.**

In accordance with the Regulation, the operational programmes are subject to a performance review by the EC on the basis of data available until 2018. The review checks the attainment of the financial and output-related milestones within the performance framework (see Table 9). The performance reserve of 6% of the EU funds planned for a priority axis (excluding Technical Assistance<sup>24</sup>) is assigned bindingly to the priority axes in which the two milestones have

22 Spending is understood to mean total spending eligible for funding under ESF implementation that has been submitted by the beneficiaries to the managing authority (recorded, reviewed and certified).

23 See Pucher J./Tödting-Schönhofer H./Gruber M. /Resch A./ Weiss J. (2017) Cross-border cooperation – evaluation and perspectives 2020+ – keynote paper – status quo, commissioned by the Federal Chancellery

24 The TA shares are allocated to the priority axis on a pro rata basis so that the performance reserve per priority axis is slightly over 6%.

been achieved. When a milestone is not reached, funds are reshuffled within the volume of the performance reserve to a priority for which performance is feasible. A milestone is considered attained when the result is at least 85% of the target. The attainment of milestones broken down by fund is as follows:

- The milestones in EAFRD were attained in all priorities.
- The milestones in EMFF were attained in all priorities and surpassed in some cases.
- With respect to implementation in IGJ/ERDF for the more developed regions, the milestone values for the end of 2018 were exceeded for priorities P2 SME, P4 Urban Dimension and P5 City-Hinterland/CLLD. In P1 RTI, the objectives were attained by over 85%. However, the milestones were missed in P3 CO<sub>2</sub> at an attainment degree of around 70% for both indicators. The failure to reach the milestone was due primarily to delayed operational programme implementation. It was then no longer possible to fully make up for the implementation

lags versus the original projections. In the transition region of Burgenland, the milestones were missed in two priorities. Apart from P3 CO<sub>2</sub>, for which the reasons for the failure are similar to those of the more developed regions, P1 RTI must be mentioned in the transition region. A reshuffling of funds to priorities for which performance is feasible is planned for the autumn of 2019.

- As regards ESF implementation, the targets for the output objectives were clearly surpassed in all priority axes; attainment is from 169% (P3 LLL) to 275% (P4 Bgld – Burgenland) of the milestone. As regards the financial objectives, an attainment degree of 107% was reached in P3 LLL. In P2 Poverty and P4 Bgld– Burgenland), implementation was not fully in line with the target at a realisation ratio of 85% (P2) and 93% (P4), but the milestone was achieved nonetheless.

Implementation in P1 (employment in more developed regions) was 13% and thus far below the project-

Table 9: Attainment of milestones by ESI Funds

Programme	Priority	Fund(1)	Category(2) of region	Thematic(2) objective	Achievement of milestones (yes/no)	Union support
2014AT05SFOP001	1	ESF	More developed	Promoting sustainable and quality employment and supporting labour mobility	No	52,000,000.00
2014AT05SFOP001	2	ESF	More developed	Promoting social inclusion, combating poverty and any discrimination	Yes	135,000,000.00
2014AT05SFOP001	3	ESF	More developed	Investing in education, training and vocational training for skills and lifelong learning	Yes	205,000,000.00
2014AT05SFOP001	4	ESF	Transition	Promoting sustainable and quality employment and supporting labour mobility	Yes	14,697,349.00
2014AT05SFOP001	4	ESF	Transition	Promoting social inclusion, combating poverty and any discrimination	Yes	2,642,139.00
2014AT05SFOP001	4	ESF	Transition	Investing in education, training and vocational training for skills and lifelong learning	Yes	6,448,374.00
2014AT06RDNP001	P2	EAFRD			Yes	437,770,395.00
2014AT06RDNP001	P3	EAFRD			Yes	259,872,674.00
2014AT06RDNP001	P4	EAFRD			Yes	2,492,579,664.00
2014AT06RDNP001	P5	EAFRD			Yes	122,576,074.00
2014AT06RDNP001	P6	EAFRD			Yes	509,832,827.00
2014AT14MFOP001	1	EMFF			Yes	45,000.00
2014AT14MFOP001	2	EMFF			Yes	3,604,000.00
2014AT14MFOP001	3	EMFF			Yes	1,400,000.00
2014AT14MFOP001	5	EMFF			Yes	1,689,500.00
2014AT16RFOP001	A.1	ERDF	Transition	Strengthening research, technological development and innovation	No	12,016,920.00
2014AT16RFOP001	A.1	ERDF	More developed	Strengthening research, technological development and innovation	Yes	186,668,318.00
2014AT16RFOP001	A.2	ERDF	Transition	Enhancing the competitiveness of small and medium-sized enterprises, the agricultural sector (for the EAFRD) and the fisheries and aquaculture sector (for the EMFF)	Yes	25,525,132.00

Note: In ERDF and ESE, the OP milestones were defined for priority axes and regional categories and not for TO. Therefore, the information in column 6 (milestone achieved) refer to priority axis per regional category. Statements on the attainment status at the level of TO are clear only for PAs that address only one TO.

### Contributions to implementation: Intelligent Growth

The objective of “Intelligent Growth” is supported by TO 1 to 3 within the ESI Funds. TO 1 comprises projects to improve research and transfer capacities, to embed existing high-ranking research organisations into the regional setting as well as to broaden the innovation basis. The availability of broadband and access to broadband solutions is done within the framework of the EAFRD programme (TO 2). Additionally, measures to strengthen competitiveness of SME within the scope of TO 3 are of relevance in this context. The **implementation** status of these TOs, which support intelligent growth objectives, is medium to high. The implementation ratios range from 46% (TO 2) to 68% (TO 1) pursuant to monitoring. Additionally, there are numerous projects under ETC that are strongly focused on TO 1 in the current period. In detail, implementation performance for the thematic objectives relating to intelligent growth presents the following picture:

ed 30% of the EU funds. The causes are to be found in an interplay of several factors, among others, in the delayed start of innovative enterprise-linked approaches as well as implementation problems with the other measures.

### Contributions of the ESI Funds to the Europe 2020 growth objectives and to the attainment of the thematic objectives

Pursuant to Figure 8, the TO of the ESI Funds are allocated to the Europe 2020 Strategy of intelligent, sustainable and inclusive growth. The ESI Funds thus contribute to the attainment of specific growth targets of the EU.

### TO 1 – Strengthening research, technological development and innovation

The core objective of the ESI Funds in TO 1 is to improve research and transfer capacities and embed existing high-priority research organisations into the regional setting as well as to broaden the innovation base.

TO 1 has an implementation status of 68% (Table 10). Programme implementation up to now is in accordance with the objectives defined in the PA and has the following focus areas:

In several types of projects under EAFRD, strengthening RTDI is defined as the primary objective. By the

Figure 8: Europe 2020, Thematic Objectives and ESI Funds in Austria



Source: Presentation by convelop based on the Partnership Agreement and EC (2015b)

Table 10: Implementation TO 1 - RTDI (approved EU funds)

TO 1 – FTEI	EAFRD	EMFF	IGJ/ERDF	ESF	ESI Funds total
Projections in €*	71,257,620	0	210,985,238	0	282,242,858
Approvals in €*	72,536,445	0	118,002,679	0	190,539,124
Implementation in %	102%	-	56%	-	68%

Source: Monitoring data, as at 31 Dec. 2018, calculation convelop, Note: \*EU funds

Table 11: Implementation TO 2 – ICT (approved EU funds)

TO2 – ICT	EAFRD	EMFF	IGJ/ERDF	ESF	ESI Funds total
Projections in €*	26,459,915	0	0	0	26,459,915
Approvals in €*	12,239,291	0	0	0	12,239,291
Implementation in %	46%	-	-	-	46%

Source: Monitoring data, as at 31 Dec. 2018, calculation convelop, Note: \*EU funds

end of 2018, measures with a total volume of EUR 73 million were supported. In 119 projects, most objectives aimed for are related to RTI. These include 18 operational groups within the framework of the European Innovation Partnership (EIP) in which knowledge acquisition and implementation is being conducted through a broad range of issues (e.g. wireworm control, erosion protection, fly larvae breeding) in cooperation with farmers and researchers. Investigations on innovation patterns in agriculture point out the strongly limited resources and high costs of innovation at the enterprises. Within the course of the survey it became evident that demonstration projects and experience reports of professional colleagues are the most effective information channels (Sinabell, et al., 2017). Start-up difficulties and how to overcome these were described in Egartner and Pfusterschmid (2017). The programme contributes to the goal of raising the national research ratio, however, only to a limited extent (0.18%; Sinabell, et al., 2019). This is mainly because the intensity of research and development spending in agriculture is currently at a very low level (Sinabell und Unterlass, 2018).

In the IGJ/ERDF programmes, 156 projects with a funding volume of EUR 118 million (ERDF funds) were granted as at the end of 2018. This corresponds to an implementation status of 56%. The projects address the areas of research infrastructure as well as R&D and joint projects across enterprises to build up competence in new themes. Additionally, enterprise-related R&D projects, institutional services for enterprises (innovation consulting/clusters) as well as R&D and technology investments were approved. Up to now, around 100 additional permanent jobs (FTE) were created at companies as well as some 50 jobs (FTE) in R&D under TO 1.

### TO 2 – Enhancing access to, and use and quality of ICT

The measure defined in the PA of TO 2 – ICT is to make broadband infrastructure available and provide access to broadband solutions under the EAFRD programme. The aim of this measure is to achieve high performance transmission rates also in areas to which telecom operators have not yet provided services for economic reasons. The availability of fast internet is an important location factor for enterprises and is growing in significance to secure jobs.

The goal of improving access for enterprises and the population in rural regions is to be achieved by a specific measure (7.3.1.) in EAFRD. To this end, a total volume of EUR 12 million were approved by the end of 2018. (Table 11). In January 2019, a total of 29 projects were operational. The promotion of broadband in the period 2014 to 2020 is part of a framework funding programme and part of the nation-wide broadband strategy. The measure “Access” was designed specifically for rural regions. At the time of evaluation by Tamme and Schrems (2017), it was not yet possible to assess the projects due to lacking implementation, and at the end of 2018, the measure had been implemented to 1.2% (measured by funds paid out).

### TO 3 – Enhancing the competitiveness of SMEs

Under TO 3, the ESI Funds help SME strengthen their competitiveness. At year-end 2018, this TO had a utilisation ratio of up to two thirds (Table 12). Implementation is supported by operational investment projects under EAFRD and IGJ/ERDF.

The objective of strengthening competitiveness is pursued through several measures under EAFRD.

Table 12: Implementation TO 3 – SME (approved EU funds)

TO 3 –SME	EAFRD	EMFF	IGJ/ERDF	ESF	ESI Funds total
Projections in €*	650,409,522	3,591,500	166,532,433	0	820,533,455
Approvals in €*	437,862,840	3,198,760	104,494,214	0	545,555,731
Implementation in %	67%	89%	63%	-	66%

Source: Monitoring data, as at 31 Dec. 2018, calculation convelop, Note: \*EU funds

### Contributions to implementation: Sustainable Growth

TO 4 – 6 address “Sustainable Growth”. TO 4 provides support for renewable energy, “forestry management infrastructure” and photovoltaic in the EAFRD programme. The IGJ/ERDF programme focuses on measures at enterprises to increase energy efficiency and raise the share of energy from renewable sources. The much larger volume of resources in TO 5 and TO 6 address measures to reduce climate-damaging emissions and to secure biodiversity, especially within the scope of the Agri-environmental Programme ÖPUL (EAFRD). At the end of 2018, TO 5 and TO 6 achieved utilisation rates of almost 70%. By contrast, the activity level of TO 4 is much lower at a utilisation ratio of 45%. Additionally, there are numerous projects under European Territorial Cooperation that are strongly focused on TO 6 in the current period. In detail, implementation by thematic objective is as follows:

The spectrum ranges from financial assistance for starting new farming enterprises and support for investments (especially animal husbandry) to the establishment of quality assurance systems and measures to support information and sales. By the end of 2018, over 50,000 projects with a volume of EUR 438 million (EU funds) were approved. The findings of the study conducted by Sinabell et al. (2017) reveal that farming enterprises that receive funding for investments achieve higher output per worker and the programme generally results in a higher output of agricultural goods and an expansion of labour input. Enterprises pursue different strategies to make growth possible, and in this context, diversification plays a key role. A rise of the productivity factor was found in enterprises with a production focus on plant cultivation and animal production. Meixner, Pichlbauer and Schlögl (2017) who interviewed persons that are part of the value chain report significant gains in production volumes and employment at the subsidised companies.

Under EMFF, there are several measures to create impulses in TO 3, with the spectrum of financial assistance ranging from productive investments and diversification to the capture of new sources of income – such as the processing of raw products, the introduction of new marketing channels and innovative projects. By the end of 2018, a volume of EUR 1.6 million of the total of EUR 3.2 million in approved EU funds were paid out. Most projects (91 of 133) served to support new investments or the expansion of existing plants to increase production capacities.

At a total of 272 approved projects and a volume of EUR 104 million in committed EU funds, the IGJ/ERDF has been used up to 63%. Implementation is dominated by operational growth and innovation projects into which the enterprises also invest substantial own funds of EUR 757 million or 85% of project costs. Consequently, the average funding ratio is 15%. These projects create 714 FTE in new jobs. Around one third of the projects (absolute: 90) for which information is available in monitoring have “elements that specifically target sustainability”. The initial results from the monitoring evaluation on priority axis 2 “SME” are expected for the summer of 2019 (after copy deadline).

#### TO 4 – Supporting the shift towards low-carbon economy in all sectors

The implementation formats for TO 4 – measured by both projected and actual data – are the two programmes EAFRD and IGJ/ERDF. The funds committed under the TO at the end of 2018 had a utilisation ratio of 45%, with implementation being divided more or less in equal parts among the two relevant programmes up to now (Table 13).

The EAFRD programme has a broad range of measures to directly help reduce greenhouse emissions. These include modernisation measures in forestry, the promotion of renewable energy (including photovoltaic) and liquid manure application close to the soil. To this end, over 2,361 projects with a total volume of EUR 47 million were approved by the end

Table 13: Implementation TO 4 – Low-carbon economy (approved EU funds)

TO 4 – CO <sub>2</sub>	EAFRD	EMFF	IGJ/ERDF	ESF	ESI Funds total
Projections in €*	105,666,508	505,000	112,156,167	0	218,327,675
Approvals in €*	47,307,241	2,265	50,168,478	0	97,477,984
Implementation in %	45%	0,4%	45%	-	45%

Source: Monitoring data, as at 31 Dec. 2018, calculation envelop, Note: \* EU funds

of 2018. Several measures that directly address the objectives are described and evaluated by Handler (2017). The offer of renewable energy has been increased and the use has been expanded. The effectiveness of the preparation of projections at the operational level were analysed by Stampfer and Huber (2017) who reached the conclusion that the option of a sustainable timber harvest made it possible to significantly cut fossil raw materials. The study by Sinabell et al, 2017 deals with three questions in connection with sub-objective 4. The results show, among other things, that (i) changes to land use and cultivation are a contribution to the sequestration of carbon dioxide in soil and (ii) the desired effects of increased use of renewable energy and higher energy efficiency are being offset by higher greenhouse emissions. This is due to higher output triggered by the programme.

The IGJ/ERDF programme focuses on measures at enterprises to increase energy efficiency and raise the share of energy obtained from renewable sources. A focus is also placed on increasing R&D competence in connection with energy technologies and energy efficient solutions. Moreover, the programme aims to contribute to reducing carbon dioxide by developing new, local and regional strategies in combination with implementation projects. As at the end of 2018, monitoring recorded 284 approved projects with a funding volume from ERDF funds of EUR 50.2 million. This corresponds to 45% of projected funds for TO 4. The funding ratio of public financing achieved some 33% of total project costs in this priority. Implementation is dominated by operational investments for renewable energy and energy efficiency.

15 projects are RTDI projects in CO<sub>2</sub>-relevant areas, 8 projects deal with strategies to reduce CO<sub>2</sub> and sustainable mobility. Through the projects, the annual reduction in greenhouse emissions achieved

was more than 150,100 t. The compensatory effects triggered by the higher output are not considered in this context.

#### **TO 5 – Promoting climate change adaptation, risk prevention and risk management and TO 6 – Preserving and protecting the environment and promoting resource efficiency**

In accordance with the provisions, the two thematic objectives in EAFRD were programmed jointly. The activities in the contributing focus areas are allocated half each to TO 5 and to TO 6 for the Partnership Agreement. The two thematic objectives have by far the largest budgets in the projections with a total of more than EUR 2.5 billion in EU funds. Almost EUR 1 billion in EAFRD funds are reserved for territorial payments. The EAFRD programme targets measures to reduce climate-damaging emissions in TO 5. In TO 6, contributions are made to securing biodiversity in the scope of the Agri-environmental Programme ÖPUL. The two TO have an approval ratio of around EUR 850 million each. The utilisation degree is therefore almost 70% (Table 14).

In order to counteract potential threats to the environment caused by an intensification of production and concentration of agriculture in areas with attractive production conditions, EAFRD has several bundles of measures, especially with a territorial reference. For this purpose, EUR 1.7 billion in EAFRD funds were used by year-end 2018. The Agri-environmental Programme covers 1.8 million hectares of farmland and grassland, and also 0.3 million hectares of alpine pastures. The surface area of enterprises that receive compensation payments due to adverse natural conditions (2018: 81,713 enterprises) was 1.5 million hectares. 91,710 enterprises participate in the Agri-environmental Programme (ÖPUL). The implementation of the measures was analysed in

Table 14: Implementation TO 5 - Climate and TO 6 - Environment/Resources (approved EU funds)

<b>TO 5 – Climate</b>	<b>EAFRD</b>	<b>EMFF</b>	<b>IGJ/ERDF</b>	<b>ESF</b>	<b>ESI Funds total</b>
Projections in €*	1,233,131,982	0		0	1,233,131,982
Approvals in €*	849,181,317	0	0	0	849,181,317
Implementation in %	69%	-	-	-	69%
<b>TO 6 – Environment/ Resource efficiency</b>	<b>EAFRD</b>	<b>EMFF</b>	<b>IGJ/ERDF</b>	<b>ESF</b>	<b>ESI Funds total</b>
Projections in €*	1,242,915,586	2,282,000	4,850,000	0	1,250,047,586
Approvals in €*	851,053,893	1,581,664	1,666,760	0	854,302,317
Implementation in %	68%	69%	34%	-	68%

Source: Monitoring data, as at 31 Dec. 2018, calculation envelop, Note: \*EU funds

detail by Dersch et al. (2017) and Schwaiger et al. (2017) and the study presents indicators on the quantitative effects for the individual environmental areas. In this context, the EU-wide context indicator High Nature Value Farmland Index is stressed. The authors reach the conclusion that the compensation payments help increase biodiversity. The study provides information on the programme effects on all environmental media (air, water, soil) and points out that organic farming methods promoted by the programme help to ease the burden on the environment in many dimensions. The agricultural and forestry sector model developed by Sinabell et al. (2019) shows that organic farming would decrease and nitrogen use per hectare would increase if there were no programme.

The EMFF funded projects with a volume EUR 1.58 million until the end of 2018, with the sum including national funding of EUR 2.28 million. The goal of these projects is to reduce the water volumes needed for production and to lower the use of chemicals.

The IGJ/ERDF programme contains integrated measures for the territorial/urban dimension pursuant to Art. 7 ERDF in Upper Austria in TO 6. For details see Chapter 2.5.1.

**TO 8 – Promoting sustainable and quality employment and supporting labour mobility**

All four ESI Funds contribute to the thematic objective 8 “Employment”. At a project approval status of a total of EUR 55 million, EU funds are committed in this TO at just over half of the projected funds (Table 15).

The increase in added value and in employment are core objectives of the EAFRD programmes. The measures work through many channels. Especially

measures to strengthen collaboration aim directly at raising employment, while measures to promote investment activity tend to counteract it through higher labour productivity in the production process. EU financial assistance with a volume of EUR 11 million was approved in 331 projects by the end of 2018. The payout ratio was 20%. The immediate effects of these measures were analysed by Naylor and Machold (2017) as well as by Schaffer and Plha (2017). As at the time of the evaluation, the measures were only at the start of implementation so it was not possible to clearly determine the consequences for employment. Two supplementary methodological approaches were selected in Sinabell et al. (2019) to determine if the programme has effects on employment levels. In an econometric analysis of data at the municipal level, it was proven that higher programme funding is accompanied by (slightly) higher employment. The programme has raised the employment ratio and it reached a value of 77.4% in rural regions in the year 2016. With the help of a multi-regional and multi-sectoral model, it was determined that 25,000 jobs were related to LE 14-20. Not only regions to which the funds went benefited from the programme, but also urban regions. In these regions, higher employment was stimulated by networking with the value chains in which higher investment and production were mobilised by the programme.

EMFF measures that contribute to this thematic objective comprise professional education in aquaculture, improved scientific and technical knowledge and training in new skills. A total of 426 persons were trained in 23 courses.

A total of 15% of ESF funds are allocated to the thematic objective employment pursuant to the OP, of which 22% were invested in the transition region Burgenland. Therefore, this objective has the quantitatively highest significance in Burgenland with 58%

**Contributions to implementation: Inclusive growth**

All four ESI funds contribute to the objective of **inclusive growth** although priority is given to the ESF and EAFRD programmes. In the area of employment (TO 8), the measures include improving opportunities of gainful employment through diversification and start-ups (EAFRD Programme) and also to improve employment opportunities, especially for women and older persons (ESF OP). ESF also focuses on the themes of social inclusion and combatting poverty (TO 9). In basic services, the aim is to improve the quality of supply in rural areas (EAFRD). The ESF measures address mainly the target groups of disadvantaged persons and/or persons at risk of poverty. Smaller contributions to TO 9 are also expected from the IGJ/ERDF programme. In TO 10, the goal of inclusive growth is addressed by measures to reduce the number of early school leavers and to increase the participation in further education of persons with low levels of qualification or low levels of education (ESF OP). The EAFRD programme focuses on increasing the business competence of managers. TO 10 (life-long learning) has a high funding commitment ratio (72%). The implementation of TO 8 (employment) and TO 9 (combatting poverty) are far below at approval ratios of 53% and 44%, respectively. In detail, implementation by thematic objective shows the following picture.

Table 15: Implementation TO 8 – Employment (approved EU funds)

TO 8 – Employment	EAFRD	EMFF	IGJ/ERDF	ESF	ESI Funds total
Projections in €*	25,466,727	360,000	10,280,000	66,697,349	102,804,076
Approvals in €*	10,703,808	137,291	9,086,545	34,922,698	54,850,342
Implementation in %	42%	38%	88%	52%	53%

Source: Monitoring data, as at 31 Dec. 2018, calculation envelop, Note: \* EU funds

of planned EU aid, while in the more advanced regions only around 12% are allocated. In total, the TO uses 52% as measured by approvals, with the payout ratio at 16% being much lower (all of Austria). The funds in the more developed regions are to be used primarily for innovative measures to promote equality of women and to support active and healthy aging. First, for this purpose financial assistance concepts were developed with the participation of all key stakeholders. These form the basis for the granting of pilot projects in the area of equality (including the monitoring evaluation) as well as the granting of a project to provide demography consulting. The new projects offering consulting to enterprises were implemented in the summer of 2017 and expanded quickly. This is especially true for demography consulting in which 1,242 enterprises were provided with consulting until the end of 2018 according to ESF monitoring. It supplements consulting for enterprises in the active aging approach of the Initiative fit2work, with the goal of establishing (re)-integration management of the unemployed at enterprises. It was supported already as of 2015 with ESF funds and addresses specifically SME (up to now 1,463 have been provided with consulting). In Burgenland, four of seven priorities have been allocated to TO 8, however, only measures in IP4.1, facilitating access to employment for the registered jobless have been implemented. The key target groups with 68% are participants who are younger than 25. The spectrum ranges from German and IT courses to vocational orientation and measures under the Vocational Training Act. Due to the dynamic use of the funds in IP4.1, in Burgenland at the end of 2018, a share of 63% of the

ESF Funds allocated to TO 8 had been approved, and almost 28% already spent. A programme change in favour of IP4.1 is under preparation.

**IGJ/ERDF targets** – with a regional focus – job-supporting growth impulses through an intensification of city/city-hinterland cooperation in Styria. The 49 projects approved to date with a funding volume of EUR 9 million (EU Funds) (utilisation rate: 88%) target location development and mobility in urban-regions, which, over the medium term are to improve the conditions for growth for the settlement and development of companies as well as access to jobs.

#### TO 9 – Promoting social inclusion, combatting poverty and any discrimination

In Austria, the share of persons at risk of poverty rose from 2014 to 2017 from 14.1% to 14.4%. In sparsely populated areas, the indicator has remained practically unchanged at 10.5% (own calculations, based on EUSILC<sup>25</sup>). In Austria, it is primarily EAFRD and the ESF Funds that contribute to the attainment of the objective of social inclusion and combatting poverty (TO 9). Smaller contributions to objectives are also expected from the IGJ/ERDF programme. The implementation status at 44% is much lower than for most other thematic objectives due especially to the relatively low approval status in EAFRD (36%) (Table 16).

There are several measures in EAFRD designed specifically to improve inclusion and reduce poverty. This objective includes measures such as Leader and town renewal, Local Agenda 21, social matters, climate-

Table 16: Implementation TO 9 – Social inclusion and combatting poverty (approved EU funds)

TO 9 – Combatting poverty	EAFRD	EMFF	IGJ/ERDF	ESF	ESI Funds total
Projections in €*	410,467,052	0	11,437,640	137,642,139	559,546,831
Approvals in €*	147,512,751	0	5,260,434	92,767,026	245,540,210
Implementation in %	36%	-	46%	67%	44%

Source: Monitoring data, as at 31 Dec. 2018, calculation envelop, Note: \* EU funds

friendly mobility solutions, tourism and protection against natural hazards. By the end of 2018, EU funds for over 2,302 projects with a volume of EUR 147 million were paid out. Many projects had just started at the time of the evaluation 2017. Difficulties in the measurement of implementation and effects became apparent, and barriers were also observed in the administrative procedures for which solution proposals were prepared (cf. Naylor and Machold, 2017; Tamme and Schrems, 2017 and Schaffer and Plha, 2017 as well as N.N., 2017).

The programme generally aims to improve added value and employment. If this were to be achieved, poverty and the risk of poverty would also be lowered. The postulation that payments under the programme generally reduce the number of persons living in poverty or improve social inclusion through participation in the labour market was made in Sinabell, et al (2019) and checked using econometric methods. According to the analyses, there is a weak link between programme payments and a reduction in the risk of poverty, but it is not significant.

Under the ESF, the themes of social inclusion of disadvantaged persons and/or of persons at risk of poverty (TO 9) was given a much higher weighting than in the preceding period (31% of total funds). Most intermediate bodies have proven very active in implementation up to now as shown by the total of 156 projects, the high degree of attainment for physical output and result indicators as well as in the implementation status of measures for TO 9 of 67% (approvals) and 25% (payouts). In this context, there are differences in size between the individual Länder: The ratio of funds committed based on approvals ranges from 27% to 89%. Vienna, to which most funds are allocated, reports the highest level of spending, but in Vorarlberg as well implementation is very advanced. Burgenland is in the lower ranks as regards spending reported at 13%.

In total, 66,659 persons participated in measures under IP2.1, of which only 38.4% were women. At 79%, participants were mostly immigrants and persons of non-Austrian origin or members of minorities, with 58% living in households that do not earn any income from gainful employment; the age structure is widely divergent (29% of participants were younger than 25, 55% were 25 to 54 years old and 16% were 55 years and older).

This shows that the ESF programme gives the Länder a broad scope as implementing body in the formulation of the specific content for social inclusion. Thus,

according to the monitoring evaluation, ESF was particularly important for the implementation of new integration measures for persons with refugee status, but also for groups marginalised from the labour market (e.g. persons with low employability, persons marginalised from the labour market who receive “Mindestsicherung” (welfare payments)). With respect to the measures defined, at a 43% payout ratio up to now, most of the funds have been used for TO 9 for stabilisation achieved through consulting, support, qualification and employment. Around 23% each are for offers for marginalised youths and young adults and for employment projects for specific target-groups. Almost 8% of payouts went to the working poor, around 2% to Roma-Empowerment and just 1% to efforts to fight poverty among women in Burgenland.

With the funds reserved in the IGJ/ERDF programme, Vienna was able to contribute to the upgrading of disadvantaged urban districts. In Tyrol, CLLD<sup>26</sup> is being tested within the framework of a multi-fund pilot project. Overall, TO 9 reported a utilisation rate of 46% (by approvals) as at the end of 2018. For details see Chapter 2.5.1.

### **TO 10 – Investing in education, training and vocational training for skills and lifelong learning**

Almost 80% of the total of EUR 268 million of ESI funds earmarked for TO 10 are to be used within the framework of the ESF programme. The remaining 20% are to be used for the EAFRD programme. This TO had an approval ratio as at the end 2018 of 72% of projected ESI funds pursuant to the PA (Table 17).

At the end of 2018, EU funds of EUR 60 million had been approved in the LE 14-20 programme that were used in almost 553 projects. Thus, the EU funds planned are already almost completely used up (approvals).

Under ESF, some 550 projects with a funding volume of EUR 133 million were approved as at the end of 2018. This corresponds to 63% of the funds earmarked for this thematic objective. The measures pursue the goal of lowering the number of early school leavers and increasing participation in further education of persons with low levels of qualification or low levels of education. The positive implementation outcome was supported by the measures of the ‘training guarantee schemes’ such as youth coaching, production schools and vocational training assistance with a spending ratio of 40% of funds projected. This more than compensates the low level of financial imple-

26 The CLLD measure is assigned to TO 9 more for formal and technical reasons than for the content.

Table 17: Implementation TO 10 – Education, life-long learning (approved EU funds)

TO 10 – LLL	EAFRD	EMFF	IGJ/ERDF	ESF	ESI Funds total
Projections in €*	57,389,577	0		211,448,374	268,837,951
Approvals in €*	59,805,763	0	0	133,547,175	193,352,938
Implementation in %	104%	-	-	63%	72%

Source: Monitoring data, as at 31 Dec. 2018, calculation envelop, \* EU funds

mentation in the area of schooling (7%), which is possibly due to delays in the submittal to the managing authority of claims for spending. The implementation in the area of schooling concentrates on the objective of reducing the number of early school leavers in vocational schools through a transition grade, competence-oriented and autonomous learning and German as teaching language (financial aid for language learning). Activities in adult education are generally in line with projections (payouts around 28% of projected total funds). These include (target-group specific and provider-neutral) consulting offers, basic education offers and development projects to improve permeability of the educational system.

At 74,433 participants (nearly 47% women) – of which 19% are in adult education programmes – a remarkably high number of persons was reached. According to the monitoring evaluation, this is especially true for youths at risk of leaving school for which a coverage ratio of at least 15% is estimated. While the structure of participants under P3 – LLL essentially corresponds to the target group (with differences in the one-percent range), the transition region Burgenland diverges widely from the total of more advanced regions and its own objectives. This refers, for example, to the share of women, which was lower throughout, and it is especially remarkable in adult education (Burgenland 22%, more advanced regions 58%), and also the inclusion of youths of non-Austrian origin or ethnic minorities (IP4.6 10% vs. IP3.1 42%).

Overall, the ESF plays an important role in connection with TO 10 for the promotion of disadvantaged groups of the population.

### Financial assistance used for climate protection measures

The indicative amount of financial assistance for climate protection pursuant to the PA in the Austrian ESI funds for climate protection objectives – as automatically calculated in the SFC2014 database on the basis of the aggregated data from the programmes – is EUR 2.91 billion (source: SFC database, queried on 30 July 2019). This corresponds to 59% of the total ESI funds available for Austria 2014–2020 of EUR 4.92 billions.

Across more than one funds, the amount of ESI funds used for climate protection measures was more than EUR 1.7 billion as at 31 Dec. 2018. This corresponds to around 60% of the reference value applicable across funds.

### 2.3 Action taken to fulfil the ex ante conditionalities set out in the Partnership Agreement

Not applicable

### 2.4 Implementation of mechanisms to ensure coordination between the ESI Funds and other European Union and national funding instruments and with the European Investment Bank (EIB) (Article 52 (2) (d) of Regulation (EU) No 1303/2013)

#### 2.4.1 Assessment of the implementation of the coordination mechanisms laid down in the Partnership Agreement and, if applicable, of any problems encountered in their implementation

#### Coordination among the ESI funds

In the area of regional policy as a spatially relevant theme, the Subcommittee on Regional Economy has been established for the coordination of the federal government, Länder, Association of Cities and Towns, Association of Municipalities as well as interest group representatives in the Austrian Conference on Spatial Planning (ÖROK). Within this body, decisions are accorded with the participation of all relevant partners. Apart from this, there is a number of further formats for thematic and sectoral areas, for example, science and research.

The **Partnership Agreement (PA)** constitutes the central coordination mechanism between ESI funds in Austria. The agreements reached under the PA ensure that the financial assistance activities of the individual funds complement each other and do not overlap. Generally, the individual funds pursue the strategy of concentrating fund interventions in their respective specific investment priorities and focus areas. This approach reduces the overall potential for

Table 18: Financial assistance used for climate protection objectives

Funds	A. Funding used for climate protection objectives pursuant to the Partnership Agreement	B. Funding used for climate protection	Percentage of funding used compared to Partnership Agreement (% B/A)
ESF	€ 7,068,394,00	€ 0.00*	0.00 %
ERDF	€ 118,911,107,00	€ 55,972,391,46	47.07 %
CF	-	-	-
EMFF	€ 205,000,00	€ 0,00	0.00 %
EAFRD	€ 2,781,003,204,40	€ 1,674,410,632,87	50.21 %
<b>Total</b>	<b>€ 2,907,187,705,40</b>	<b>€ 1,730,383,024,33</b>	<b>59.52 %</b>

Note: The PA contains only a reference value applicable to more than one fund under item 1.4.5.

overlaps. A detailed discussion is conducted within the STRAT.AT 2020 preparation process for the remaining overlapping areas. The current STRAT.AT 2020 monitoring process is at the heart of coordination work within the framework of the Partnership Agreement and includes a number of events and workshops (for details, see Chapter 2.8).

The **Progress Reports 2017** and **2019** give an overall presentation of how funding from all ESI funds is used. The reports and the preparatory processes for the reports at the managing authorities as well as the partnership supported coordination and reflection on the implementation of the programmes.

As a consequence of changes to the programmes in the individual ESI funds in 2017, an amendment to the PA also became necessary. The necessary amendments were accorded by the ESI funds so that **PA Version 3** was approved by the EC in November 2017. With the so-called **Omnibus Regulation** (RE (EU) 1046/2018) effective from January 2019, the procedure for amendments to the Partnership Agreement changed. Therefore, whenever there are programme changes, member states must send an updated version of the Partnership Agreement to the European Commission in January of the subsequent year. This regulation was applied for the first time in January 2019, because there were programme changes in two ESI Funds (EAFRD and IGJ/ERDF) in 2018.

The areas of overlap between the funds were carefully defined in the respective programmes and linked back to the other concerned programmes. Based on the areas of competence defined in the PA and the **programme documents**, it was possible to avoid the uncertainties seen in implementation practice up to now and exclude the risk of double funding.

At the strategy and implementation level, there is an ongoing **mutual exchange of information within the framework of the ÖROK bodies and the monitoring committees** (cf. also Chapter 2.8 on the role of the

partnership pursuant to Article 5 of the Common Provisions Regulation). The central body for the ongoing mutual exchange of information and for coordination is the Subcommittee on Regional Economy in which the managing authorities regularly communicate on the implementation status of the programmes. Furthermore, the managing authorities of the respective funds are members of the monitoring committees of the other funds (with advisory vote) in order to guarantee the necessary coordination.

Coordination by the **programme authorities** of the ESI Funds guarantees that there are no overlaps in financial assistance activities. The financial assistance principles contain provisions to rule out that financial assistance is granted more than once for the same project. Moreover, all ESI Funds contain clearly defined financial assistance guidelines and financial assistance facts to help demarcate the boundaries between the programmes.

Within ÖROK, a working group was set up for cross-border **ETC programmes** that support coordination relating to strategic and operational issues (WG CBC). The inclusion of representatives from relevant federal government offices and the concerned Länder in the monitoring committees of the cross-border ETC programmes is how the coordination work is implemented at programme level. In transnational and interregional programmes, coordination takes place within the National Committee (an ÖROK body). Furthermore, the ÖROK Office assumes the role of the National Contact Point (NCP) for transnational programmes.

### Coordination with national funding schemes

The ESI Funds are embedded in Austria in the established and well-differentiated financial assistance schemes of the federal government and the Länder. The funds differ with respect to their significance in the national financial assistance context, because the funding shares of the national measures vary in the respective policy fields:

- The EAFRD programme is a central instrument of Austria's agricultural policy. Of the approximately EUR 2 billion in public funds for agricultural policy measures spent in 2017 up to 50% were used for the programme for rural development.<sup>27</sup> Coordination of agricultural policy is done by the Federal Ministry for Sustainability and Tourism in agreement with the Länder. This ensures coordination within the Austria.
- The IGJ/ERDF programme is implemented largely through existing national and regional financial assistance instruments and only few new separate financial assistance instruments are created exclusively for IGJ/ERDF. Only a small part of national and regional financial instruments and projects are co-financed by EU funds. In Austria, ERDF is also fully integrated into existing financial assistance systems. Implementation is distributed across 16 intermediary bodies of the federal government and Länder including their specific financial assistance guidelines and additional requirements. The implementation of IGJ/ERDF takes place through established agencies and institutions, and through co-financing mostly within the framework of existing national regulations and guidelines. Projects that meet the guidelines are selected from a pool of projects with potential to create the greatest impacts in the spirit of the programme objectives. Moreover, with IGJ/ERDF it is possible to create specific measures designed to meet the regional strategies of 'intelligent specialisation'. Therefore, EU cohesion policy and national policy fields are interrelated very closely. It may be assumed that the corresponding complementarity to the national and regional measures is given.
- The ESF funds cover only a small part of the funds used for employment and labour market policy, and in this context pursue an independent profile. Coordination with national employment and labour market policy is accomplished, among other things, with the participation of the Austrian Employment Services through national co-financing. For measures in which the Federal Ministry of Labour, Social Affairs and Consumer Protection (BMASGK) is active itself (e.g. equality), this is guaranteed by an advance investigation of the market and needs.  
The Technical Assistance funds are used in some Länder to support structures that enable coordination within the ESF and with the Austrian Employment Services as well as with further facilities of the Länder that work to combat poverty.
- The EMFF programme is the most important financial assistance instrument for the fisheries

sector in Austria. Coordination with purely national funding schemes for man-made natural fish farming ponds takes place within the Ministry for Sustainability and Tourism (BMNT).

### Coordination in regions and Länder

Implementation in Austria is largely decentralised at the levels of the regional governments (Länder) that approve the projects of the respective programmes in line with the territorial strategies. In many cases, the expert bodies of the Länder are responsible for measures in several programmes and in this function act as regional coordination bodies (e.g. Tyrol, Styria). On the basis of these areas of competence for content and themes that reach across several programmes, the strategies and projects complement each other.

#### 2.4.2 A description of adjusted and new coordination mechanisms

Not applicable in Austria

#### 2.4.3 Other elements

Other elements

### 2.5 Implementation of the integrated approach to territorial development, or a summary of the implementation of the integrated approaches that are based on the programmes, including progress towards achievement of priority areas established for cooperation (Article 52 (2) (e) of Regulation (EU) No 1303/2013)

#### 2.5.1 General commentary and assessment

The approach to territorial development in Austria needs to be viewed from a strategic perspective, which is closely related to the federal structure of Austria, and therefore, closely linked to the role of the Länder-specific and regional development strategies. In the past few years, different strategy processes were implemented within the framework of participative ÖREK Partnerships. ÖREK Partnerships are informal cooperation platforms that serve as intersectoral, bottom-up initiated project groups and are implemented within the framework of the Austrian Spatial Development Concept 2011 (ÖREK). Implementation takes place within the framework of ÖROK. The Partnerships consist of representatives of the different governance levels (federal government, Länder, municipalities) and include, as needed, the

27 See BMNT (2018): Green Report 2018 – Report on the Situation in Austria's Agricultural and Forestry in 2017, 59<sup>th</sup> edition, Vienna

participation of the relevant actors as equal partners. As cooperation platforms, ÖREK Partnerships offer a neutral setting for expert exchanges and networking among the involved actors. The following ÖREK Partnerships of the past few years have thematic strands that link to the ESI funds:

- The ÖREK Partnership “**Strengthening the Regional Action Level**” investigates the options of how the regional action level in the meaning of regional governance can contribute to raising quality of life, employment and competitiveness in the different types of regions.
- The objective of the “**Agenda for Urban Regions in Austria**” was to define the key points of a policy for urban regions in Austria – but also for agglomerations, and to prepare proposals for securing the capability for action of urban regions.
- Within the framework of the ÖREK Partnership “**Strategies for Regions with a Declining Population**”, the challenges for regions with declining populations were identified.

The results of the strategy process of the ÖREK Partnerships are not binding in nature – in line with the logic of a federal state – but are “translated” into national and regional strategies. At the level of concrete measures, the Partnership Agreement and the ESI Funds have an implementing function. In Austria, there is no spatial concentration of funds in certain types of regions, but rather spatial focus areas between the programmes and coordination of the implementation in line with the regional strategies of the Länder and regions. Apart from this, the territorial aspects are addressed directly.

### **Strategic approach to the territorial and regional dimension**

The ESI Funds are being implemented in the current period across four Austria-wide programmes with the participation of the Länder. This makes it possible to embed the implementation of the measures into the national and regional development strategies (e.g. smart specialisation strategies).

Moreover, in the past, intermediate structures were also built up for entire regions that include regional management bodies and regional development agencies. These develop projects designed specifically for the respective territorial-regional requirements, thus pursuing an integrated approach to territorial development. The also applies to the implementation of transnational and cross-border ECT programmes.

### **Spatial priorities of the ESI Funds programmes**

While the EAFRD programme is geared towards rural regions and agriculture and forestry, the IGJ/ERDF OP concentrates on “regions with potential” which refer to regions of a more urban character and agglomerations, their hinterlands, and for specific themes also further regions. This results from the general orientation of the programme on R&D and innovation, and is supplemented by programming highlights for cities and their hinterlands. The themes of the ESF programme on the other hand address mainly specific target groups rather than specific regions.

A study recently conducted by WIFO on the quantitative effects of the ESI Funds and their predecessors since 1995<sup>28</sup> shows that funding from the ESI Funds have been granted in a differentiated manner over the past two decades. The intensity of funding (payouts per inhabitant) in EAFRD/EMFF and ERDF in sparsely settled regions is higher than in densely settled major cities. In a differentiated view of small regions, a specific pattern is revealed in the financial assistance granted by ERDF for economic projects. Within the rural regions, the regional centers (district towns) have the highest degree of funding – in line with the strategy of decentralised concentration. The ESF by contrast has a funding pattern different from that of EAFRD and ERDF. It focuses on cities, i.e., those regions in which the largest challenges are observed on the labour markets. Overall, the WIFO study shows that the ESI Funds direct efforts towards different spatial focus areas in accordance with their own objectives.

### **Concrete measures for integrated territorial development**

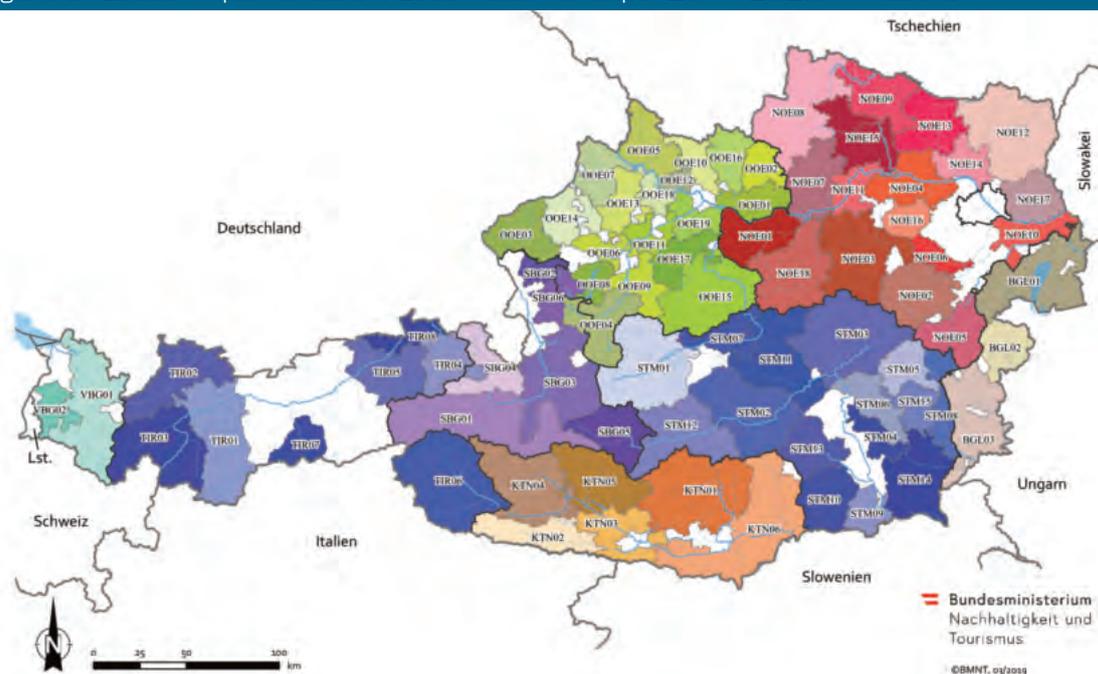
*Urban dimension* – see separate sub-section on “Sustainable Urban Development”

#### *European Territorial Cooperation*

The INTERREG programme traditionally plays an important role for a country like Austria that has common borders with six EU member states. It pursues a territorial approach to both cross-border and also transnational programmes. The agglomeration of Vienna and practically all larger cities are located less than 60 km from the national border. The share of the Austrian population living in this catchment area is therefore accordingly high at over 90%. Cooperation across borders is therefore essential for socioeconomic development of Austria.

28 Slide presentation at a meeting of the enlarged Subcommittee on Regional Economy on 22 May 2019

Figure 9: Leader implementation: Local Action Groups (2014–2020) in Austria



Source: [https://www.bmnt.gv.at/land/laendl\\_entwicklung/leader/leaderprojekte15.html](https://www.bmnt.gv.at/land/laendl_entwicklung/leader/leaderprojekte15.html)

Deutschland = Germany; Schweiz = Switzerland; Tschechien = Czech Republic; Slowakei = Slovakia; Ungarn = Hungary; Slowenien = Slovenia; Italien = Italy

Austria is currently participating in seven cross-border programmes and three transnational programmes. Geographically, Austria belongs to the Alpine region, the Danube region and the Central European region which is where the key transnational themes are addressed.

The focus of the programmes has been sharpened mainly on account of the conditions of the EC. Thematic concentration is related to an upgrading of the themes of research, innovation, SME, environment and climate change. The share of funding for research and innovation rose significantly as well as for economy and employment. While a sharper focus seems desirable from the perspective of effectiveness, the question remains if these standardised thematic strands do not work against the widely divergent needs of the border regions. Up to now, some 425 projects with Austria's participation in programmes with cross-border cooperation and 176 projects in transnational programmes were approved. On average, almost 80% of funds are already committed in the cross-border cooperation programmes. The implementation ratios as measured by approved funds range from 65% (Slovakia-Austria) to 95% (Alpenrhein-Lake Constance-Hochrhein & Slovenia-Austria). The approval ratios in the transnational programmes are within the range of 70% to 80%.

## 2.5.2 Article 15 (2) (a) (i) of Regulation (EU) No 1303/2013 – Overview of implementation of Community-led Local Development

### LEADER

LEADER enables the broad implementation of innovative approaches and the traditionally widespread method in Austria of endogenous, autonomous regional development: It is considered an important instrument for strengthening regional governance. The participation of the local population and locally-anchored decision-making competence are supportive of regional autonomy. The bottom-up processes can help identify the strengths and weaknesses of the own region and be used to raise the quality of life. The allocation of a budgetary framework enables financial planning for the region. With respect to thematic implementation, the LEADER measure is open to all EAFRD programme objectives. In any case, the measure aims to improve the living and economic conditions of the population in rural areas and implement cooperation projects across regions. Throughout Austria, 77 Local Action Groups (LAG) were selected and thus around 90% of the surface area of rural regions in Austria are covered (Figure 9). Around 80% of the rural population and more than 4.5 million persons live in LEADER regions. The selection body for the Local Development Strategies is made up of representatives from several funds (EAFRD, IGF/ERDF and ETC).

At the end of 2018, almost 2,200 projects with a funding volume of around EUR 125 million were approved, and more than EUR 60 million have already been paid out. In the case of the projects supported, some 40% of the funds were used to promote added value and around 30% of funds were deployed each for natural resources/cultural heritage as well as “common welfare” (i.a. local supply, basic (public) services, integration).

### **Pilot project approach to implementing “Community-led local development”**

New approaches to territorial development are being tested in Austria under the multi-fund CLLD in **Tyrol and Carinthia**. In Tyrol, CLLD is implemented operationally in combination with IGJ/ERDF. CLLD is being successfully combined with the bilateral ETC INTER-REG programme Italy-Austria 2014–2020 in both Carinthia and Tyrol.

In a first phase, steps were taken in Tyrol to create a structure in a coordinated process between EAFRD and IGJ-ETC/ERDF. This included a tender and selection process for eight CLLD regions and the definition of uniform standards for the funding eligibility rules (Lead Fund Principle). The foundation for implementation is a uniform local development strategy. In Carinthia, the LAG region of Hermagor was selected as the lead partner for the start and creation of a CLLD cooperation with the adjacent LEADER regions EuroLeader/Pontebba and OpenLeader/Tolmezzo in Friuli-Giulia-Venezia. The foundation was laid for a cross-border strategy process to be best prepared to deal with the bilateral challenges through jointly developed solutions (within the scope of small and medium-sized projects).

Since 2018, more and more implementation projects are being launched. Implementation is dominated by the one-stop-shop principle for IGJ-ETC/ERDF and EAFRD/LEADER, and for national funding schemes. There are projects for all six themes listed in the IGJ-ETC/ERDF OP. In this respect, it has been possible to include new regional actors for regional development in the respective regions (e.g. companies, tourism, education and scientific institutions) for the implementation of local development strategies. SME also play a role, especially when location is an issue and there is a close relationship with the region and with the local development strategy. From the perspective of IGJ-ETC/ERDF, also activities in the urban hinterlands and climate change are of relevance. In Carinthia, it is clear that because of the language barriers and cultural differences in institutional and operational practice, the creation of a cross-border CLLD-approach will take longer to develop initiatives.

As at the end of 2018, the implementation ratio of CLLD measures according to ERDF monitoring was 24%. This value underestimates the actual level of activity though. The background is a series of implementation projects approved directly in the CLLD regions by the project selection body (PSB), however, through LEADER and not in IGJ-ETC/ERDF. For 2019, the responsible programme body expects more projects to be completed through IGJ-ETC/ERDF and estimates that the approval ratio will reach around 70% by the third quarter 2019. Overall, the pilot project approach is assessed positively by the responsible intermediate body of the Land. Mention must be made, among other things, of the following:

- Coordination processes between Land and the regional level has become more intense through the instrument of CLLD and the themes relating to Land development are increasingly being dealt with by the regions and implemented operationally in regional projects (e.g. digitalisation, health/care, school cooperation).
- The pilot project CLLD made it possible to advance EU-wide networking for regional development.

However, the positive effect and the broad support is being counteracted by the high amount of administrative work needed to implement the CLLD. Solutions are needed for the future to ensure that the positive developments achieved in cooperation are not detracted from by excessively complex management processes.

### **2.5.3 Article 15 (2) (a) (i) of Regulation (EU) No 1303/2013 – Overview of implementation of integrated territorial investments**

Not relevant for Austria

### **2.5.4 Article 15 (2) (a) (ii) of Regulation (EU) No 1303/2013 – Overview of implementation of macro-regional strategies and sea basin strategies**

In the ESI Funds, the possibility of using the supraregional/transnational approaches in Austria is only limited. As agreed in the PA, there are general overlaps in content and strategy between the ESI Funds and the macroregional strategies for the “**Danube Region**” and the “**Alpine Region**” that are of relevance for Austria. What is a challenge is the question of how to turn macroregional strategies into operational projects. The main difficulty is posed by the varying spatial orientation of the approaches. While the ESI Funds pursue regional approaches to financial assistance schemes along with the corresponding funding structures and logic, the macroregional strategies are by nature supraregional and cross-border endea-

vours. Consequently, the PA – and the programme documents of the ESI Funds – state that the primary ETC programmes are to be operationally interlinked with the supraregional projects, in particular, with transnational programmes.

One of the highlights of the **Danube Strategy** is the large operational implementation project “RRMC Wasserbaulabor”. This project is about the erection of a research facility in Vienna with a modern hydraulic engineering laboratory (RRMC) that features a flow rate through the laboratory that is unique in Europe. The RRMC is designed to help us understand the process flows in rivers better (also mathematically) and to develop innovative water management methods to improve navigation, energy management, flood protection and ecology. The water management laboratory is operated as a funded cross-border project with total costs of EUR 45.1 million. In the case of co-financed ERDF costs of around EUR 19.7 million, the volume of approved funding from the IGJ/ERDF programmes in measure M16 – Research and Technology Infrastructure is EUR 9.0 million exclusive of the ERDF reserves of EUR 826,867.24. Further funding is obtained through ERDF funds from the ETC programmes and national funds.

The activities within the framework of the **Alpine Region Strategy** were focused on structural and strategic areas until the end of 2018.

On account of the geographic location and thematic orientation, there is no direct contribution to strategies for maritime regions in the ESI Funds.

At the strategic level, ÖROK organises the exchange of information between the different programmes and strategies within the framework of the current coordination formats. Information is also shared at the programme level.

**2.5.5 Article 15 (2) (a) (iii) of Regulation (EU) No 1303/2013 – Overview of implementation of the integrated approach to address the needs of the geographical area most affected by poverty or of target groups at the highest risk of discrimination or social exclusion – Description of the actions taken for the special needs of the geographical area most affected by poverty or of target groups at the highest risk of discrimination or social exclusion – Description of results achieved to meet the needs of these geographical areas and target groups**

The aspect of geographic regions at the greatest risk of poverty plays a minor role in Austria. Measures to

combat poverty are not implemented within integrated territorial approaches, but rather within the scope of labour market and social policy measures (see also Partnership Agreement, p. 164).

This is seen, for example, in ESE, which, plays an important role with respect to the improvement of the situation of the target groups most discriminated or socially excluded in Austria. Within thematic objective 9, the programme focuses primarily on these target groups and concentrates activities, on the one hand, on the promotion of inclusion of marginalised groups of persons in the labour market, and on the other, on the improvement of the situation of the “working poor” (for implementation of TO 9, see Chapter 2.2).

Within the framework of the national EAFRD networking body, a working group has been set up that is dedicated to the theme of “integrating refugees into regions and municipalities”. In this context, the participating municipalities and regional representation entities received direct support from experts and colleagues for current integration measures in their municipalities and regions. Essential questions relating to refugee support and integration were discussed in depth. The working group also undertook activities to raise awareness of the significance of active support and integration of refugees.

It must also be mentioned that measures were implemented for disadvantaged urban districts in the IGJ/ERDF programme within the scope of integrated urban development pursuant to Art. 7 ERDF RE for Vienna, which thus indirectly addressed socially marginalised target groups (see “sustainable urban development” pursuant to Art. 7, investment priority 9b). Furthermore, an integration project was put into practice within the CLLD project in Tyrol, among other things, with the goal of improving communication between the domestic population and refugees/immigrants, and to strengthen language competence and professional skills.

**2.5.6 Article 15 (2) (a) (iv) of Regulation (EU) No 1303/2013 – Overview of implementation of measures to address the demographic challenges of areas which suffer from severe and permanent natural or demographic handicaps**

In accordance with the Partnership Agreement, neither at the national nor regional level are there any integrated approaches in Austria for considering demographic challenges in the meaning Article 15 (2) (cf. Chapter 2.1 in this report). However, the ESI Funds make a stabilising contribution in rural regions. The high share of mountainous areas in the west and

south of Austria means that access conditions are often adverse and economic structures tend to focus on tourism, manufacturing and certain larger industrial companies. The result is out-migration from the inner Alpine side valleys of rural regions within the country to more easily accessible areas and the central parts of the country.

Moreover, Austria has borders with a large number of neighbouring countries in comparison to its size. Historically, this resulted in socio-economic disadvantages at a time when some of the national borders were also former EU external borders. This disadvantage was ameliorated considerably with the enlargement of the EU in 2004 and the goal is to continue this trend with the help of the ETC programmes.

The **EAFRD programme** has a strong focus on compensating natural disadvantages. It helps to secure multi-functional, sustainable and competitive agriculture and forestry operated also in less advantageous locations. This is very important for Austria, because mountain farming is a predominant feature of Austria's cultivated landscape and creates value and jobs in rural areas. Within the scope of "demography checks", some local action groups deal with demographic change and its effects. They developed realistic measures for their regions that were implemented through LEADER projects. No direct measures or territorial demarcations of regions are planned in the IGJ/ERDF programme. Additionally, mention is made of the stabilising factor of the promotion of tourism.

From the autumn of 2016 to the autumn of 2018, the **ÖREK Partnership "Strategies for Regions with a Declining Population"**<sup>29</sup> was implemented across more than one Fund. The aim of this ÖREK Partnership was to discuss the many different aspects of this topic, to break prevailing taboos on population trends, and to develop proposals for action with a focus on policy and practice in spatial development. Apart from a differentiated analysis, a key focus area was the development of communication strategies and new perspectives for the approach.

### 2.5.7 Article 15 (2) (a) (i) of Regulation (EU) No 1303/2013 – Overview of implementation of integrated measures for sustainable urban development

Urban measures within the framework of Art. 7 of ERDF RE ("sustainable urban development") are being implemented in Vienna and in Upper Austria within priority axis 4 in the IGJ/ERDF programme.

The Smart City Strategy for Vienna supports projects that make major contributions to implementation of the objectives. The implementation status of the measures may be assessed as high.

- In the area of research infrastructure that uses funds from the IGJ/ERDF programme, a water management laboratory was erected. The project is also being implemented with the use of ETC ERDF funds and is part of the macro-regional Danube strategy (see also Chapter Overview of implementation of macroeconomic strategies and of strategies for maritime areas).
- To improve quality in innovation and cooperation in Vienna's economy, an inter-sectoral platform for technology development was set up as well as a networking project with the aim of expanding RTI cooperation among enterprises and to introduce the theme of RTI in schools.
- As regards the promotion of a resource and energy efficient development, nine projects have been approved to date. Therefore, measure 18 has a 92% approval ratio of ERDF Funds and is almost exhausted. Apart from the establishment of a monitoring system for the Smart City Framework Strategy, the projects include the erection of a small power plant on the Danube River and the testing of cement reduction in civil engineering that could considerably lower carbon over the medium-term.
- Furthermore, four projects were approved under measure 20 to upgrade public space (especially squares) in disadvantaged urban areas of Vienna. The utilization degree of ERDF Funds is 67%. Projects of this kind are developed mostly in participative procedures.

The urban regions of Upper Austria are growth regions and drivers of the economy. Current demand for space for the construction of housing, enterprises and transportation routes is exerting considerable pressure on the current outskirts of cities as well as on existing green areas in urban regions. The IGJ/ERDF OP is used essentially to achieve the objective of reducing the negative environmental effects by optimizing settlement structures and the use of space in urban areas.

In the programme's starting phase, ten forums for urban regional matters were set up in accordance with the OP requirements that serve as cooperation platforms and coordination and decision-making bodies. As a consequence, six further urban regions have taken the decision to participate in the funding programme so that this programme is being used by almost all urban regions defined in the funding

29 <https://www.oerok.gv.at/raum-region/oesterreichisches-raumentwicklungskonzept/oerek-2011/oerek-partnerschaften/abgeschlossene-partnerschaften/strategien-fuer-regionen-mit-bevoelkerungsrueckgang.html>

guidelines. A strategy process is carried out in every urban region, and the urban regional strategies developed were accordingly adopted by resolution of the respective urban regional forum. In total, the strategy development processes in the urban regions were experienced as positive by a representative of the (competent) body responsible for the measure, among other things, also because the “regional checks” conducted by the actors for strategy development help them to develop a common vision for existing and future strategies. The discussions of the urban regions across municipal borders were conducted for the first time with such intensity.

The main focus of the project implementation phase that just started is on mobility (access to public transport, pedestrian and bicycle paths that cross municipal borders), local recreation (securing and upgrading green areas and recreational areas) as well as the upgrading of urban and city districts (vacancies). In practice, it has been revealed that the numerous project ideas are facing enormous challenges due to the generally complex IGJ/ERDF funding regime that applies until a project application is ready – especially for municipalities with limited know-how in preparing applications and the management of EU-funded projects. The professional support for urban regions provided by the urban regional managers is, therefore, decisive for project development and implementation.

The approved implementation status of 34% of ERDF funds (as at 31 Dec. 2018) does not correspond to the current activity level. The low utilization rate in the beginning is based on the preliminary strategy processes required for preparing the project applications. After the end of this period at the end of 2018/beginning of 2019, implementation projects were applied for and approved in almost all urban regions. The measures were received very positively so that the implementing bodies expect the funds to be exhausted by mid-2019. (The approval status reached 71% on 11 April 2019.)

In the addition to the measures implemented within the scope of Article 7 of the ERDF RE, in Styria an integrated approach is being implemented for thematic objective 8. The new approaches to urban/city-hinterland cooperation are designed to make regional and spatial development more effective for employment. Up to now, almost 90% of ERDF funds have been committed to 49 approved projects. Thematically, the projects address the establishment of multi-modal hubs, inter-communal location development and the expansion of broadband.

## 2.6 If appropriate, actions taken to strengthen capacity of the member state authorities and beneficiaries to administer and use the ESI Funds (Article 52 (2) (f) of Regulation (EU) No 1303/2013)58

Before a backdrop of different programmes sizes and actors in the Austrian ESI Funds programmes, a differentiation must be made between the overarching and fund-specific measures to strengthen the capacities of the authorities.

### Multi-fund measures

A multi-fund measure is the establishment of an **ESI Fund Curriculum** offered by Verwaltungsakademie (Public Administrative Academy) of the federal government. The offer includes further education courses for themes addressed by more than one fund (e.g. anti-discrimination and equality, barrier-free access, fighting fraud, financial assistance management, e-government, financial aid and tender law, first level control, orientation on effectiveness). The curriculum is open to all management bodies of all funds and serves to build up administrative capacities across funds. By the end of 2018, around 180 half-day to five-day courses on different implementation themes were offered.

To enable synergy effects and, therefore, also savings, only one organisation is responsible for the **monitoring** of the ESF and IGJ/ERDF programmes during this period.

### Fund-specific measures

Apart from the multi-fund measures, further **fund-specific measures** were taken in all funds.

The paying agency AMA organises training courses on different themes relating to programme management in EAFRD. The national network “Zukunftsraum Land” provides a networking platform for the programme actors and supports the implementation of the programme through information and consulting services. Synergies are also achieved by bundling the EAFRD and EMFF programmes into one department of the Federal Ministry for Sustainability and Tourism, but due to the varying requirements imposed by the EU legal framework not to the expected degree.

In IGJ/ERDF, a “reform agenda” was implemented on the basis of the experience made in the period 2007–2013 and the requirements of the current period. Furthermore, the objective of investment in growth and jobs/ERDF is not being implemented through nine

Länder programmes in the current period as in the past, but rather through a joint nation-wide regional programme with a central managing authority and fewer implementing bodies involved. The work package “Governance” of the monitoring evaluation completed in the second quarter of 2019 was assessed as generally positive to date. According to the evaluation, the ERDF reform agenda was a necessary and effective reaction to the challenges faced by the governance system.

Management is now more efficient and communication in the system has improved significantly. Among other things, the reduction of implementing bodies and financial assistance guidelines has made it possible to reduce the complexity and susceptibility of the system. Minimum project sizes and minimum utilization thresholds were introduced and these resulted in a reduction of administrative work. The evaluation of governance in the IGJ/ERDF programmes resulted in ten recommendations for further development.

Compared to earlier periods, substantial restructuring has been carried out in the ESF based on the experience made by the administrative authority in the programming period 2007–2013 and following the decision of the Austrian Employment Office (AMS) to exit the programme. These are summarised under the heading “Standardising management and centralising control in conjunction with stronger decentralisation of programme implementation”. When AMS exited the EU co-financing 2014–2020, the ESF managing authority integrated the Länder more strongly into the programmes. This also meant a step towards “regionalisation” and “decentralisation”. Authorities in the Länder took over the functions of the intermediary bodies. To strengthen the capacity of the intermediary bodies, funds from the technical assistance are used. The thematic decentralisation of programme implementation was combined with the harmonisation and far-reaching standardisation of programme administration. The following points are highlighted in this context:

- Concentration of guidelines into one set of programme guidelines for the period 2014–2020.
- Centralisation of First Level Control (FLC). As a central body, the bookkeeping agency of the federal government was charged with the task of FLC. The contract is financed from the funds of the technical assistance at the lump sum hourly rates.
- The settlement of accounts is standardised with the help of a comprehensive “FLC Manual”, which serves as a joint working document for the programme partners. It contains detailed explanations, roles, tasks and audit steps.
- The monitoring and project databases were centralised.

- Management work has intensified in the audit procedures and preparation of expert opinions of the managing authorities in collaboration with the intermediate bodies. This enables standardisation, avoids differing interpretations and makes the positions clearer for both the managing authorities as well as for Second Level Control.

The experience of the ESF managing authority shows that establishing the system engaged considerable time and work, and will continue to require intense support and management efforts. This refers, for example, to the coordination and management of FLC, the management of audit procedures/expert opinions and quality assurance in the monitoring.

The managing authority perceives the structural reform – after finalisation of the build-up phase – as a clear “reduction in the burden versus the previous period”, and up to now, the experience made with implementation has been good. These reform steps are supported by making greater use of the “simplified cost options” in programme implementation (cf. also Chapter 2.7 Reducing the administrative burden).

In summary, the conclusion is that the measures are taken for all ESI Funds across programmes and for specific programmes. After enormous challenges in the beginning, especially in IGJ/ERDF and ESF, the programmes developed into functioning implementation operations. However, the assessment within the Partnership remains that the system is still dominated by high complexity and uncertainties, though under slightly different conditions than in 2017. Even after the end of the designation processes, there was no “calmer” implementation phase with stable framework conditions, but rather soon general reviews were conducted that resulted in ongoing adjustment processes within the administration and control system.

Overall, the management of the individual ESI Fund is considered very time consuming and challenging, especially in comparison to purely national subsidies. The difference is due primarily to the high density and intensity of the auditing processes, and the entailing documentation and evidence as well as their control.

## **2.7 Actions taken and progress achieved in reducing the administrative burden for beneficiaries (Article 52 (2) (g) of Regulation (EU) No 1303/2013)**

Extensive measures were taken in the current programming period in the ESI Funds to reduce the administrative burden for the beneficiaries. In this

context, clarification of funding eligibility rules as well as of the simplified cost options and e-cohesion implementation are highlighted. These measures were taken mostly for specific funds and only to a small part across funds, because the implementation rules of the individual funds diverge strongly. The following themes are of special relevance:

Within the IGJ/ERDF programme, the possibilities opened up by the European Commission were taken up in the national funding eligibility rules. These include the application of the simplified cost options and simplification of management, i.a. through the creation of “subsidiary national rules for funding costs with co-financing from the European Regional Development Funds (ERDF) in Austria” (National Funding Eligibility Rules 2014–2020).

The National Funding Eligibility Rules 2014–2020 were adopted by the ERDF certifying authority in agreement with the managing authority in July 2016. The essence of the simplification is the specification of the “simplified cost options” contained in Articles 67 and 68 of the Common Provisions Regulation (RE (EU) No 1303/2013 of the European Parliament and of the Council). It has clear rules for the per diem rates and minimum utilization thresholds.

In the IGJ/ERDF programme, the subsidies of Article 67 may be granted on the basis of standardised unit costs in the form of lump sum rates for defined cost types (partially in addition to the “traditional” method of proof of actual costs incurred). The application of lump sum rates for indirect costs and staff costs (purs. to Article 68) is also specified in the National Funding Eligibility Rules 2014–2020.

The National Funding Eligibility Rules 2014–2020 integrate two of the methods approved by DG Regio that were developed in the Structural Funds Period 2007–2013 in the nine Austrian ERDF programmes for the objectives of competitiveness and employment as well as convergence phasing-out. These methods refer to the standardised unit costs and the possibility of lump sum reimbursement of indirect costs.

A further option of the “simplified cost options” that can be applied in the IGJ/ERDF programme concerns subsidies for the so-called entrepreneur’s salary that is based on Article 69 of the Common Provisions Regulation.

Under the simplified cost options of IGJ/ERDF, a pilot model is currently in place for the simplified settlement of staff costs (as standard unit costs) in Lower Austria. The goal is to achieve simplification both in administration as well as for the beneficiaries. The method defined for simplified cost options for staff

costs is based on Article 67 of Regulation 1303/2013. The method specifies an hourly rate for research, development and innovation projects, with the determination of lump sum costs being based on an analysis of historic data from similar activities in the programme “Regional Competitiveness Lower Austria 2007–2013”.

Furthermore, a first Europe-wide pilot model is being developed for “non-cost-based funding” by the Austrian programming body IGJ/ERDF in collaboration with Kommunal Public Consulting (KPC). In this context, reimbursement from the EC is no longer based on actual costs accounted for, but on standardised unit costs per output – in the current case per ton CO<sub>2</sub> saved. There are plans to use the project defined as a pilot project in the current programming period more broadly in the period 2021–2027.

In ESF, the creation of a standard legal basis for the granting of ESF funds was a major step in the first implementation phase. The Special Guidelines issued in October 2016 by the Ministry of Labour, Social Affairs and Consumer Protection for the implementation of projects under the European Social Funds (ESF) 2014–2020 play a central role in ensuring greater legal certainty for beneficiaries. In this context, the FLC Manual prepared by the managing authority must also be mentioned.

The ESF programme makes frequent use of the possibility of the “simplified cost options”. Since 1 October 2018, new subsidy contracts have only been entered into on the basis of the “simplified cost options”. The settlement of actual costs is now no longer permitted. The managing authority bases the “simplified cost options” on the possibility of the “delegated legal acts” set out in Art. 14 (1) ESF Regulation 1304/2013. Four delegated legal acts are applied:

- Staff and project costs including the so-called “lump sum for residual costs” for project funding
- Staff costs for FLC
- Measures for schools
- Basic education and education consulting by the Ministry of Education, Science and Research

“Lump sums for staff costs” are applied, i.e., the definition of billable hourly costs as well as standard unit costs for consulting formats and lump sum funding based on the permissible 40% “lump sum for residual costs” specified in the RE.

The simplification efforts of the EAFRD programme refer to the application of the simplified cost options (e.g. standardised reimbursement of staff costs) and make it easier to provide cost plausibility on the applications (e.g. introduction of reference cost lists). In

particular, the cost plausibility required at the time of application means much more administrative work for beneficiaries and managing authorities. For this reason, the amendment to Regulation (EU) No 809/2014 to ease conditions for cost plausibility was welcomed in Austria. For certain areas (e.g. projects in measure “Cooperation”), it is possible to prove cost plausibility at the time payment requests are submitted. It would be desirable if this possibility were to be enlarged to further measures.

Enlarging the scope of the application of simplified costs is still the aim of the EAFRD programme. In the area of the measure “Cooperation”, for example, standardised unit costs should be introduced for cluster activities. However, due to the wide variety of the different types of projects eligible for funding within a type of project, limits are soon reached at times.

At this point, it needs to be mentioned that due to audits by national and EU bodies, the management requirements are partially developing in the opposite direction. Especially the requirements regarding documentation of the entire project management substantially increase the volume of administrative work.

### e-cohesion

Meeting the requirement of electronic project management is mandatory for the beneficiaries in the IGJ/ERDF programmes and ESF. With the start of the programming period, the corresponding options were set up for both programmes. While, project management in the ESF programme is done electronically without exception, in the IGJ/ERDF programme it is an option for the programme organisers. For the EAFRD and EMFF programmes, e-cohesion is not mandatory for programme organisers. Nonetheless, in the spring of 2019 an “online payment application” was created in EAFRD for certain types of projects. This is also a contribution to simplifying administration.

## 2.8 Role of the partners referred to in Article 5 of the Common Provisions Regulation (in reporting and programme implementation)

### 2.8.1 Description and assessment of the role of the partners selected in the preparation of the progress report, with reference to the Partnership Agreement

Work on the progress report is done within a partnership. The process started in the summer of 2018 in the Subcommittee on Regional Economy, which set up a monitoring group. The task of the monitoring group

was to prepare and carry out the process of preparing the report. At the end of 2018, an external contract was awarded to obtain support for the report preparation process. The drafting of the report was done in the first half-year 2019 with the broad participation of the STRAT.AT 2020 Partnership. The contents of the report were presented and discussed in May and June 2019 to a large audience within the framework of the STRAT.AT 2020 discourse event and also in the meetings of the Subcommittee on Regional Economy and in the monitoring group. The report was approved by Austria in July 2019 by circular resolution of the ÖROK Commission of Deputies.

### 2.8.2 Description and assessment of the involvement of the partners selected in the implementation of programmes, including participation in the monitoring committees of the programmes

In Austria, the implementation of the partnership principle is mandatory pursuant to Art. 5 Common Provisions Regulation and also actual practice. Therefore, for the programming period 2014–2020, the ÖROK Commission of Deputies contracted a concept for a monitoring process STRAT.AT 2020 that covers the following key areas (Figure 10):

- The principle task of the monitoring process is to secure the coordination and complementarity of the ESI Funds programmes with other strategies and instruments of the European Union.
- The Subcommittee on Regional Economy acts as the lead institution responsible for the management and also as event organiser.
- The partnership processes are implemented in such a manner so as to guarantee the participation of the stakeholders and a partnership working method. The main formats employed are partnerships, discourse events and forums.
- The process is operationally supported by the ÖROK Office, with lean structures being a guiding factor for all actions. If needed, support from external experts for specific themes and areas are contracted.

A monitoring process divided into two work phases was set up within the framework of strategic monitoring of the Austrian Partnership Agreement 2014–2020 (STRAT.AT 2020) to meet the coordination obligations from the start of implementation of the ESI Funds programmes in 2015 (Figure 10).

The first work phase of the STRAT.AT 2020 monitoring process comprised the period from the start until publication of the Progress Report 2017 (STRAT.AT Report). This phase covers, among other things, the ESI Funds curriculum, the STRAT.AT 2020 Partnership “Smart Specialisation”, several “discourses” and

**Note: Ongoing evaluations within the ESI Funds**

At the start of the programming period, monitoring evaluations were commissioned for all ESI Funds. The monitoring evaluations are done on the basis of applicable EU law. Generally, the evaluations include the task of reviewing the degree of attainment of the programmes as well as their efficiency, effectiveness and implementation. The aim is to supply information on the findings and to reveal the potential for improvement in the current programming period, but also for future programmes.

In **EAFRD**, a concept for the monitoring evaluation of the Austrian rural development programme was prepared in 2014 which takes into consideration the requirements of European law and also Austria's areas of focus. Due to the broad scope of Austria's rural development programme, the measures and types of projects were grouped into so-called "evaluation packages" to be evaluated together. This resulted in 12 evaluation packages for the programme's measures (excluding technical assistance, Netzwerk Land).

In 2017, the first "enlarged evaluation" of the LE14-20 programme was conducted that took into account the projects completed until 31 December 2016; it was published in a total of 19 evaluation reports.<sup>30</sup> For the "enlarged evaluation 2019", evaluation contracts were awarded to obtain responses to 30 evaluation questions in accordance with the focus areas of the programme measures in accordance with Annex V of Regulation 808/2014. At the end of April 2019, the drafts in response to these questions were presented which formed the basis for the annual report 2018 to be sent to the Commission at the latest by 30 June 2019. The complete reports and detailed findings are to be published in the course of the year 2019 on the website of the Federal Ministry for Sustainability and Tourism.

In the **EMFF**, with the initial approval of the programme by the Commission on 25 February 2015, the evaluation plan was also approved as part of the programme. At the end of April 2019, an interim evaluation was presented on programme implementation until the end of 2018. The focus areas of the evaluation include the milestones 2018 and the progress made toward the objectives 2023.

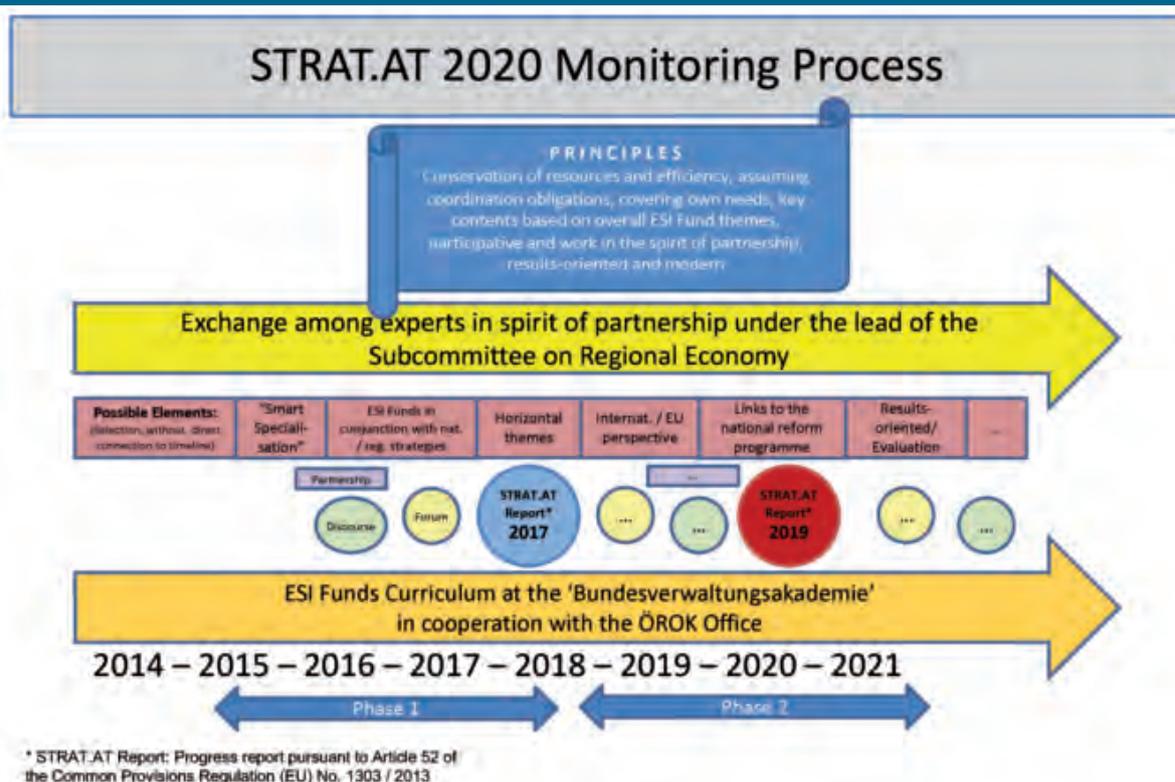
The evaluation of the programme **IGJ/ERDF** breaks down into a total of 10 work packages and is implemented by a consortium made up of ÖIR, convelop, KMU-Forschung, ÖGUT, and spatial foresight. Apart from the priority axes of the programme, the evaluation covered the horizontal themes and the communication strategy. A separate module was developed for process monitoring and participation. As a supplement, half-yearly implementation reports on the respective current status of implementation are prepared.

In the reporting year 2018, the evaluation work on five work packages started. At the time of this writing, apart from three implementation reports, the findings for the area of "governance" were available. In September 2018, feedback was collected within the framework of the work package "horizontal themes" through thematic awareness questionnaires for beneficiaries developed on the basis of a qualitative analysis. The feedback included recommendations for improvement that can be implemented in the short term for the current period as well as proposals for the programming period 2021–2027. The short-term proposals were implemented in the first half-year 2019. The evaluation package on priority axis 3 "SME" will be completed in the course of the year 2019. The findings on the current evaluation packages are expected to be available in the autumn of 2019, thus after the copy deadline of this report.

The **ESF** programme will be monitored and evaluated by a consortium made up of WIFO, IHS, and L&R until 2022, with the focus on all investment priorities (except for technical assistance) and on the objectives of gender equality and gender mainstreaming, and barrier-free access and disability mainstreaming. The due dates of the central reports are June 2019 (main focus: conception and implementation) and March 2022 (main focus: effect). At the end of April 2019, an interim report was presented. Additionally, a number of projects and measures that were implemented in ESF were evaluated separately.

30 See [https://www.bmnt.gv.at/land/laendl\\_entwicklung/evaluierung/evaluierungsberichte/Evaluierungsberichte-für-den-jährlichen-Durchführungsbericht-2017.html](https://www.bmnt.gv.at/land/laendl_entwicklung/evaluierung/evaluierungsberichte/Evaluierungsberichte-für-den-jährlichen-Durchführungsbericht-2017.html)

Figure 10 STRAT.AT 2020 Monitoring Process



Source: ÖROK (2017e)

the Progress Report 2017. Mention is made here of several of the processes:

- Within the scope of the “STRAT.AT Partnerships”, an almost 2-year discussion process on “Smart Specialisation” in Austria was launched at the start of 2015. In February 2017, the final results of the partnership were presented at a dialogue event of the Länder organised by the Federal Ministry of Education, Science and Research, and subsequently, in publication no. 199 of the ÖROK Publication Series “Policy Framework on Smart Specialisation in Austria”.
- In the summer of 2016, the “STRAT.AT 2020 Partnership for the Preparation of the Progress Report 2017” and the accompanying monitoring group were established within the framework of the Subcommittee on Regional Economy to support the preparation of the report, with a total of four meetings being held (see also section on the preparation of the ESI Progress Report 2017 further above in this Chapter).
- In the autumn of 2016, the ÖREK Partnership “Strategies for Regions with a Declining Population” was created, which, in a two-year process dealt with the phenomenon of demographic change in municipalities and regions with declining populations as well as with the challenges posed and possible options for action.
- Within the scope of the “STRAT.AT Partnerships”, an almost 2-year discussion process on “Smart Spe-

cialisation in Austria” was launched at the start of 2015. In February 2017, the final results of the partnership were presented at a dialogue event of the Länder organised by the Federal Ministry of Education, Science and Research, and subsequently also published in ÖROK publication series no. 199 “Policy Framework on Smart Specialisation in Austria”.

- The first STRAT.AT 2020 Forum was held within the monitoring process in Vienna in November 2017. The title of the event was “STRAT.AT 14–20 and Beyond – Experience and Perspectives”.

The second work phase of the STRAT.AT 2020 monitoring process has been ongoing since 2018.

The first element of this phase started in 2018 with the commissioning of a study on the quantitative effects of the ESI Funds and their predecessors in Austria for the entire effective period 1995 to 2007 to Austrian Institute of Economic Research (WIFO).

Generally, three objectives are pursued by the multi-funds analysis:

- Presentation of payouts from ESI Funds (EU funds, national co-financing, if given, private funds) by year at the regional level
- Econometric analysis to determine the effects on small regions
- Model calculations to determine the macroeconomic effects at Länder level

On 18 June 2018, a **STRAT.AT discourse** event was held in Museumsquartier Vienna together with the European Commission. At this event, the recently published EC proposals on the Regulations of EU Cohesion Policy 2021–27 were presented to the Partnership. Also, within the framework of a STRAT.AT discourse event, the content of the Progress Report 2019 was presented and discussed with the partnership in May 2019. At this event, the findings of the aforementioned Wifo study were also presented.<sup>31</sup>

The “**ESI Funds Curriculum**”, which is a further education course of the Bundesverwaltungsakademie (Public Administration Academy) for persons who work in the area of ESI Funds, will be continued in the second phase of the STRAT.AT monitoring process from 2018.

In the summer of 2018, the “**STRAT.AT 2020 Partnership for the Progress Report 2019**” and a monitoring group for this purpose were set up. In a total of three meetings, the preparation of the progress report was supported (see also section on the preparation of the ESI Progress Report 2019 further above in this Chapter).

Apart from the processes that address more than one fund, the partnership principle was also considered and applied to implementation at the individual fund level. What should be stressed is especially the monitoring committees of the ESI Funds whose members are appointed at the partnership level (for an overview of the organisations included see the tables at the end of this Chapter). Furthermore, there are fund-specific and programme-specific processes and measures in place to meet the partnership principles defined in the Regulation. Examples are Netzwerk Land, and in the ESF OP, the practice of inviting the relevant partners to participate in formulating calls and in the evaluation of the projects at the level of the intermediate bodies.

## **2.9 Application of horizontal principles pursuant to Art. 5, 7 and 8 of the Common Provisions Regulation (gender equality, non-discrimination, barrier-free access, sustainable development)**

### **2.9.1 Summary of the actions taken in relation to the application of horizontal principles to ensure the promotion and monitoring of these principles in the different types of programmes, with reference to the content of the Partnership Agreement**

In the Partnership Agreement, the following horizontal themes are described as relevant areas for the ESI Funds: implementing the partnership principle, gender equality, non-discrimination of persons with disabilities, barrier-free access for people with disabilities and sustainable development. These themes continued to be addressed in the programming process for the individual funds. The horizontal themes are taken into account at the different levels (measure) when implementing the ESI Funds.

- Generally, compliance with legislation applicable to the respective horizontal themes (for the fulfilment of horizontal ex-ante conditionalities) must be assured. Examples are the Act on Equal Opportunities for People with Disabilities and the prohibition of discrimination pursuant to § 7b of the Act on the Employment of Persons with Disabilities.
- Moreover, supporting measures were implemented in all ESI Funds that take horizontal themes into consideration such as awareness questionnaires for beneficiaries and the inclusion of horizontal themes in the project selection criteria. Furthermore, the non-fund-specific ESI Funds Curriculum contains modules that address principles applicable to many areas (e.g. anti-discrimination and gender equality).
- The themes addressed directly are those cases in which the project content involves one of the horizontal themes, for example, investments measures for carbon reduction in the horizontal theme of sustainable development (IGJ/ERDF) or measures to achieve gender equality (ESF).

The measures taken under the horizontal principle of “partnership” are presented in Chapter 4.8. Due to complementarity of the ESI Funds, the following implementation steps are highlighted for the further horizontal themes:

#### **Gender equality, non-discrimination and barrier-free access for persons with disabilities**

The horizontal objective of gender equality has been anchored in the ESF for more than 20 years. This firm standing is rooted in experience and the means developed to take the equality aspect systematically into consideration. Therefore, a dual approach is taken. First, according to the OP, equality is to be established as a horizontal theme through structural requirements: targets for gender equality in the distribution of funding (share of women of at least 50% in all investment priorities with respect to the participants as well as the funding budget), funds for promoting gender expertise, know-how offers to achieve gender mainstreaming, and measures for monitoring and

31 A brief summary of the partial results is given in Chapter 2.5.1

Table 19: Meetings and milestones of relevance for the STRAT.AT 2020 monitoring process 10/2014–06/2019 (selection)

Meetings/Milestones	When
<b>2014</b>	
Approval of the Partnership Agreement	17 Oct
Meeting of the ÖROK Commission of Deputies (launch of STRAT.AT 2020 monitoring process)	6 Nov
<b>2015</b>	
94 <sup>th</sup> meeting the Subcommittee on Regional Economy (incl. establishment of the STRAT.AT 2020 Partnership “Smart Specialisation”)	11 Jun
1 <sup>st</sup> Steering Group meeting STRAT.AT 2020 Partnership “Smart Specialisation”	7 Sep
Approval of the 1 <sup>st</sup> amendment to the Partnership Agreement	16 Oct
Meeting of the ÖROK Commission of Deputies (Contract to prepare progress report)	29 Oct
<b>2016</b>	
95 <sup>th</sup> meeting of the ÖROK Subcommittee on Regional Economy	26 Jan
Start of the ESI Funds Curriculum at the Verwaltungsakademie (Public Administration Academy)	from 2016
1 <sup>st</sup> strategy meeting (STRAT.AT 2020 Partnership “Smart Specialisation”)	8 Mar
2 <sup>nd</sup> strategy meeting (STRAT.AT 2020 Partnership “Smart Specialisation”)	20 Apr
Presentation of interim findings of the STRAT.AT 2020 Partnership “Smart Specialisation”	27 Apr
96 <sup>th</sup> meeting of the Subcommittee on Regional Economy (incl. establishment of the STRAT.AT 2020 Partnership for the Progress Report 2017)	28 Jun
1 <sup>st</sup> meeting of monitoring group for the progress report (STRAT.AT 2020 Partnership, PA Progress Report 2017)	22 Sep
Start of ÖREK Partnership “Strategies for Regions with a Declining Population” (until autumn 2018)	from Oct
2 <sup>nd</sup> Steering Group Meeting “Smart Specialisation”	25 Oct
97 <sup>th</sup> meeting of the Subcommittee on Regional Economy (incl. STRAT.AT 2020 discourse event: “Current developments in the framework conditions for the management and design of funding instruments”)	30 Nov
2 <sup>nd</sup> meeting of the monitoring group for the progress report (STRAT.AT 2020 Partnership PA Progress Report 2017)	16 Dec
<b>2017</b>	
3 <sup>rd</sup> meeting of the monitoring group for the progress report (STRAT.AT 2020 Partnership PA Progress Report 2017)	17 Jan
4 <sup>th</sup> meeting of the monitoring group for the progress report (STRAT.AT 2020 Partnership PA Progress Report 2017)	21 Feb
Länder dialogue of the Federal Ministry of Education, Science and Research (Presentation of findings of the STRAT.AT 2020 Partnership “Smart Specialisation”)	28 Feb
STRAT.AT 2020 Discourse – Information event for the preparation of the progress report 2017	16 May
STRAT.AT 2020 discourse on the themes INTERREG/ETC & Progress Report 2017 in May 2017	19 May
5 <sup>th</sup> meeting of monitoring group for the progress report (STRAT.AT 2020 Partnership PA Progress Report 2017)	24 May
98 <sup>th</sup> meeting of the Subcommittee on Regional Economy (incl. discussion of the draft of the progress report 2017)	13 Jun
Meeting of the ÖROK Commission of Deputies (decision on progress report 2017)	26 Jun
2 <sup>nd</sup> amendment to Partnership Agreement (Version 3) approved	8 Nov
STRAT.AT 2020 Forum “STRAT.AT 14-20 and Beyond - Experiences and Perspectives” and a “Joint Review Meeting”	21 Nov
<b>2018</b>	
Continuation of the ESI Funds Curriculum of Verwaltungsakademie (Public Administration Academy)	
99 <sup>th</sup> meeting of the Subcommittee on Regional Economy (incl. STRAT.AT 2020 discourse: “Update on ESI Funds Period 2021-2027”)	18 Jun
1 <sup>st</sup> meeting of monitoring group for the progress report (STRAT.AT 2020 Partnership PA Progress Report 2019)	19 Dec
<b>2019</b>	
100 <sup>th</sup> meeting of the Subcommittee on Regional Economy	24 Jan
2 <sup>nd</sup> meeting of the monitoring group for the progress report (STRAT.AT 2020 Partnership PA Progress Report 2019)	20 Feb
STRAT.AT 2020 discourse on the progress report 2019 as well as the presentation of the findings of the Wifo study “Quantitative effects of the ESI Funds and their predecessors in Austria: A multi-fund analysis for the entire effective period	22 May
3 <sup>rd</sup> meeting of the monitoring group for the progress report (STRAT.AT 2020 Partnership PA Progress Report 2019)	5 Jun
101 <sup>th</sup> meeting of Subcommittee on Regional Economy	26 Jun
Resolution of the Commission of Deputies	30 Jul

Source: Compiled by the ÖROK Office

evaluation. Second, separate investment priorities must be additionally defined for both the transition region Burgenland as well as for the more developed regions to promote women's equality in the employment system. The operational implementation of gender mainstreaming is achieved mostly by taking equality into account in tenders and in project selection. As shown by the implementation indicators to date, it seems that the attainment of the quantitative targets is yet to be secured. The share of women among participants fluctuates in the IPs between 58% in IP3.2 (adult education, LLL more developed regions<sup>32</sup>) and 21% in IP4.7 (adult education, LLL transition region<sup>33</sup>). Apart from specific focus areas to promote women IP1.1 (gender equality – more advanced regions) and IP4.5 (active inclusion – transition region), the 50% ratio of women has only been achieved in IP3.2. Compared to the target group of men reached up to now, it is especially young, unemployed women with low skills that are underrepresented.

Explicitly established in ESF OP are **disability mainstreaming and barrier-free access**, however – unlike for gender equality – there are no quantitative targets and neither is a dual approach being pursued. According to ESF monitoring, 3,761 persons with disabilities participated in measures (2.6% of all participants) until the end of 2018. The share of men is 61% and that of women 39%. However, what needs to be taken into account is that the indicator counts only persons with disabilities as defined in the Act on Employment of Persons with Disabilities, and this means that especially many young people with disabilities do not have this status. In the course of the monitoring evaluation, the experts interviewed stated that the establishment of disability mainstreaming and barrier-free access as horizontal goals are viewed positively. Additionally, though, explicitly targeting persons with disabilities is recommendable. Providing sufficient funding and personal resources to implement disability mainstreaming and barrier-free access on a wide basis would also be helpful.

Overall, establishing and implementing extensive barrier-free access is assessed as needing improvement.

In IGJ/ERDF, the horizontal themes of **equality and non-discrimination** are considered primarily in the supportive measures. In the first implementation phase, concrete steps were taken in almost all areas defined in the PA and in the operational programme:

→ The aspects of equality and non-discrimination were added as **selection criteria** for project evaluation

and are considered in the overall evaluation of a project (points principle).

→ In the programme's starting phase, questionnaires to raise **awareness** of the themes of equality and discrimination were developed. When completing an application, beneficiaries must as a standard complete a so-called "awareness questionnaire" to consider the horizontal themes. The awareness questionnaire was analysed within the course of the evaluation "LP6 – Horizontal Themes". The im-

#### Project examples from the ESI Funds: equal opportunity and non-discrimination

In the IGJ/ERDF project "Start-up module" of the Vienna Business Agency, diverse qualification measures and training courses are developed to support young companies over the medium to long term and thus create jobs. The measures offer specific modules including individual coaching for the target groups of women and immigrants. Under the heading "Entrepreneurial Spirit", especially school pupils and also apprentices are encouraged to think about ways of becoming self-employed.

The ESF project "Auf dem Weg" offers long-term low-threshold offers for girls and young women from 18 to 25 years, and is being implemented by "Mädchenzentrum Klagenfurt". The objective is stabilisation and to encourage them to get an education and/or enter the labour market. During the entire project time, young women are accompanied by a female supporter. Therapy is also offered free of charge. At one-day training courses in creative work and handicraft, girls have an opportunity to test their skills. Furthermore, the participants may also do an internship at a company. (Link to project: <https://www.maedchenzentrum.at/lebenswelten/weiter-auf-dem-weg/>)

Within the EAFRD programme, **guidelines for gender equality on bodies and for events including good-practice examples** were developed. In total, three guidelines were developed for the conception of events, invitations and appointments to bodies, as well as a collection of commented invitations. The guidelines comprise important information on gender equality on bodies and concisely answers gender-related questions. The materials prepared were made available to regional actors (e.g. LEADER and regional management bodies), events, project organisers, interest group representatives as well as federal and Länder administrations.

32 More developed regions

33 Transition region

provement recommendations contained therein were implemented in the first half-year 2019.

- The horizontal themes and their correct implementation and consideration in implementation are addressed in the **ESI Funds Curriculum**. Especially relevant are the courses “non-discrimination and gender equality” as well as “disability and accessibility”.
- In the case of events and **consulting services**, the measures are implemented in a way that takes into account gender and culturally-specific aspects. For example, in Vienna childcare is made available at the events organised, as well as multilingual offers for the different target groups.
- The **monitoring** includes gender-sensitive indicators such as job-related indicators by gender. Indicator L03 aims for projects that contain elements that address equal opportunity (anti-discrimination, gender).

The implementation of these elements, especially also the questionnaire to raise awareness among project organisers was well received at the information workshops of the partnership by representatives from the areas of equality and anti-discrimination.

In the spring of 2017, a working group was set up in the EAFRD programme within the framework of the monitoring committee for the themes of gender equality and equal opportunity. The goal of the working group was to promote gender equality and equal opportunity for all population groups in rural areas with the participation of experts and thus achieve sustainable development. A total of four workshops were organised along the thematic lines of “anchoring gender mainstreaming in strategies, programmes and projects”, “raising the share of women in bodies and in decision-making processes” and “promoting living wages for women in rural regions” for the purpose of preparing proposals for measures. The proposals are being implemented in the current period with the support of “Netzwerk Zukunftsraum Land”. Of the proposals developed, the following has been implemented to date: creating guidelines and information materials for achieving gender equality on bodies and at events, explanatory video on gender mainstreaming, training measures for the management authorities and implementing bodies of the rural development programmes, a workshop on the topic of employees returning to work, public relations activities work. Parallel to this, an evaluation study was commissioned on the theme of equality.

Within the framework of LEADER, equality is addressed by clear requirements for the composition of the project selection body of LAG (share of women at least 1/3) and implements concrete projects relating

to the themes of gender equality, the promotion of children and youths, integration of immigrants and reduction of barriers. At the same time, the current high share of women of over 50% on the LEADER management must be mentioned.

### **Sustainable development (environmental protection, resource efficiency, climate protection and adaptation to climate change, bio-diversity and risk prevention)**

Sustainable development is a fundamental principle in EAFRD as protecting resources is the main goal of the programme. In this context, activities include the Agri-environmental Programme ÖPUL, compensation payments for disadvantaged areas (esp. mountain areas), photovoltaic in agriculture as well as reducing carbon emissions through the promotion of bio-energy and support for model regions for climate and energy. In total, two thirds of EAFRD funds are earmarked for TO 4, 5 and 6. The implementation ratio is currently 67% (by approved EAFRD funds).

The themes of sustainable development are part of the IGJ/ERDF programme through three channels:

- **Sustainability as a project theme:** Priority 3 accounts for around 20% of funds and pursues the sustainability goal of reducing carbon emissions by raising resource and energy efficiency. Furthermore, sustainability aspects are part of other measures, in particular, in R&D and in cluster-related measures (construction energy-environmental cluster in Lower Austria).
- **Resource-reducing project implementation:** In the planning of infrastructure projects, endeavours are made to use existing areas instead of developing new free spaces. Moreover, attention is devoted to ensuring accessibility in new R&D infrastructure also without motorised individual transport.
- **Project selection and awareness:** Furthermore, supportive programme aspects were created similar to those in the area of equality. Sustainability aspects are an element of project selection and the project organisers must complete questionnaires on the theme of sustainability. The initial experience with the questionnaire has also resulted in critical responses regarding the amount of work involved.

In the ESF programme, sustainability is not addressed directly, because no investment measures are planned that have any effects of relevance on the environment.

**2.9.2 Summary of the arrangements implemented to ensure the mainstreaming of horizontal policy objectives, with reference to the content of the Partnership Agreement**

Aspects of this area were presented in Chapter 2.9.1.

**2.9.3 Other elements, if applicable**

No use has been made of the option of describing other aspects.

**2.10 Information and assessment of the Youth Employment Initiative (...)**

Not applicable

**2.11 Additional information and assessment which may be added depending on the content and objectives of the operational programme (Article 111 (4) of Regulation (EU) No 1303/2013, included where necessary to complement the other sections of the progress report)**

**2.11.1 Progress in the implementation of the integrated approach to territorial development, including the development of regions affected by demographic and permanent handicaps or by natural handicaps as well as sustainable urban development and Community-led local development within the scope of the operational programme.**

**2.11.2 Progress in the implementation of measures to strengthen the capacity of the member state authorities and beneficiaries to administer and use the ESI Funds**

**2.11.3 Progress in the implementation of interregional and transnational programmes**

**2.11.4 Progress in the implementation of measures to address the special needs of geographical areas most affected by poverty or of target groups at the highest risk of discrimination or social exclusion, with a special focus on marginalised communities and persons with disabilities, long-term unemployed and unemployed young persons, if appropriate, including the financial resources used.**

**2.12 Implementation of YEI [Youth Employment Initiative, Article 19 (4) of Regulation (EU) No 1304/2013]**

Not applicable

**2.13 Programme contribution to achieving the European Union strategy for smart, sustainable and inclusive growth (Article 50 (5) of Regulation (EU) No 1303/2013)**



## 3 SUMMARY AND CONCLUSIONS

The EU programming period 2014–2020 introduced a new conception of EU cohesion policy with increased vertical and horizontal coordination and new methods for the results-orientated approach. For the first time, cohesion policy funds are being 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. The Partnership Agreement (PA) is the strategic framework that forms the link to the EUROPE 2020 objectives and programmes.

### 3.1 Objectives of the Partnership Agreement

The Austrian Partnership Agreement is embedded in fund-specific objectives just like the Europe 2020 objectives of intelligent, sustainable and inclusive growth. It addresses nine of the eleven thematic objectives of the ESI funds. An international comparison<sup>34</sup> shows that the share of environment-related objectives in Austria (“Climate/Risk Prevention” and “Environment/Resource Efficiency”) as well as the share of the objective “Competitiveness of SME” is well above the EU average.

The structure of the allocation of the funds is determined by EAFRD which accounts for 72% of fund allocation from the ESI Fund Programme (EU average: 24%).<sup>35</sup> This is due to Austria’s strong focus in international comparison on Pillar 2 “Rural Development” of the Common Agricultural Policy rather than on direct payments and spending for market organisation.

### 3.2 General implementation of the Partnership Agreement to date

Until the end of 2018, a volume of almost EUR 3.2 billion in EU funding was approved under the Austrian ESI Funds programmes. This corresponds to an implementation ratio of around 64% measured by EU funds. Thus, the implementation ratio has almost doubled compared the Progress Report 2017. 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).

An EU-wide comparison shows that the pace of implementation of the ESI Funds in Austria is above average as measured by payouts of EU funds. This development was supported mainly by EAFRD. The EMFF also has a relatively high rate of implementation. The other ESI Funds are approximately at the EU level with respect to payouts.<sup>36</sup>

The Partnership Agreement will be implemented in accordance with the agreements reached. The approval status of the nine thematic objectives selected varies from 44% to 72%. Up to now, no major changes within the programme was necessary. The n+3 rule was complied with. The milestones of the agreed performance framework were achieved with just few exceptions.

### 3.3 Implementation status of the ESI Funds programmes

The “Programme for Rural Development” LE 14-20 under EAFRD targets actors in rural regions from different areas, but mainly in rural and forestry enterprises. The funding focuses on environmental goals with a strong reference to the sustainable cultivation of land, investments in capital goods, the making available of infrastructure, and the diversification of the economy in rural areas.

As at 31 December 2018, a volume of EUR 2.6 billion EAFRD funds were approved. This corresponds to an approval ratio of 66%. Of this amount, EUR 2.1 billion were paid out (payout status of EAFRD funds: 54%). Regarding the financial aspect, implementation is concentrated in Austria’s Agri-environmental Programme (ÖPUL), with the compensation pay-

<sup>34</sup> The finding is based on an evaluation of the open data platform of DG Regio that enables a comparison of the projected use of funds by thematic objective by the member states.

<sup>35</sup> With respect to EU funds, the share of EAFRD is 80% of ESI Funds.

<sup>36</sup> Cf. DG Regio – Open Data Portal for the European Structural Investment Funds (data queried on 12 June 2019).

ments targeting disadvantaged regions and capital investments (especially in animal husbandry). Funding was provided until the end of 2018 as follows:

- More than 19,400 received support for investments in restructuring and modernisation. Applications were submitted by 6,748 enterprises for financial assistance for start-ups of young farmers.
- Almost 29,200 farming enterprises received support for participating in quality programmes, local markets and short supply routes as well as in production cooperatives and associations.
- A total of 2,358 investment projects received financial assistance in the areas of energy savings and energy efficiency as well as energy production from renewable sources.
- The surface area of farmland with cultivation agreements that contribute to biological diversity, improvement of water quality and soil cultivation/erosion prevention covers 3.7 million hectares. A total of EUR 0.27 billion from EAFRD funds were paid out to support organic farming. EUR 0.72 billion were made available for environmental and climate protection measures in agriculture.
- Over 81,000 farming enterprises in disadvantaged regions received compensation payments of which over 57,000 were located in mountainous areas.

The compensation payments and the Agri-environmental programme (ÖPUL) contribute to preserving farmland cultivation in marginalised locations. Thus, the surface area covered by alpine pastures expanded by 69% on account of the programme. Organic farming is also supported and the area used for organic farming increased by 29%.

Currently, the programme is generally focused more strongly on innovation than to date. Almost all measures address this horizontal objective. A total of EUR 15 million were spent on measures for knowledge transfer, 18 operational groups were set up under EIP, and 140 cooperation projects were started (networks, clusters, pilot projects).

A number of studies have been completed up to now within the monitoring evaluations (as at May 2019). A study by Sinabell et al (2019) on the impact of the EAFRD paints a largely positive picture regarding the scope of the objectives and points out that the growth and employment effects extend beyond just the rural regions. As regards the effects on the environment, a macroeconomic model shows that the desired effects of a wider use of renewable energy sources and higher energy efficiency are being offset by higher greenhouse emissions. This is due primarily to the higher output stimulated by the programme.

The “Operational Programme Austria – **European Maritime and Fisheries Fund 2014–2020**” (EMFF

2014–2020) is a small one compared to the volumes of the ESI Funds programmes. A total of 125 projects received financial assistance until 31 December 2018. The approved amount of financial assistance from EMFF funds was EUR 5 million and the amount paid out was EUR 2.4 million from EMFF funds. Therefore, a solid 70% of the funds have already been approved and one third has been paid out. The EMFF programme makes a major contribution to the objective of increasing production of freshwater fish from Austrian aqua-farming. Current evaluation findings indicate that some highly innovative projects are being implemented with a stimulating effect. However, the funding needed for aqua-farming by far exceeds the funds available at present.

The programme **IGJ/ERDF** was implemented for the first time as a joint nation-wide programme for Austria. It presents only a section of the financial assistance options available for development policy in Austria that address the economy and innovation. It focuses on areas with potential and in this context on R&D and innovation, growth and competitiveness of SMEs, and a low carbon economy and is supplemented by the territorial dimension and urban development. The programme’s structure features a high concentration of funds on the thematic objectives 1 (RTT), 3 (SME) and 4 (CO<sub>2</sub>). More than 90% of the funds budgeted for IGJ/ERDF are used in these three areas.

As of the end of 2018, a number of 823 projects in IGJ/ERDF had been approved with funding of over EUR 300 million. Thus, the implementation ratio was 56% (ERDF funds). The fast pace of implementation in the years 2017 and 2018 increased the implementation ratio by 46%-points since the last ESI Funds Progress Report. The payout ratio (ERDF funds) was 16% with a volume of EUR 87 million.

Co-financing for approved projects under IGJ/ERDF...

- ... supports total investments of EUR 1.5 billion. Of this amount, EUR 1.02 billion are contributed by the project organisers in the form of own funds. The ratio of private funds used is therefore 70%. Every ERDF euro is matched by national public and private funds at a ratio of 1:5. The Austrian IGJ/ERDF programme is extraordinary in Europe, because of the high volume of private funding.
- ... created 812 FTE at subsidized enterprises (40% of the OP target 2023) and funds 54 new R&D jobs.
- ... reduces greenhouse emissions annually by 150,158 t (70% of OP target).
- implemented 156 research facilities and projects
- reached mostly SME. Some two-thirds (around 440 companies) out of a total of more than 660 subsidised companies are SMEs. Support for large enterprises concentrates on CO<sub>2</sub>-related measures and R&D projects.

The ESF programme pursues an independent profile. Apart from the wider range of options for financial assistance in the area of education and life-long learning (LLL), the impulses created for fighting poverty and the innovative measures for enterprises must be highlighted in this context. The ESF programme has made it possible to focus on new aspects – particularly on equality, active aging and social inclusion – in contrast to mainstream employment policy.

By the end of 2018, the ESF programme had approved 791 projects with EU financial assistance totalling EUR 266 million. This corresponds to 60% of the projected volume for financial assistance. The payout ratio was 26%. These ESF measures provided 143,077 persons with direct support of which 57% were men and 43% women at the end of 2018. This means that the target of a 50% share of support for women was not attained.

The interventions benefit mainly young people (60% are younger than 25) and persons with low levels of education (78% maximum ISCED2, 7% have no school leaving certificate). Most participants were unemployed when the measures started (43.5%), followed by unemployed persons attending school or vocational training (34.5%) and other unemployed persons (14.6%). Due to the special vulnerable status regarding the problems addressed, a central focus was placed on immigrants and persons of non-Austrian origin and/or persons belonging to minorities which together account for 63% of all participants.

**ETC Programmes** 2014–2020 have sharpened their focus compared to the previous programming period and now give priority to R&D and innovation, SME, environment and resource efficiency as well as to the improvement of institutional capacities in cross-border areas. The topics of CO<sub>2</sub> reduction and transport are also addressed in part. Overall, the added value of cooperation – in addition to pilot project models – is at the focus of attention. The programmes support international exchange and this enables mutual learning. The projects support capacity-building and systemic learning, and contribute to the further development of regional policy. At a total of 425 approved projects, the approval ratios in the bilateral cross-border programmes are almost 80% on average. The implementation ratio broken down by approvals fluctuates depending on the programme between 65% and 95%. Additionally, Austria participates in 176 projects in the transnational programmes and in 15 projects under the networking programmes with approval ratios of 70% to 80%.

### 3.4 Synergies and complementarities

In this programming period, cohesion policy funds are brought together for the first time under the

umbrella of the ESI Funds with the Agricultural Fund for Rural Development and the European maritime and fisheries policy. ESI funds in Austria are complementary with respect to content and the spatial focus as well as with respect to the target groups addressed.

While the EAFRD programme concentrates on rural regions and on agriculture and forestry, the IGJ/ERDF OP has a focus on “regions with potential” which are understood to mean urban regions and agglomerations including their catchment areas as well as further regions with respect to specific themes. This results from the general orientation of the programme on R&D and innovation, and is supplemented by the programming highlights for cities and their catchment areas. The themes of the ESF programme, on the other hand, address mainly specific target groups and not specific regions. The measures to combat poverty are also directed mainly at labour market and social policy issues and not at territorial aspects.

Implementation in Austria is largely decentralized at the levels of the regional governments (Länder) that approve the projects of the respective programmes in line with the territorial strategies. In many cases, the expert bodies of the Länder are responsible for measures in several programmes and in this function, they act as regional coordination bodies. On the basis of the competence for content and themes across several programmes, the strategies and projects complement each other.

Therefore, ESI funds in Austria are oriented on complementarity and not on synergies at the project level with respect to both content and spatial aspects and also to target groups. At the same time, the framework conditions, the volume of the funds and financial management mechanisms vary widely from fund to fund, thus posing a challenge to implementation and coordination under the joint umbrella of the ESI Funds.

### 3.5 Contributions of the ESI Funds to the Europe 2020 growth objectives and to the attainment of the thematic objectives

The objective of “**Intelligent Growth**” is supported by the TO 1 to 3 within the scope of the ESI funds. TO 1 comprises projects to improve research and transfer capacities, to embed existing high-priority research organisations into the regional setting as well as to broaden the innovation basis. The availability of broadband and access to broadband solutions is done within the framework of the EAFRD programme (TO 2). Additionally, measures to strengthen the competitiveness of SME within the scope of TO 3 are of relevance in this context (EGJ/ERDF, EAFRD,

EMFF). The implementation status of these thematic objectives, which support intelligent growth, is medium to high. The implementation ratios range from 46% (TO 2) to 68% (TO 1).

TO 4 to 6 address “**Sustainable Growth**”. TO 4 provides support for renewable energy, “forestry management infrastructure” and photovoltaic in the EAFRD programme. The IGJ/ERDF programme focuses on measures at enterprises to increase energy efficiency and raise the share of energy from renewable sources. The much larger volume of resources in TO 5 and TO 6 address measures to reduce climate-damaging emissions and to secure biodiversity, especially within the scope of the Austrian Agri-environmental Programme ÖPUL (EAFRD). At the end of 2018, TO 5 and TO 6 achieved utilization rates of almost 70%. By contrast, the activity level of TO 4 is much lower at a utilization ratio of 45%. Additionally, there are numerous projects under European Territorial Cooperation that are strongly focused on TO 6 in the current programming period.

All four ESI funds contribute to the objective of **Inclusive Growth** although priority is given to the ESF and EAFRD programmes. In the area of employment (TO 8), the measures include improving opportunities of gainful employment through diversification and start-ups (EAFRD Programme) and also to improve employment opportunities, especially for women and older persons (ESF OP). The ESF also highlights the themes of social inclusion and combatting poverty (TO 9). In basic services, the aim is to improve the quality of supply in rural areas (EAFRD). The ESF measures address mainly the target groups of disadvantaged persons and/or persons at risk of poverty. Smaller contributions to 9 are also expected from the IGJ/ERDF programme. In TO 10, the goal of inclusive growth is addressed by measures to reduce the number of early school leavers and to increase the participation in further education of persons with low levels of qualification or low levels of education (ESF OP). The EAFRD programme in turn focuses on increasing the business competence of managers. TO 10 (life-long learning) has a high funds commitment ratio (72%). The implementation of TO 8 (employment) and TO 9 (combatting poverty) are far below at approval ratios of 53% and 44%, respectively.

### 3.6 Framework conditions and their effects on the programme and implementation

The ESI funds comprise programmes of varying sizes, structures, target groups and roles within the respective policy fields addressed. While EAFRD in Austria

has adequate funding and has established a stable structure over the years with the participation of external agencies, cohesion policy programmes in Austria (ERDF, ESF) and the EMFF have low funding levels in comparison although they must meet EU requirements designed for large programmes and for which the benefit/cost ratio is legitimate. The structures and processes that are necessary incur extremely high costs for establishing systems and these cannot be easily justified considering the volume of the funds. This situation is resulting in the increasing emergence of parallel systems at the implementing bodies involved.

These framework conditions contradict, above all, the goal of supporting innovation through EU programmes. In many areas, the tendency continues to be towards a solid “mainstream” rather than towards innovative and riskier measures, because the system still supports risk-averse behaviour and tends to encourage standardisation.

#### Reform agenda, structural adjustments and simplified cost options

The reform of EU cohesion policy in 2014 achieved progress with respect to policy coherence, concentration in the context of Europe 2020 and results-orientation. At the same time, the reforms impose new requirements for programmes and these increase the complexity of the ESI funds and their management. An evaluation of the ERDF system shows that Austria’s internal reform agenda for IGJ/ERDF secured, and significantly improved, the functionality of the system. However, the enormous efforts made to improve the performance of the authorities are being counteracted by the additional requirements of the “new cohesion policy”. Lastly, the programme management bodies for the ESI funds have the feeling that they are spending a lot more time on the management and “servicing” of ongoing and repetitive control activities at the various levels than on analysing and reviewing programme content.

Considering the higher requirements in the current period and based on past experience, the programming bodies of the ESF also carried out structural adjustments such as the creation of a uniform legal framework for the granting of ESF funds by, for example special guidelines issued by the federal government, centralizing first level control (FLC), and effective from October 2018, completely switching the programme to the “simplified cost options” method (standard scale of unit costs and lump sums) instead of settling actual costs. This has eased the situation for the management system as well as for the beneficiaries; however, it also requires a change to all handling routines at all of the involved actors. The

ESF programme is thus at the forefront in the application of the simplified cost options in Europe.

A Europe-wide first pilot model for “non-cost-based funding” is being developed in IGJ/ERDF – apart from implementation of the reform agenda – in collaboration with Kommunal Public Consulting (KPC). In this context, reimbursement from the EC is not based on actual costs accounted for, but rather on standardised unit costs per output – in the current case per ton CO<sub>2</sub> saved. There are plans to use this method defined as a pilot project in the current programming period more broadly in the period 2021–2027.

The use of new options in the changeover from the cost-based settlement system to “non-cost-based funding” will be a topic for the period 2021–2027 in the endeavour to reduce the burden for the management system and beneficiaries.

### 3.7 Challenges for the second half of the programming period

The ESI funds programmes will be implemented in accordance with the objectives of the Partnership Agreement. In the years 2017 and 2018, the implementation ratio increased significantly in the cohesion policy programmes and in the EMFF. The EAFRD is on a stable development path.

Therefore, up to now we have met the goal of complying with the planned financial implementation (n+3 rule). Nonetheless, the challenge for the coming years will continue to be meeting the n+3 rule in the cohesion policy programmes and to transition the now adequate commitment ratios to scheduled payouts.

Implementation status by thematic objective shows that there are also objectives with commitment ratios of around 50% or less (low carbon economy, employment, combatting poverty, ICT). Therefore, it is still necessary to invest efforts in project development and project approval in order to guarantee the implementation of the Partnership Agreement in accordance with the agreements reached.

Considering the beginning overlap of the current programming period with the commencement of new programming for the period 2021–2027, this may be viewed as a challenge. The overlapping periods will engage management personnel capacities in the coming years, and from 2021 will result in parallel programmes. The transition to the n+2 rule will moreover increase pressure to implement the programmes quickly at the start of the new period.

### 3.8 Outlook for the period 2021–2027

In the summer of 2018, the European Commission presented proposals for the future of the European funds, sending a clear signal for the goal of simplifying the rules. At the same time, the regulation drafts for the programmes with shared administration of funds specify that EAFRD will exit the umbrella of the ESI funds. The reasons given are the proposals regarding the new CAP that aim to strengthen the synergies between the pillars of the CAP. In the future, the measures of national strategy plans under the second pillar funded by EAFRD are to be linked with measures of the first pillar, and thereby closely coordinated with each other. Coordination with the European funds, which in the future will fall under the general regulation for the shared administration of funds (Common Provisions Regulation (CPR), will be required only in a few sub-areas (e.g. in connection with CLLD). On the other hand, further programmes of the shared administration of funds, the so-called “home funds” (Asylum, Migration and Integration Fund – AMIF; Internal Security Funds – ISF; Instrument for Financial Support for Border Management and Visa – BMVI) will be included in the CPR context.

#### Stability with thematic concentration

The present draft regulation for EU cohesion policy permits us to expect relatively stable framework conditions. The current concentration of 11 thematic objectives into 5 policy objectives points to a concentration at the EU level that will be reflected accordingly in the Austrian programmes. A further contextual concentration is necessary with a view to results and impact orientation, the visibility of the programmes and in the programme administration with respect to benefit/costs considerations.

The recommendations drafted in the European semester are country-specific recommendations (EC 2019) for investment guidelines on the use of funds under cohesion policy 2021–2027 in Austria and provide an orientation on the position of the European Commission. Generally, the present recommendations enable a good continuity of the programmes. The recommendations also stress the new aspects such as higher investments in digitalisation for SME, in the circular economy and in support for integrated development in urban regions (urban/catchment region cooperation). As regards, a “more social Europe”, the special significance of financial assistance for labour market participation of women is highlighted as well as support for equal access to quality and inclusive education and further training and life-long

learning. Not least, it also mentions the necessity of further increasing efficiency in the system and reducing administrative costs. The recommendations – apart from further analyses, evaluations and experience with implementation under current programmes – are the basis for the discussions on the design of the new programmes.

### **Leaner structures and performance capacity**

The present draft regulation points to a reduction in the complexity in the future. However, leaner EU regulations are not enough to exploit the full potential. What is needed is a further optimization within Austria with respect to content, structures, and the processes of the cohesion policy programmes. Development steps must be taken, particularly to harmonize procedures between implementing actors and to standardize national regulations for individual programmes. Most of the complexity results from the implementation system in which the top-up structures of EU financial assistance interact with the national systems, which, in turn are characterised by decentralized decision-making systems. The latter operate within the field of tension between the benefits of proximity and the challenges of decentralisation.

Modern governance today features the interplay of participative planning, the definition of common goals, the definition of a harmonised framework for the management with decentralised implementation, and a rather centrally organised control level. These components are combined with reflexive monitoring processes and evaluations. However, also necessary is the further reinforcement of the performance capacity of the system both at the implementing bodies as well as at the control and auditing bodies in order to enable the adequate management of the Structural Funds Programmes.

### **Simplified cost options/non-cost-based funding**

Ever since the Omnibus Regulation (Regulation (EU, Euratom) 2018/1046) and the publication of the draft regulation of the EC on the CPR funds, wider and improved options have been created for the use of simplified cost options. The aim is to enable a transition from complex cost-based, detailed controlling to agreements on, for example, standard unit costs and lump sum funding in order to reduce the burden on the management system as well as to cut costs for beneficiaries. Austria should make use of this new potential. However, it also entails higher requirements and a new logic for the administration and for the beneficiaries that has hardly been used in the national system to date.

The potential of these simplifications – beyond the ESF programme – should be used in the cohesion policy programmes, including ETC. To this end, we need to determine the scope of the application options of the new procedures and develop models already during this programming period to be able to enter the next programming phase without any delays. Developing and putting these new possibilities into practice will require the cooperation and participation of authorities at the different levels.

### **Coordination at the national level**

Even though the value of the PA – due to the highly formalised rules – is perceived as rather limited in Austria, under the new framework as well, a discourse on strategy and a more flexible form of coordination between the cohesion policy programmes and the EAFRD should be continued, as these are central and effective instruments of structural and regional policy.

Apart from coordination at the strategic level, coordination at the operational level should also aim for themes that help create actual added value for Europe by overcoming a purely sector-specific perspective and in which multi-fund coordination may be useful.

These are potential themes and contents:

- Knowledge-based location development with qualification components (qualification infrastructure, training courses with locational investments)
- Digitalisation through financial assistance for infrastructure, consulting for enterprises and investments, research and development as well as qualification
- Climate protection, climate change including the themes of renewable energy, energy and resource efficiency and circular economy are relevant for RTI, investment measures and also qualification
- New model solutions for basic services (e.g. linking of IT solutions, mobile services with employment projects)

In these thematic areas – mentioned here as examples – it is necessary and purposeful to coordinate how the funds interact, but also to define the tasks and interventions. Therefore, the good tradition of cooperative regional policy in Austria should be developed and continued in the relevant areas at the national level. What is crucial is to shift coordination back to the content and strategic level regardless of the fact that the technical aspects have predominated implementation of Partnership Agreement to date.

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**ANNEX**



## A.1 Socioeconomic data

Table 20: Benchmark indicators: actual/growth path needed to achieve objectives (p.a. change)

Indicator	Actual	Target 2020	Actual change p.a.			Change needed p.a.	
			2000 - * years	Last 3 year	Last 2020	2000– Last value until 2020	
<b>R&amp;D ratio</b>							
in % GDP (ppt p.a.)***	3.16	3.76	+0.08	+0.03	+0.03	+0.09	+0.20
<b>Higher education graduates</b>							
in % of 30 to 34y. Pop. (ppt p.a.)	40.7	38	+0.66	+1.3 *	-0.10	+0.41	-1.35
<b>Early school leavers</b>							
in % of 18 to 24y. Pop. (ppt p.a.)	7.2	9.5	-0.19	-0.03	-0.20	-0.02	+1.15
<b>Employment ratio</b>							
in % of 20 to 64y. Pop. (ppt p.a.)	75.4	77-78	+0.24	+0.40	+0.60	+0.28/+0.33**	+0.53/+0.87**
<b>Persons at risk of poverty / soc. exclusion (persons p.a.)*</b>	-135,000	-235,000	-15,000	-15,333	+21,000	-19,583	-33,333
<b>Greenhouse emissions</b>							
in mill. t CO <sub>2</sub> (% p.a.)	51.27	47.75	-0.81	+2.09	+1.28	-1.12	-2.34
<b>Share of renewable energy</b>							
in % (ppt p.a.)	33.5	34	+0,92	+0.37	+0.70	+0.72	+0.13
<b>Energy end consumption</b>							
in mill. t oil equivalents (% p.a.)	28.1	25.1	+1.07	+0.12	+2.18	+0.29	-2.78

Source: Eurostat; WIFO calculations – \* Break in the time series, \*\* Attainment ratio refers to lower / higher benchmark, \*\*\*ppt p.a. = percentage points per year

## A.2 Implementation status of the ESI Funds

Table 21: ESF Programme: Financial data on projections and implementation by thematic objective (until 31 Dec. 2018)

Thematic objective, region type	Share in % of total ESF financial assistance for thematic objectives			Implementation status in % of projections	
	Projection	Approvals	Payouts	Approvals	Payouts
<b>Total</b>					
TO 8 (EMPL)	16.0	13.4	9.5	52.4	16.2
TO 9 (POV)	33.1	35.5	30.7	67.4	25.4
TO 10 (LLL)	50.9	51.1	59.8	63.2	32.2
TO sum	100.0	100.0	100.0	62.8	27.4
TO sum in 1,000 €	415,788	261,237	113,850		
Technical assistance in 1,000 € and in % of projection	26,299	4,875	1,711	18.5	6.5
<b>Total</b>	<b>442,087</b>	<b>266,112</b>	<b>115,561</b>	<b>60.2</b>	<b>26.1</b>
<b>PA 1-3 - More developed regions (Austria excluding Burgenland)</b>					
TO 8 (EMPL) – PA1	13.3	10.4	6.3	49.3	13.0
TO 9 (POV) – PA2	34.4	37.2	32.3	68.0	25.6
TO 10 (LLL) – PA3	52.3	52.4	61.4	63.1	32.1
TO sum	100.0	100.0	100.0	63.0	27.3
TO sum in 1,000 €	392,000	246,840	107,175	63.0	27.3
Technical assistance in 1,000 € and in % of projection	24,781	3,357	1,603	13.5	6.5
<b>Total</b>	<b>416,781</b>	<b>250,197</b>	<b>108,778</b>	<b>60.0</b>	<b>26.1</b>
<b>PA 4 - Transition regions (Burgenland)</b>					
TO 8 (EMPL) – IP4,1 to IP4.4	61.8	64.5	60.5	63.2	27.5
TO 9 (POV) – IP4.5	11.1	6.7	5.2	36.5	13.0
TO 10 (LLL) – IP4.6 und IP4.7	27.1	28.8	34.3	64.2	35.5
TO sum	100.0	100.0	100.0	60.5	28.1
TO sum in 1,000 €	23,788	14,397	6,675	60.5	28.1
Technical assistance in 1,000 € and in % of projection	1,518	1,518	108	100	7.1
<b>Total</b>	<b>25,306</b>	<b>15,915</b>	<b>6,783</b>	<b>62.9</b>	<b>26.8</b>

Source: ESF Monitoring, calculations WIFO

TO ...Thematic objective (TO 8: Promoting for sustainable and quality employment and supporting labour mobility (EMPL); TO 9: Promoting social inclusion, combatting poverty and any discrimination (POV); TO 10: Investing in education, training and vocational training for skills and life-long learning (LLL), PA...Priority axis, IP...Investment priority

Table 22: ESF Programme - Overview of implementation status of measures planned (as at 31 Dec. 2018)

Thematic Objectives & Investment Priority	Measure		Projects		Approvals in €			Payouts		in % of approvals
	Code	Description	No	ESF	NPF	Private	Total	ESF in €		
<b>TO 8 (EMPL)</b>		<b>Total</b>	<b>64</b>	<b>34,922,698</b>	<b>31,825,396</b>	<b>79,200</b>	<b>66,827,294</b>	<b>10,792,518</b>	<b>30</b>	
IP1.1 (SER)	AAA	Enterprise-linked measures to promote equal opportunities in gainful employment and the professional development of women	8	7,247,208	7,247,208	0	14,494,416	1,373,364	19	
IP1.1 (SER)	AAB	Development and promotion of specific educational offers for women with educational disadvantages	7	690,364	690,364	0	1,380,728	365,633	53	
IP1.1 (SER)	AAC	Technical-commercial colleges for women	0	0	0	0	0	0	-	
IP1.2 (SER)	ABA	Pilot projects for the promotion of age-specific and healthy working environments	2	9,993,219	9,993,219	0	19,986,438	2,835,835	28	
IP1.2 (SER)	ABB	Advisory services for companies in establishing internal structures for achieving sustainable succession management & health management	1	7,700,000	7,700,000	0	15,400,000	2,177,041	28	
IP4.1 (TR)	DAA	Activities for job-seekers and unemployed persons	37	9,222,907	6,148,605	0	15,371,512	4,040,645	44	
IP4.2 (TR)	DBA	Measures to improve family and job compatibility	0	0	0	0	0	0	-	
IP4.3 (TR)	DCA	Qualific. of entrepreneurs (also in takeovers) and of key staff and skilled workers	0	0	0	0	0	0	-	
IP4.3 (TR)	DCB	Needs-based qualification measures to promote knowledge-based society	9	69,000	46,000	79,200	194,200	0	0	
IP4.4 (TR)	DDA	Active and healthy aging	0	0	0	0	0	0	-	
<b>TO 9 (POV)</b>			<b>156</b>	<b>92,767,026</b>	<b>92,445,617</b>	<b>149,569</b>	<b>185,362,212</b>	<b>34,919,468</b>	<b>38</b>	
IP2.1 (SER)	BAA	Stabilisation through advice, counselling, qualification and employment	58	43,440,820	43,440,820	0	86,881,639	15,004,876	35	
IP2.1 (SER)	BAB	Target-group specific employment projects	41	19,769,408	19,769,408	146,186	39,685,001	7,975,339	40	
IP2.1 (SER)	BAC	ROMA-EMPOWERMENT FOR THE LABOUR MARKET: Activ, and stabl, of Roma through advice, education, training, anti-discrimination and dissemination activities	12	1,953,086	1,953,086	3,383	3,909,555	836,762	43	
IP2.1 (SER)	BAD	Offers for marginalised youths and young adults	24	16,628,970	16,628,970	0	33,257,940	8,023,768	48	
IP2.1 (SER)	BAE	Pilot projects for early child development	0	0	0			0	-	
IP2.1 (SER)	BAF	Measures to improve the employment situation of the working poor: development and implementation of advisory and support services specific to needs of working poor	4	688,690	688,690	0	1,377,379	78,038	11	

IP2.1 (SER)	BAG	Measures for prevention of working poor: Information, awareness and support for gainfully employed persons with formally low skills to encourage further vocational training	4	9,321,824	9,321,824	0	18,643,648	2,656,389	28
IP4.5 (TR)	DEA	Measures for socially disadvantaged persons marginalised from the labour market, i.a, immigrants	0	0	0			0	-
IP4.5 (TR)	DEB	Measures for employees earning less than the minimum threshold for social insurance coverage	0	0	0			0	-
IP4.5 (TR)	DEC	Measures to combat poverty among women	13	964,229	642,819	0	1,607,048	344,295	36
<b>TO 10 (LL)</b>			<b>553</b>	<b>133,547,175</b>	<b>132,166,888</b>	<b>934</b>	<b>265,714,997</b>	<b>68,138,162</b>	<b>51</b>
IP3.1 (SER)	CAA	Measures to lastingly achieve the transitions school-further education-occupation: "Regional networks for transition"	0	0	0			0	-
IP3.1 (SER)	CAB	Measures to reduce early school leavers: Model projects for mandatory schooling and joint model projects for kindergarten and elementary schools	0	0	0			0	-
IP3.1 (SER)	CAC	Measures to reduce number of early school leavers: Reduction of school absences in secondary schools - establishment of social work at schools	7	316,520	316,520	934	633,973	0	0
IP3.1 (SER)	CAD	Measures to reduce number of early school leavers: Measures to reduce number of early school leavers in vocational schools	176	6,494,890	6,494,890	0	12,989,780	1,691,867	26
IP3.1 (SER)	CAE	Measures taken by BMASGK/ Sozialministeriumservice (education guarantee)	216	85,480,563	85,480,563	0	170,961,126	46,279,576	54
IP3.2 (SER)	CBA	Target-group specific further development of educational offers by neutral providers	46	10,494,516	10,494,516	0	20,989,031	6,024,018	57
IP3.2 (SER)	CBB	Further development and enlargement of educational offers in the area of basic education	85	25,481,545	25,481,545	0	50,963,091	11,224,200	44
IP3.,2 (SER)	CBC	Improvement of permeability of the educational system and access to higher education	9	1,138,279	1,138,279	0	2,276,558	628,768	55
IP4.6 (TR)	DFA	Measures taken by BMASGK/ Sozialministeriumservice (education guarantee)	4	1,737,635	1,158,423	0	2,896,058	914,856	53
IP4.7 (TR)	DGA	Adult education and life-long learning	10	2,403,228	1,602,152	0	4,005,380	1,374,877	57
<b>Technical Assistance</b>			<b>18</b>	<b>4,875,304</b>	<b>4,369,180</b>	<b>0</b>	<b>9,244,484</b>		<b>37</b>
TA (SER)	EAA	Technical Assistance for PA 1 to 3	17	3,356,932	3,356,932	0	6,713,864	1,602,578	48
TA (TR)	EBA	Tech, Assistance Burgenland PA 4	1	1,518,372	1,012,248	0	2,530,620	107,948	7
<b>TOTAL</b>			<b>791</b>	<b>266,112,204</b>	<b>260,807,080</b>	<b>229,703</b>	<b>527,148,986</b>	<b>115,560,674</b>	<b>43</b>

Source: ESF Monitoring, calculations WIFO

Table 23: ESF Implementation Status - EU assistance by investment priority and intermediate body (as at 31 Dec. 2018)

PA/IP	Intermediate body	Measures implem.to date Codes	Approvals		Payouts			
			in €	in % of proj.fig.	in €	in % of approv.	in % of proj.fig.	in % milest. of 30%
<b>PA1 Employment</b>			<b>25,630,791</b>	<b>49</b>	<b>6,751,873</b>	<b>26</b>	<b>13</b>	<b>43</b>
IP1.1 – Equality of women and men			7,937,572	27	1,738,997	22	6	20
	BMASGK VI	AAA	7,247,208	41	1,373,364	19	8	26
	BMBWF	AAB, AAC	690,364	6	365,633	53	3	10
IP1.2 – Active aging			17,693,219	79	5,012,876	28	22	74
	BMASGK VI	ABA	9,993,219	80	2,835,835	28	23	76
	BMASGK IV	ABB	7,700,000	77	2,177,041	28	22	73
<b>PA2 Combatting Poverty</b>			<b>91,802,797</b>	<b>68</b>	<b>34,575,173</b>	<b>38</b>	<b>26</b>	<b>85</b>
IP2.1 – Inclusion			91,802,797	68	34,575,173	38	26	85
	Carinthia	BAA, BAB, BAF	5,896,235	68	2,106,963	36	24	81
	Lower Austria	BAA, BAD, BAG	17,418,218	89	1,710,753	10	9	29
	Upper Austria	BAA, BAB, BAD	7,159,027	45	2,340,745	33	15	49
	Salzburg	BAA, BAD, BAF	3,356,989	53	576,330	17	9	30
	Styria	BAB, BAD	4,069,909	27	2,132,552	52	14	46
	Tyrol	BAA, BAD, BAF, BAG	3,559,832	41	1,022,413	29	12	39
	Vorarlberg	BAA, BAB, BAD	3,219,690	78	1,533,371	48	37	124
	BMASGKVI/A/ST	BAC	1,953,086	49	836,762	43	21	70
	Vienna (WAFF)	BAA, BAB, BAD, BAG	45,169,812	86	22,315,285	49	43	142
<b>PA3 Life-long learning</b>			<b>129,406,313</b>	<b>63</b>	<b>65,848,429</b>	<b>51</b>	<b>32</b>	<b>107</b>
IP3.1 – Reduction of early school leavers			92,291,973	66	47,971,442	52	34	114
	BMASGK IV	CAE	85,480,563	74	46,279,576	54	40	134
	BMBWF – School	CAC, CAD	6,811,410	27	1,691,867	25	7	23
IP3.2 – Life-long learning			37,114,340	57	17,876,987	48	28	92
	BMBWF – Adult education	CBA, CBB, CBC	37,114,340	57	17,876,987	48	28	92
<b>PA4 Transition regions (Burgenland)</b>			<b>14,396,999</b>	<b>61</b>	<b>6,674,674</b>	<b>46</b>	<b>28</b>	<b>94</b>
4.1 – Access to employment			9,222,907	76	4,040,645	44	33	112
	Land gov. Bgld - Dpt. 6	DAA	9,222,907	76	4,040,645	44	33	112
4.2 – Equal treatment of men and women			0	0	0	-	0	0
	Land gov. Bgld - LAD-FR	-	0	0	0	-	0	0
4.3 – Adaptation to change			69,000	7	0	0	0	0
	WiBuG		0	0	0	-	0	0
	Land gov. Bgld - Dpt. 6	DCB	69,000	23	0	0	0	0
4.4 – Active aging			0	0	0	-	0	0
	Land gov. Bgld - Dpt. 6	-	0	0	0	-	0	0
4.5 – Inclusion			36	344,295	36	13	43	
	Land gov. Bgld - LAD-FR	DGA	964,229	87	344,295	36	31	104
	Land gov. Bgld - Dpt. 6		0	0	0	-	0	0
4.6 - Reduction of early school leavers			1,737,635	62	914,856	53	33	109
	BMASGK IV	DFA	1,737,635	62	914,856	53	33	109
4.7 - Life-long learning			2,403,228	66	1,374,877	57	38	125
	Land gov. Bgld - Dpt.7	DGA	2,403,228	66	1,374,877	57	38	125
<b>PA5 Technical Assistance</b>			<b>4,875,304</b>	<b>19</b>	<b>1,710,526</b>	<b>35</b>	<b>7</b>	<b>22</b>
T.A. More developed regions			3,356,932	14	1,602,578	48	6	22
T.A. Transition region								
	Burgenland	EBA	1,518,372	100	107,948	7	7	24
<b>Total</b>			<b>266,112,204</b>	<b>60</b>	<b>115,560,674</b>	<b>43</b>	<b>26</b>	<b>24</b>

Source: ESF Monitoring, calculations WIFO

Table 24: IGJ/ERDF - Overview of implementation status of planned measures (as at 31 Dec. 2018)

Thematic objectives and measures	Implementation – Approved Projects as at 31 Dec. 2016					Implementation degree in % (approval plan)			
	NP	ERDF €	NPF €	PF €	Total €	ERDF	NPF	PF	TF
<b>TO1 – Strengthening research, technological development and innovation</b>	<b>156</b>	<b>118,002,679</b>	<b>60,190,990</b>	<b>161,129,466</b>	<b>339,323,134</b>	<b>56%</b>	<b>96%</b>	<b>41%</b>	<b>51%</b>
M01 – Research and technology infrastructure	13	17,898,102	24,572,199	105,000	42,575,300	44%	120%	1%	56%
M02 – Multi-enterprise R&D projects, joint projects and transfer competencies	62	26,815,534	11,406,907	2,756,926	40,979,367	69%	110%	18%	64%
M03 – Company R&D projects and technology transfer projects	50	17,705,809	4,141,187	35,424,240	57,271,236	43%	41%	47%	45%
M04 – Innovation consulting and support	5	9,833,413	419,192	-0	10,252,605	87%	59%	0%	77%
M05 – R&D and technology-linked investments	19	11,509,904	3,585,024	122,843,300	137,938,228	27%	41%	43%	41%
M06 – Cluster/Networks, location management	3	22,439,917	-	-	22,439,917	94%	-	-	94%
M16 – Research and technology infrastructure	2	9,000,000	10,653,734	0	19,653,734	100%	118%	-	109%
M17 – Innovation services	2	2,800,000	5,412,746	-0	8,212,746	85%	164%	-	124%
<b>TO3 – Strengthening the competitiveness of SMEs</b>	<b>272</b>	<b>104,494,214</b>	<b>35,272,621</b>	<b>757,063,255</b>	<b>896,830,090</b>	<b>63%</b>	<b>81%</b>	<b>103%</b>	<b>95%</b>
M07 – Support measures for start-ups	1	1,208,300	1,208,300	-	2,416,600	32%	60%	0%	32%
M08 – Support for knowledge-intensive start-ups	1	1,408,000	352,000	-	1,760,000	27%	117%	0%	21%
M09 – Support for growth in enterprises	268	100,881,714	33,069,521	757,063,255	891,014,490	65%	83%	104%	96%
M10 – Advisory services for SME	2	996,200	642,800	-	1,639,000	44%	54%	0%	42%
<b>TO4 – Promoting efforts to reduce carbon emissions in all sectors of the economy</b>	<b>284</b>	<b>50,168,478</b>	<b>12,531,362</b>	<b>100,368,110</b>	<b>163,067,951</b>	<b>45%</b>	<b>65%</b>	<b>42%</b>	<b>44%</b>
M11 – Investments by companies in renewable energy and energy efficiency	250	30,872,428	3,466,938	90,361,651	124,701,016	43%	39%	46%	45%
M12 – Advisory services for companies for renewable energy/energy efficiency	1	4,374,990	486,110	-	4,861,100	90%	90%	0%	81%
M13 – Local and regional strategies for energy efficiency and sustainable mobility	2	4,891,181	-	-	4,891,181	74%	0%	-	72%
M14 – Smart City Styria: Investments in renewable energy and energy efficiency	6	1,981,116	198,424	5,104,114	7,283,654	22%	20%	22%	22%
M15 – R&D&I projects in CO <sub>2</sub> -relevant areas	15	2,276,828	569,256	4,902,345	7,748,430	20%	21%	31%	26%
M18 – Resources and energy efficiency development within the scope of sustainable urban development	10	5,771,935	7,810,634	-	13,582,569	67%	132%	-	79%
<b>TO6 – Preserving and protecting the environment and promoting resource efficiency</b>	<b>15</b>	<b>1,666,760</b>	<b>1,666,760</b>	<b>-0</b>	<b>3,333,520</b>	<b>34%</b>	<b>35%</b>	<b>-</b>	<b>34%</b>
M19 – Optimisation of location and settlement structures in the context of urban regions in Upper Austria	15	1,666,760	1,666,760	-0	3,333,520	34%	35%	0%	34%
<b>TO8 – Promoting sustainable and quality employment and supporting labour mobility</b>	<b>49</b>	<b>9,086,545</b>	<b>9,853,652</b>	<b>0</b>	<b>18,940,197</b>	<b>88%</b>	<b>383%</b>	<b>0%</b>	<b>90%</b>
M21 – Initiation of endogenous growth impulses for employment in urban regions	49	9,086,545	9,853,652	0	18,940,197	88%	383%	0%	90%
<b>TO9 – Promoting social inclusion, combatting poverty and any discrimination</b>	<b>40</b>	<b>5,260,434</b>	<b>5,053,672</b>	<b>885,416</b>	<b>11,199,522</b>	<b>46%</b>	<b>66%</b>	<b>23%</b>	<b>49%</b>
M20 – Upgrading of disadvantaged urban regions	4	3,953,068	3,953,068	0	7,906,136	67%	73%	0%	67%
M22 – CLLD Tyrol: Pilot project for the use of forward looking “Community-led local development”	36	1,307,366	1,100,604	885,416	3,293,386	24%	50%	27%	30%
<b>TA</b>	<b>7</b>	<b>12,115,036</b>	<b>12,115,036</b>	<b>-</b>	<b>24,230,071</b>	<b>61%</b>	<b>61%</b>	<b>-</b>	<b>61%</b>
M23 – Technical Assistance	7	12,115,036	12,115,036	-	24,230,071	61%	61%	-	61%
<b>IGJ ERDF Austria 2014-2020</b>	<b>823</b>	<b>300,794,146</b>	<b>136,684,093</b>	<b>1,019,446,247</b>	<b>1,456,924,486</b>	<b>56%</b>	<b>85%</b>	<b>74%</b>	<b>70%</b>

Explanations: NP= No of projects ERDF €= ERDF funds in euro NPF €= National public funds in euro PF €= Private funds in euro

Total €= Total funds in euro ERDF= ERDF funds NPF=National public funds PF=Private funds TF=Total funds

Source: IGJ/ERDF Monitoring, calculation convelop

Table 25: IGJ/ERDF - Result indicators

Programme-specific result indicators		Basis of change for last available year					Objective 2023	Interim assessment of development		
No.	Result indicators	2013	2014	2015	2016	2017	2018			
1	No of researchers (public and cooperative sector) (in FTE)	17,714		18,889				7%	Contribution to Increase	Development towards target
2	No of employees at companies/organisations at technology centres (FTE)		2,745			3,599		31%	10%	Target already attained
3	No of R&D employees in corporate sector (in persons)	39,554		42,745				8%	Contribution to increase; development trend 5%	Target already attained
4	No of innovative manufacturing companies and knowledge-intensive services		6,385			6,713		5%	Contribution to increase; development trend 3%	Target already attained
5	No of companies classified as frontrunners		547				578	6%	Corridor 5%-8%	Target already attained
6	Start-up ratio		8.0%			7.7%		-4%	Contribution to stabilisation; development trend : Stabilisation	Target already attained
7	New companies in high-tech and medium-tech manufacturing industries and knowledge-intensive services		232/ 8,957	185/ 7,436				-20%/ -1.7%	Contribution to increase; development trend 3%	Trend away from target
8	Number of annually growing SME (employment) (manufacturing, knowledge-intensive services, tourism)		11,446			12,456		9%	Contribution to increase; development trend: 5%	Target already attained
9	End energy consumption by sector (TJ) at companies in relation to production value (TJ)/€m) at companies		1.73			1.74		0.6%-points	Contribution to increase; development trend: p.a. -5%	Trend away from target
10	Share of renewable energy at companies in use		11.7%			10.1%		10.1%	Contribution to Austria attainment; development trend 12%-13%	Trend away from target
11	No of municipalities with energy efficiency status e5 in the region		6					n. a.	Contribution to attainment 40	n. a.
12	Coverage ratio of population with mobility concepts in region		422,470				n. a.		Contr. to attain.: 650,000	n. a.
13	Tons of CO2 equivalent per capita		6					n. a.	Contr. to attain.: 5.4	n. a.
14	R&D employees in environmental protection (in persons)		3,288			3,465		5%	development trend: 10%	Development towards target
15	Scientific staff in R&D (Vienna)		14,884			15,541		4%	Contr. to attain	Development towards target
4	No of innovative companies in WP1 and knowledge-intensive services (Vienna)		1,415			1,466		4%	Contribution to increase; development trend : 3%-5%	Target already attained

16	CO <sub>2</sub> equivalent per capita (Vienna)	2.6	n. a.	Contr. to attain (2023: 2.9)	n. a.
17	CO <sub>2</sub> equivalents per capita in the transport sector (Upper Austria)	2.84	4%	Contr. to attain (2023: 2.65)	Distance to goal
18	Annual increase of settled surface areas in objective area (Upper Austria)	2.95	n. a.	Contr. to attain.: 0.29	n. a.
19	No of persons who benefit from upgrading of public space (Vienna)	0%	n. a.	10% in selected subareas	n. a.
20	Employment development in urban areas (STMK) (index: base 100)	100	102.1	Contribution to attainment: 105	Development towards goal
21	Strengthening efficacy of cooperation between cities and their catchment areas (STMK) (Scala 1-10)	5.6	n. a.	7	n. a.
22	Participation of companies/civil society/local administration in the local development strategy (CLLD Tirol)	1,300	n. a.	1,300	n. a.
23	No of regions that use the CLLD approach (Tyrol)	0	8	7	Target already attained
24	Absorption of funds ERDF	0	up to now n+3 attained	100%	Development towards goal

Source: OP ICG/ERDF; ÖBOK 2019. Please note that the result indicators defined for the ICG/ERDF programme represent secondary statistic values for all of Austria. Many factors of influence are responsible for the trend development of the individual indicators. The influence of ICG/ERDF as a factor of influence may be assessed as minor due to the small scale of the programme in most cases. Therefore, no causal relationship is possible between programme implementation and the development trend of the result indicators or must be viewed with great caution.

Table 26: Overview of implementation of EAFRD programme (as at 31 Dec. 2018)

Thematic Objective	Financial projections of the programme LE 14–20	Implementation – Approved Projects as at 31 Dec. 2018			Implementation in % (Act.- Proj.)	
	EAFRD €	NP	Total €	EAFRD €	NPF €	EAFRD
(1) RTDI	71,257,620	31	60,491,857	29,453,485	31,038,372	41.3%
(2) ICT	26,459,915	1	25,137,175	12,239,291	12,897,885	46.3%
(3) SME	650,409,522	53,036	915,227,995	437,862,840	477,365,155	67.3%
(4) CO <sub>2</sub>	105,666,508	2,361	96,981,106	47,307,241	49,673,865	44.8%
(5) CLIMATE	1,233,131,982	2,820	1,712,737,360	851,009,219	861,728,141	69.0%
(6) ENV/RE	1,242,915,586	2,351	1,716,583,275	852,881,795	863,701,480	68.6%
(8) EMPL	25,466,727	381	96,426,108	46,949,872	49,476,236	184.4%
(9) POV	410,467,052	2,302	303,683,067	147,512,751	156,170,316	35.9%
(10) LLL	57,389,577	553	122,829,663	59,805,763	63,023,900	104.2%
<b>Technical Assistance</b>	<b>114,387,508</b>	<b>151</b>	<b>232,657,817</b>	<b>113,281,091</b>	<b>119,376,726</b>	<b>99.0%</b>
<b>Sum total</b>	<b>3,937,551,997</b>	<b>63,986</b>	<b>5,282,755,423</b>	<b>2,598,303,347</b>	<b>2,684,452,075</b>	<b>66.0%</b>

Source: EAFRD Monitoring, calculations WIFO. Note: The table does not include projects under measures M10 to M14. As at the end of 2018, 91,710 enterprises with an area of 1.8 million hectares (or 2.2 million hectares incl. alpine pastures) participated in agri-environmental measures. The number of enterprises receiving compensation payments was 81,713 in 2018 and the subsidised area covered 1.5 million hectares.

Table 27: EAFRD territory-linked measures, implementation status by year

		2014	2015	2016	2017	2018	Summe
<b>Compensation payments for disadvantaged regions</b>							
Enterprises	Number	86,023	83,845	83,234	82,511	81,713	-
Areas	Hectare	1,499,290	1,496,170	1,495,463	1,491,777	1,487,471	-
EU payments	Euro	126,998,538	124,800,968	126,390,742	125,598,051	125,107,473	628,895,773
<b>Agro-environmental Programme (ÖPUL)</b>							
Enterprises	Number	102,260	90,540	91,873	92,547	92,547	-
Areas with alpine pastures	Hectare	2,255,022	2,083,518	2,126,710	2,173,191	2,153,766	-
Areas without alpine pastures	Hectare	1,921,214	1,754,745	1,800,554	1,854,578	1,841,559	-
EU payments	Euro	253,720,982	194,054,260	205,818,061	220,896,022	224,547,872	1,099,037,197

Source: BMNT, 2019

Table 28: Overview of implementation of EMFF programme (EU funds) (as at 31 Dec. 2018)

Thematic Objective	Finance plan of EMFF programme	No of projects	Approvals	Utilization ratio in % of project.
(3) SME	3,591,500	137	3,198,677	89%
(4) CO <sub>2</sub>	505,000	1	2,265	0%
(6) ENV/RE	2,282,000	10	1,581,664	69%
(8) EMPL	360,000	3	137,291	38%
Subtotal	6,738,500	151	4,919,897	73%
Techn. Assistance	226,500	2	52,392	23%
<b>Total</b>	<b>6,965,000</b>	<b>153</b>	<b>4,972,289</b>	<b>71%</b>

Source: EAFRD Monitoring, calculations WIFO

### A.3 Implementation status of ETC programmes

Table 29: Overview of programme implementation of cross-border cooperation (as at 31 Dec. 2018)

Programme	No. of approved projects*	Available ERDF funds (in € mill.)	ERDF funds granted (in € mill.)*	ERDF funds granted* (in %)	ERDF funds paid out (in € mill.)*	ERDF funds paid out* (in %)
AT-DE	63	54.5	48.7	89%	11.7	9%
ABH	79	39.6	37.5	95%	9.0	5%
AT-CZ	49	97.8	63.2	65%	5.0	3%
AT-HU	40	78.8	65.3	83%	3.1	3%
SK-AT	32	75.9	49.6	65%	1.9	1%
IT-AT	114	82.2	60.7	74%	6.0	3%
SI-AT	48	48.0	45.6	95%	8.7	10%
<b>TOTAL</b>	<b>425</b>	<b>476.8</b>	<b>370.6</b>		<b>45.4</b>	

Source: Data from the programming bodies; collected by the Working Group Cross-Border Cooperation (WG CBC) of ÖROK, \* incl. projects/Techn. Assis. funds (TA)

Table 30: Overview of implementation of transnational and network programmes (as at 31 Dec. 2018)

Programme	No. of approv. projects with AT particip.*	Available ERDF funds in € mill.)	Available ERDF funds in € mill.)	ERDF funds granted in € mill.)*	ERDF funds granted* (in %)	ERDF funds paid out (in € mill.)*	ERDF funds paid out * (in %)*
Alpine Space	49	116.,6	109.6	87.4	79.7%	20.7	18.9 %
Central Europe	56	246.6	231.8	158.6	68.4%	47.7	20.6 %
Danube Transnational	71	202.1	190.0	132.0	69.5%	47.0	24.7 %
<b>TOTAL TRANSNATIONAL</b>	<b>176</b>	<b>565.3</b>	<b>531.4</b>	<b>378.0</b>	-	<b>115.4</b>	-
Interreg Europe	13	359.0	322.0	242.0	75%	75.0	23.3 %
Urbact III	2	74.0	38.6	24.5	63.5%	6.7	17.4 %
ESPO 2020	***	41.4	38.9	***	***	***	***
Interact III	***	39.4	36.6	***	***	***	***
<b>TOTAL NETWORK</b>	<b>15</b>	<b>513.8</b>	<b>436.1</b>	<b>266.5</b>	-	<b>81.7</b>	-
<b>SUM TOTAL</b>	<b>191</b>	<b>1,079.1</b>	<b>967.5</b>	<b>644.5</b>	-	<b>197.1</b>	-

Source: Data from the programming bodies and programme websites; collected by NCP/ÖROK, \* excl. projects/Technical Assistance funds,\*\* without Technical Assistance, \*\*\* not available

Note: Due to divergent practices in collecting and presenting the data, the programmes with cross-border cooperation are presented incl. Technical Assistance (TA) und the programmes with transnational and network programmes exclude Technical Assistance.

## A.4 Monitoring Members of the Austrian ESI Funds Programmes 2014-2020

Table 31: List of voting members of the Monitoring Committee of EAFRD

Group	Institutions
<b>Federal ministries</b>	Federal Ministry for Sustainability and Tourism (Managing Authority) Federal Ministry for Digital and Economic Affairs Federal Ministry for Transport, Innovation and Technology Federal Ministry of Finance Ministry for Women, Family and Youth
<b>Competent implementing bodies of the federal government and of the Länder</b>	Office of the Burgenland Land Government Office of the Carinthian Land Government Office of the Lower Austrian Land Government Office of the Upper Austrian Land Government Office of the Salzburg Land Government Office of the Styrian Land Government Office of the Tyrol Land Government Office of the Vorarlberg Land Government Vienna City Administration
<b>Economic and social partners</b>	Bundesarbeiterkammer Wirtschaftskammer Österreich (Federal Chamber of Labour) Landwirtschaftskammer Österreich (Austrian Chamber of Commerce and Industries) Österreichischer Gewerkschaftsbund (Austrian Trade Union Federation)
<b>Non-governmental organisations (NGO)</b>	Umweltdachverband Ökobüro Bio Austria Almwirtschaft Österreich Österreichische Berg- und KleinbäuerInnen Vereinigung Österreichischer Landarbeiterkammertag Österreichischer Frauenring-Dachorganisation österreichischer Frauenvereine Landjugend Österreich Dachorganisation der Behindertenverbände Österreichs (kurz: ÖAR) National parks
<b>Cities and municipalities</b>	Österreichischer Gemeindebund (Austrian Association of Municipalities) Österreichischer Städtebund (Austrian Association of Cities and Towns)
<b>Local Action Groups</b>	Local Action Groups

Table 32: List of consulting members of the Monitoring Committee of EAFRD

Group	Institutions
<b>European Commission</b>	European Commission, GD AGRI, Dept. E.3 – Germany Austria
<b>Paying agency</b>	Agrarmarkt Austria
<b>Federal ministries</b>	Federal Ministry of Labour, Social Affairs and Consumer Protection
<b>Representatives of other ESI funds</b>	Office of the Austrian Conference on Spatial Planning (European Regional Development Fund, Partnership Agreement) Federal Ministry for Labour, Social Affairs and Consumer Protection (European Social Fund) Federal Ministry for Sustainability and Tourism (European Maritime and Fisheries Fund)
<b>Federal Länder</b>	Länder bodies with competence for nature protection
<b>National network LE 14-20</b>	Netzwerk Zukunftsraum Land LE 2014–2020

Table 33: List of voting members of the Monitoring Committee of EMFF

Group	Institutions
<b>Federal ministries</b>	Federal Ministry for Sustainability and Tourism (Managing Authority) Federal Ministry of Finance Federal Ministry of Labour, Social Affairs and Consumer Protection
<b>Responsible programme bodies of the Länder</b>	Office of the Burgenland Land Government Office of the Carinthian Land Government Office of the Lower Austrian Land Government Office of the Upper Austrian Land Government Office of the Salzburg Land Government Office of the Styrian Land Government Office of the Tyrol Land Government Office of the Vorarlberg Land Government Vienna City Administration
<b>Economic and social partners</b>	Landwirtschaftskammer Österreich (Austrian Chamber of Agriculture) Wirtschaftskammer Österreich (Austrian Chamber of Commerce and Industries)
<b>Non-governmental organisations (NGO)</b>	Arbeitsgemeinschaft Österr. Bäuerinnen (Working Partnership of Austrian Farming Women) Umweltdachverband (Umbrella organisation of Austrian environmental NGOs) Landjugend Österreich (Association of Rural Youths Austria)
<b>Other</b>	Bundesamt für Wasserwirtschaft (Federal Office for Water Management)

Table 34: List of voting members of the Monitoring Committee of the ESF

Group	Institutions
<b>Federal ministries</b>	Federal Ministry of Labour, Social Affairs and Consumer Protection, Dept VI/A/9) (Managing Authority) Federal Ministry of Education, Science and Research, Dept. IV/6 Federal Ministry for Sustainability and Tourism (for environmental issues)
<b>Competent implementing bodies of the federal government and of the Länder</b>	Federal Ministry of Labour, Social Affairs and Consumer Protection, Dept VI/A/6, Dept. VI/A/ST Federal Ministry of Education, Science and Research Office of the Lower Austrian Land Government Office of the Upper Austrian Land Government Office of the Salzburg Land Government Office of the Styrian Land Government Office of the Tyrol Land Government Office of the Vorarlberg Land Government Wiener ArbeitnehmerInnen Förderungsfonds (waff) Office of the Carinthian Land Government Office of the Burgenland Land Government, Dept. 3, Dept. 6, Dept. 7 Regionalmanagement Burgenland GmbH Wirtschaft Burgenland GmbH (WiBuG)
<b>Economic and social partners</b>	Chamber of Labour for Vienna, Labour Market and Integration; Österreichischer Gewerkschaftsbund ÖGB (Austrian Trade Union Federation) Dept. for Education, Leisure Time, Culture; Chamber of Commerce for Austria WKO, Dept Social Policy and Health; iv -Federation of Austrian Industries, Dept. Labour and Social Affairs; Conference of the Presidents of the Chambers of Agriculture of Austria, Dept. II/2 Legal, Social, Tax & Environmental Policy
<b>Non-governmental organizations (NGO)</b>	Bundesdachverband für Soziale Unternehmen, Österreichische Arbeitsgemeinschaft für Rehabilitation (ÖAR), Dept. Europe and International, (since 2017 Österreichischer Behindertenrat, Austrian Disability Council)

Table 35: List of consulting members of the Monitoring Committee of the ESF

Group	Institutions
European Commission	European Commission, DG EMPL/D/5
Auditing authority	Federal Ministry of Labour, Social Affairs and Consumer Protection, Dept. I/B/10
Certifying authority	Federal Ministry of Labour, Social Affairs and Consumer Protection, Dept. VI/A/Staff Unit - EBE
Federal ministries	Federal Ministry of Labour, Social Affairs and Consumer Protection, Dept. V/A/1 Federal Ministry of Finance Sozialministeriumservice (Ministry of Social Affairs - Services) Staff Unit Management and Coordination
Representatives of other ESI funds	Federal Ministry of Agriculture, Forestry, Environment and Water Management (representatives of EU programmes for rural development (EAFRD) Österreichische Raumordnungskonferenz (Austrian Conference on Spatial Planning); (Managing Authority for the European Regional Development Fund, ERDF)
Cities and municipalities	Österreichischer Städtebund (Austrian Association of Cities and Towns)
Non-governmental organisations	Bundesarbeitsgemeinschaft freie Wohlfahrt Netzwerk österreichischer Frauen- und Mädchenberatungsstellen Die Armutskonferenz – Netzwerk gegen Armut Dachverband berufliche Integration Österreich – dabei-austria

Table 36: List of voting members of the Monitoring Committee of IGJ/ERDF

Group	Institutions
Managing authority	Office of the Austrian Conference on Spatial Planning
Federal ministries	Federal Ministry for Sustainability and Tourism, Coordination Spatial Planning and Regional Policy, Financial Control of European Regional Development Fund (ERDF) Federal Ministry of Finance, Dept. II/10, Budget – Economy; Transport & Infrastructure Federal Ministry for Digital and Economic Affairs Federal Ministry for Sustainability and Tourism Federal Ministry for Transport, Innovation and Technology Federal Ministry for Sustainability and Tourism, Dept. IV/5: Dept. of Innovative Technologies and Bio-Economy Federal Ministry for Sustainability and Tourism, Dept. II/2 - Coordination Rural Development and Fisheries Fund Federal Ministry of Education, Science and Research Federal Ministry of Labour, Social Affairs and Consumer Protection Federal Chancellery IV/3 Finance, EU Budget and Agriculture
Responsible programme bodies of the Länder	Regionalmanagement Burgenland GmbH Kärntner Wirtschaftsförderungs Fonds KWF Office of the Lower Austrian Land Government, Dept. International and European Affairs (LAD4) Office of the Upper Austrian Land Government, Dept. Economy Office of the Salzburg Land Government, Dept. 1, Economy, Tourism and Municipalities Office of the Styrian Land Government, Dept. 12 Office of the Tyrol Land Government, Dept. Land Development and Future Strategy, EU Regional Policy Office of the Vorarlberg Land Government, Dept. European Affairs and External Relations Vienna City Administration, Dept. 27 European Affairs
Competent implementing bodies of the federal government and of the Länder (intermediary bodies)	Austria Wirtschaftsservice Gesellschaft mbH Austrian Research Promotion Agency (FFG) – Kommunalkredit Public Consulting GmbH Österreichische Hotel- u. Tourismusbank Ges.m.b.H. Regionalmanagement Burgenland GmbH Wirtschaft Burgenland GmbH – WiBuG Kärntner Wirtschaftsförderungs Fonds KWF

	Office of the Lower Austrian Land Government, Dept. Economy, Tourism and Technology Office of the Upper Austrian Land Government, Dept. Spatial Planning/ Regional Spatial Planning Office of the Lower Austrian Land Government, Dept. Economy Office of the Styrian Land Government, Dept. 7 Land and Municipal Development Steirische Wirtschaftsförderungsgesellschaft mbH (SFG) Office of the Tyrol Land Government, Dept. Land Development and Future Strategy, EU Regional Policy Standortagentur Tirol Office of the Vorarlberg Land Government, Dept. Via - General Economic Affairs Vienna City Administration, Dept. 27 European Affairs
<b>Economic and social partners</b>	Bundesarbeiterkammer (Federal Chamber of Labour) Wirtschaftskammer Österreich (Austrian Chamber of Commerce and Industries) Landwirtschaftskammer Österreich (Austrian Chamber of Agriculture) Österreichischer Gewerkschaftsbund (Austrian Trade Union Federation) Federation of Austrian Industries, Dept. Resource & Infrastructure   Innovation & Technology (RIIT)
<b>Non-governmental organisations (NGO)</b>	Österreichischer Frauenring (ÖFR) – (umbrella organisation of Austrian women’s associations) Österreichischer Behindertenrat (Austrian Disability Council)/ÖZIV Umweltdachverband (umbrella organisation of Austrian environmental NGOs)
<b>Cities and municipalities</b>	Österreichischer Gemeindebund (Austrian Association of Municipalities) Österreichischer Städtebund (Austrian Association of Cities and Towns)
<b>Local Action Groups</b>	Regional Management Associations Tyrol Office of the Tyrol Land Government, Dept. Land Development and Future Strategy, EU Regional Policy
<b>Other</b>	Office of the Lower Austrian Land Government, Dept. General Financial Assistance and Foundation Management and Office of the Tyrol Land Government, Dept. JUFF Frauenreferat, as joint representation of the Land for horizontal principles

Table 37: List of consulting members of the Monitoring Committee of IGJ/ERDF

<b>Group</b>	<b>Institutions</b>
<b>European Commission</b>	Directorate General Regional Policy and Urban Development, Dept. F.2 E.4 Germany, Austria and the Netherlands
<b>Certifying authority</b>	Federal Ministry for Sustainability and Tourism, Coordination Spatial Planning and Regional Policy
<b>Auditing authority</b>	Federal Ministry for Sustainability and Tourism, Coordination Spatial Planning and Regional Policy, Financial Control of European Regional Development Fund (ERDF)
<b>Monitoring body</b>	Austria Wirtschaftsservice Gesellschaft mbH
<b>Representatives of other ESI funds</b>	Federal Ministry of Labour, Social Affairs and Consumer Protection Federal Ministry for Sustainability and Tourism, Dept. II/2 - Coordination Rural Development and Fisheries Fund
<b>Other</b>	Office of the Austrian Conference on Spatial Planning as representative for Austria’s Partnership Agreement “STRAT.AT 2020”

Table 38: List of consulting members of the Monitoring Committee of the EMFF

<b>Group</b>	<b>Institutions</b>
<b>European Commission</b>	European Commission, DG MARE, Dept. D.2
<b>Paying agency</b>	Agrarmarkt Austria (AMA)
<b>Federal Ministries</b>	Federal Ministry for Sustainability and Tourism
<b>Non-governmental organizations (NGO)</b>	Greenpeace Österreich WWF Österreich Dachorganisation der Behindertenverbände Österreich (ÖAR) (Austrian Disability Council)
<b>Other</b>	Wirtschaftsagentur Wien Wien (Vienna Business Agency) Bundesamt für Wasserwirtschaft (Federal Office for Water Management) Landwirtschaftskammer Steiermark (Styrian Chamber of Agriculture)



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AMS	(Arbeitsmarktservice) Public Employment Service Austria
BKA	(Bundeskanzleramt) Federal Chancellery
BMASGK	(Bundesministerium für Arbeit, Soziales, Gesundheit und Konsumentenschutz) Federal Ministry of Labour, Social Affairs and Consumer Protection
BMNT	(Bundesministerium für Nachhaltigkeit und Tourismus) Federal Ministry for Sustainability and Tourism
BMWFW	(Bundesministerium für Wissenschaft, Forschung und Wirtschaft) Federal Ministry of Education, Science and Research)
BMVIT	(Bundesministerium für Verkehr, Innovation und Technologie) Federal Ministry for Transport, Innovation and Technology
CA	Certifying authority
CAP	Common Agricultural Policy
CBC	Cross-border Cooperation
CLLD	Community-led Local Development
CO <sub>2</sub>	Carbon dioxide
CoD	Commission of Deputies of ÖROK
CPR	Common Provisions Regulation
CSF	Common Strategic Framework
DG	Directorate General
DG Regio	Directorate General Regional Policy and Urban Development
EAFRD	European Agricultural Fund for Rural Development
EC	European Commission
EGTC	European Grouping of Territorial Cooperation
EIP	European Innovation Partnership
EMFF	European Maritime and Fisheries Fund
ERDF	European Regional Development Fund
ETS	EU Emissions Trading Scheme
ESF	European Social Funds
ESI Funds	European Structural and Investment Funds
ETC	European Territorial Cooperation
EU	European Union
EUSILC	Community Statistics on Income and Living Conditions
FLC	First Level Control
FTE	Full-time equivalent
GDP	Gross domestic product
GRP	Gross regional product
IGJ	Investment in Growth and Jobs
IP	Investment Priority
ISCED	International Standard Classification of Education
KPC	Kommunalkredit Public Consulting
LAG	Local Action Groups
LEADER	Initiative of the European Community for the Development of Rural Areas
LLL	Life-long learning
MA	Managing authority
MCS	Management and Control System
MDR	More developed regions
NFFR	Nationale Förderfähigkeitsregeln (national financial assistance eligibility rules)
NUTS	Nomenclature of Statistical Territorial Units
OP	Operational Programme

ÖPUL	(Österreichisches Programm für eine Umweltgerechte Landwirtschaft) Austrian Agri-Environmental Programme)
ÖREK	(Österreichisches Raumentwicklungskonzept) Austrian Spatial Development Concept
ÖROK	(Österreichische Raumordnungskonferenz) Austrian Conference on Spatial Planning
PA	Partnership Agreement
PAG	(Projektauswahlgremium) project selection body
PR	Progress Report
PT	Public transport
RE	(EU) Regulation
RT(D)I	Research Technology (Development) Innovation
R&D	Research & Development
RD	Rural Development
RCI	EU Regional Competitiveness Index
SCO	Simplified Cost Options
SC RegEc	ÖROK Subcommittee on Regional Economy
SME	Small and medium-sized enterprises
SRL	(Sonderrichtlinie) Special Guidelines issued by BMASK
STRAT.AT 2020	Partnership Agreement between Austria and the European Commission
TA	Technical Assistance
TO	Thematic Objective
TR	Transition region
WIFO	Österreichisches Institut für Wirtschaftsforschung (Austrian Institute of Economic Research)



