

Überarbeitung des Aufbau- und Resilienzplans 2020-2026

REPowerEU-Kapitel und Aktualisierung bestehender Maßnahmen

Addendum to the Austrian Recovery and Resilience Plan

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PART 1: INTRODUCTION TO THE ADDENDUM

1. General objective

This chapter sets out the main economic developments since the adoption of the Austrian recovery and resilience plan (AT RRP), and presents the current outlook.

The AT RRP consists of:

- The Council Implementing Decision 10159/21 and 10159/21 ADD 1
- The Operational Arrangement C(2022) 8401 of 17 November 2022

which were taken note of by the Ministerial Council on 10 September 2021 and 23 November 2022, respectively.

Economic developments and expectations since 2021

The AT RRP was set up against the background of a delayed recovery due to the continuing effects of the COVID-19 pandemic. Yet, its strategic orientation was to reinforce the stimulus packages implemented at the time and at the same time to cope with economic, environmental and social vulnerabilities in Austria and to raise her future potential. A special focus lied - as with national economic stimulus programmes - in climate protection and in digitalisation. Austria proposed investments in education, research, business and sustainability, thereby strengthening regions and communities. In addition, reforms in the four focal points (components: 1. Sustainable, 2. Digital, 3. Knowledge Based, and 4. Just Recovery) support the respective investments.

The strategic orientation proved right, as the economic recovery set-in strongly already in 2021. All main economic indicators (see table 1 below) performed better than expected. The consumer prices, however, increased by 1 percentage point more than expected. Despite the economic headwinds triggered not least by the Russian aggression against Ukraine, the Austrian economy continued to perform better than expected in 2022. The high and rising inflation has prompted a series of compensating income support measures by the government, which will also show effects in 2023 and 2024. Whilst subdued GDP growth is expected in 2023, it is clear that – with the notable exception of inflation – Austria is on a better economic trajectory than assumed in 2021. Thus, the focus of the amendment should be on delivering the targets of REPowerEU while at the same time adjusting those measures of the existing plan, that are no longer implementable due to objective circumstances.

Table 1: Economic developments growth and comparison to expectations in the Austrian RRP of 2021

	2021	2022	2023	2024	2025	2026
Outcome 2021-2022 and New Baseline Scenario						
GDP, nominal, rate of change in %	6,6	10,2	7,4	6,1	5,2	4,7
GDP, volume, rate of change in %	4,6	5,0	0,3	1,8	2,1	2,0
Dependent employment (in 1,000)	3734,4	3.844,6	3.874,6	3.924,6	3.975,1	4.017,4
Unemployed (in 1,000)	331,7	263,1	269,1	259,1	241,3	230,8
Inflation (CPI, rate of change in %)	2,8	8,6	7,1	3,8	3,0	2,5
Private final consumption expenditure, real, rate of change in %	3,6	4,1	1,3	2,0	2,4	2,2
Net lending/borrowing of general government in % of GDP	-5,8	-3,2	-3,2	-1,6	-1,4	-1,3
Gross debt in % of GDP	82,3	78,4	77,0	75,1	73,3	71,4
Expectations in 2021						
GDP, nominal, rate of change in %	2,7	6,5	3,2	3,5		
GDP, volume, rate of change in %	1,5	4,7	1,6	1,8		
Dependent employment (in 1,000)	3677,9	3761,9	3803,5	3843,1		
Unemployed (in 1,000)	384,6	355,6	342,2	329,2		
Inflation (CPI, rate of change in %)	1,8	1,8	1,7	1,7		
Private final consumption expenditure, real, rate of change in %	1,1	4,6	2,7	2,0		
Net lending/borrowing of general government in % of GDP	-8,4	-4,3	-3,0	-2,5		
Gross debt in % of GDP	89,6	88,1	88,1	87,6		

Sources: BMF - Austrian Stability Programme 2022-2026, STAT, WIFO

2. Justification for the addendum

In line with the RRF Regulation, Austria proposes changes to the previously adopted AT RRP based on the following Articles:

- *Article 21a related to the REPowerEU chapter*

Based on Article 21a, Austria is set to receive EUR 210 304 520 in non-repayable support for its REPowerEU chapter, which is proposed to consist of two reforms and two investments.

- *Article 21: an amendment or submission of a new plan due to the plan, including relevant milestones and targets, being no longer achievable, either partially or totally, because of objective circumstances.*

Based on Article 21, Austria requests the amendment of some of the initial plan's measures due to objective circumstances.

PART 2: DESCRIPTION OF ADDITIONAL AND MODIFIED REFORMS AND INVESTMENTS

PART 2.1: REPowerEU Chapter

This REPowerEU chapter describes Austria's contribution to achieving the REPowerEU objectives and the use of the Recovery and Resilience Facility for this purpose.

1. General objective of the chapter

The measures contained in this chapter aim at tackling the challenges addressed to Austria in the country-specific recommendations for 2022 and 2023 in the area of REPowerEU targets, in which the Council recommends that Austria:

“Reduce overall reliance on fossil fuels, and diversify imports of fossil fuels, by accelerating the deployment of renewable energy and of the necessary infrastructure, in particular by simplifying planning and further streamlining permitting procedures, and enhancing energy efficiency, in particular in the industry and building sectors and diversifying energy supplies, as well as increasing flexibility and reverse-flow capacity of interconnections”

The allocation of the requested EUR 210.3 million focuses on reducing dependence on fossil fuels, expanding renewable energies and necessary infrastructure, decarbonising the transport and building sectors, and simplifying and streamlining planning and approval procedures.

2. Description of reforms and investments in the chapter

a) Summary box

Measures added/scaled up with grants (Article 21a)		
Name of the measure	Where relevant: existing CID reference number	Estimated cost (in EUR)
5.A.1. Acceleration of permitting procedures for renewables		0

5.A.2. Hydrogen as key technology to climate neutrality		0
5.B.1. Photovoltaic installations and electricity storage		140 304 520
5.B.2. Funding zero-emission commercial vehicles and infrastructure	1.B.4 Zero-emission utility vehicles	70 000 000

b) REPowerEU objectives

The Russian invasion of Ukraine in February 2022, the war and its effects, also on energy supply, give a new urgency to energy policy transformation. Austria has already prioritised the ecological transformation in the Austrian Recovery and Resilience Plan (RRP), and 59 % of the funds are spent on green measures. Measures from all four previous components of the RRP contribute to the realisation of the overall REPowerEU goals:

1 - Sustainable Recovery - 1.A.1 Renewable Heating Law
1 - Sustainable Recovery - 1.A.2 Exchange of oil and gas heating systems
1 - Sustainable Recovery - 1.A.3 Combating energy poverty
1 - Sustainable Recovery - 1.B.1 Mobility Master Plan 2030
1 - Sustainable Recovery - 1.B.2 Introduction of 1-2-3 climate ticket
1 - Sustainable Recovery - 1.B.3 Zero-emission buses
1 - Sustainable Recovery - 1.B.4 Zero-emission utility vehicles
1 - Sustainable Recovery - 1.B.5 Construction of new railways and electrification of regional railways
1 - Sustainable Recovery - 1.D.1 Renewables Expansion Law
1 - Sustainable Recovery - 1.D.2 Transforming industry towards climate neutrality
2 - Digital Recovery - 2.D.3 Green investments in enterprises
3 - Knowledge Based Recovery - 3.B.2 Promoting re-skilling and up-skilling
3 - Knowledge Based Recovery - 3.D.1 IPCEI Microelectronics and Connectivity

3 - Knowledge Based Recovery - 3.D.2 IPCEI Hydrogen
4 - Just Recovery - 4.B.3 Investment in climate-friendly town centres
4 - Just Recovery - 4.C.5 Investment fund for climate-friendly cultural businesses
4 - Just Recovery - 4.D.1 Spending review focusing on green and digital transformation
4 - Just Recovery - 4.D.4 Climate action governance framework
4 - Just Recovery - 4.D.5 Eco-social tax reform
4 - Just Recovery - 4.D.6 Green Finance (Agenda)

Other measures not included in the RRP also focus on securing the energy supply and the transition to renewable energy. In addition to legal implementing measures to accelerate ecological change, Austria is seeking to initiate holistic, coordinated concepts and processes, especially in the area of promoting renewable energy, at both federal and regional level. In this way, the specific areas of competence between the regions and authorities at different levels are taken into account and a sustainable national implementation of the REPowerEU goals is pursued.

The following measures, which contribute to the REPowerEU objectives and are financed from sources other than the Recovery and Resilience Facility, can be mentioned as examples:

Programme Name	Budget Volume (in EUR million)	Timeline	Comment
Strategic gas reserve	4 046.5	2022-2025	State-controlled storage of natural gas in gas storage facilities
Gas diversification	400.0	2022-2025	Partial support for the additional costs incurred by companies due to the supply of natural gas from non-Russian sources
District heating expansion	371.9	2023-2026	Promoting the expansion and decarbonisation of district heating and cooling systems

Programme Name	Budget Volume (in EUR million)	Timeline	Comment
Photovoltaic expansion private households	568.5	2023-2026	Funding for private photovoltaic systems
Renewable expansion	1 286.8	2020-2022	Financed off-budget via electricity bill surcharge
Energy efficiency savings obligation	760.0	2023-2026	Support instrument for "additional" measures to achieve the EU energy efficiency targets 2030
Transformation of industries	1 375.0	2023-2026	Sector-specific promotion of climate protection measures in the area of process energy, which includes both investment measures and measures in the area of operational costs.
Umweltförderung im Inland (UFI)	621.2	2023-2026	Investment support, especially for companies, to encourage the switch to renewables and energy efficiency projects.
Renovation offensive	1 935.0	2023-2026	Thermal refurbishment and boiler replacement; of which EUR 158.92 million financed by RRF
Municipal investment programme	500.0	2023-2025	Supporting municipalities in energy efficiency projects and the switch to renewables
Support for low-income households	570.0	2023-2026	Focus on thermal refurbishment and boiler replacement for low income households.

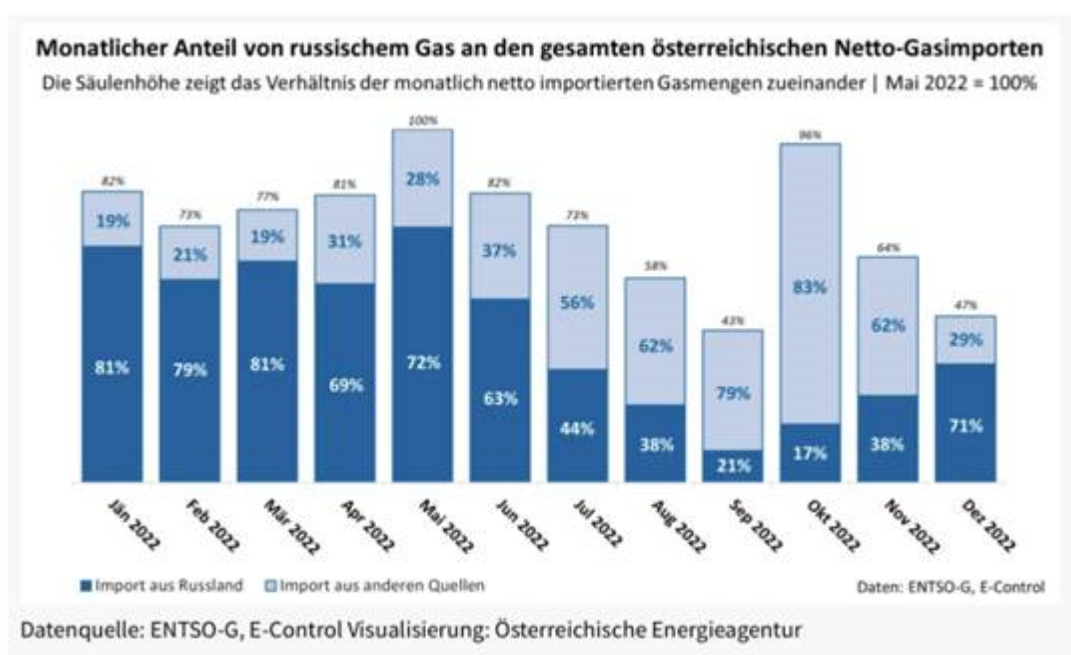
Programme Name	Budget Volume (in EUR million)	Timeline	Comment
Umweltstiftung	17.5	2022-2025	Creation of up to 1,000 apprenticeships in the green jobs sector

Austria consumed an annual average of 96 terawatt-hours (TWh) of natural gas in the years 2018 to 2022. Around nine percent of this volume is covered by domestic production. The remainder is imported. A large part of the imports came from Russia up until recently. However, Austria is working on the phase-out at all levels.

While the share of Russian gas was still 81% in January 2022, it was 71% in December 2022.

In absolute terms, however, Russian imports in December 2022 have almost halved compared to January 2022:

Graph 1: Monthly share of Russian gas based on the overall Austrian gas imports



Source: ENTSO-G, e-control visualisation: Austrian Energy Agency

Based on a study of the Austrian Energy Agency¹, the expected decrease in natural gas imports from Russia in 2027 compared to 2019 (in bcm) is approximately 3.7 billion m³² under the assumption

- that all possible measures to reduce gas consumption and increase domestic production of renewable gas are implemented
- and that these implemented measures also achieve the intended effects to the maximum extent.

The measures of the REPowerEU chapter can contribute to the efforts until 2027 as follows:

- Reform measure 5.A.1 (Environmental Impact Assessment act 2023) contains numerous measures to increase procedural efficiency in general, but also specifically for energy transition projects (renewable energy generation, storage, transmission). This will accelerate the expansion of wind power, hydropower and biogenic energy. The accelerated expansion of wind power through this measure on the one hand helps to reduce the conversion of gas into electricity (as part of the indicative reduction requirement of 22 TWh), and on the other hand the additional energy can be used for the production of climate-neutral³ hydrogen (as part of the indicative production requirement of 1 TWh).

The reform measure addresses REPowerEU objective Article 21c 3 (b) [...] *accelerating the deployment of renewable energy* by simplifying and accelerating permitting for renewable projects.

- Reform measure 5.A.2 (hydrogen as a key technology for climate neutrality) also supports the ramp-up of hydrogen production in Austria, contributes to the development of a hydrogen infrastructure in Austria and supports the development of future imports of climate-neutral hydrogen.

The reform measure addresses REPowerEU objective Article 21c 3 (b) [...], *increasing the production and uptake of sustainable biomethane and of renewable or fossil-free hydrogen* [...] by supporting the deployment of sustainable hydrogen, which, through various technologies and possible applications is able to foster climate

¹ https://www.bmk.gv.at/dam/jcr:13567ab2-19e1-4a76-9794-b8fd3c9533c2/Unabhaengigkeit-von-Gas-aus-Russland_Analyse_AEA_26-04-2022_final_Grafik.pdf

² On page four of the mentioned study, the decrease in demand for imported gas from 79 TWh to 36 TWh is described. This equals a reduction of 43 TWh gas. The 3.7 billion m³ result from the conversion of 43 TWh (= 43 billion kWh) with the current calorific value of 11.54 kWh/m³.

³ as defined in: "Hydrogen Strategy for Austria" (https://www.bmk.gv.at/dam/jcr:0eb2f307-1e4d-41b1-bfd8-22918816eb1b/BMK_Wasserstoffstrategie_DE_UA_final.pdf)

neutrality in sectors that are difficult to decarbonise and can provide significant support on the way to a renewable energy system.

- Investment measure 5.B.1 (expansion of photovoltaic and electricity storage systems) contributes to the achievement of climate and environmental protection goals as well as promoting energy independence.
The investment measure addresses REPowerEU objective Article 21c 3 (b) [...] *increasing the share and accelerating the deployment of renewable energy* by accelerating the deployment of renewable energy through funding the deployment of photovoltaic (PV) and electricity storage systems.
- Investment measure 5.B.2 (Funding zero-emission commercial vehicles and infrastructure) supports the decarbonisation of the road transport sector.
The investment measure addresses REPowerEU objective Article 21c 3 (e) [...] *supporting zero-emission transport and its infrastructure, including railways* by cutting the reliance on fossil fuels by the purchase or retrofitting of at least 167 commercial vehicles in the N2 and N3 vehicle classes (incl. tractor units and special vehicles).

Measures already included in the original RRP will additionally show their effects in the years to come:

- Ban on the installation of gas boilers in new buildings (Reform 1.A.1)
- Reduction of gas demand by promoting the replacement of gas boilers (Investment 1.A.2)
- Legal framework for the promotion of biogas through the Renewables Expansion Law (Reform 1.D.1)
- Legal framework for the promotion of the construction of electrolysis capacity through the Renewables Expansion Law (Reform 1.D.1)
- Investment 1.D.2 Transformation of industry towards climate neutrality
- Investment 3.D.2 IPCEI Hydrogen
 - IPCEI Hydrogen contributes to the development of resource capacity to reduce import dependency in strategic sectors in Austria and Europe.
 - Development of a 60MW electrolyser for the production of green hydrogen and the supply of industrial production of ammonia.
 - Development of highly efficient high-temperature electrolysers for emission-free production and application of H₂ in industry.
 - In the context of IPCEI Hydrogen, IPCEI-funded companies strengthen their resilience or strategic autonomy.

c) Description of the reforms and investments

The existing Austrian Recovery and Resilience Plan (ARP) sets out reforms and investments in four chapters ("components"), the implementation of which is measured against the completion of a total of 171 milestones and targets (hereafter "milestones"), the achievement of which will provide Austria with a total of EUR 3.75 billion from the Recovery and Resilience Facility (RRF). With a view to proportionality, the present additional REPowerEU chapter, which will be financed with an additional EUR 210.3 million, will feature an additional 10 milestones, each assigned to two new reforms and one new and one scaled-up investment.

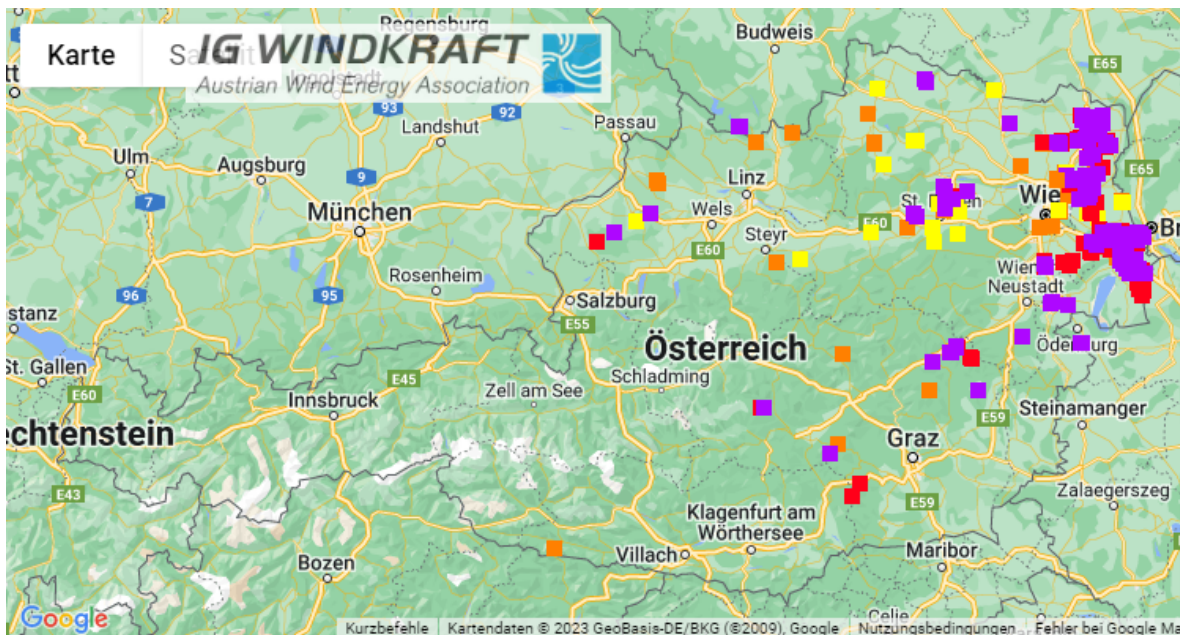
Sub-component 5.A - REPowerEU reforms.

The two reforms of this sub-component aim to accelerate approval procedures in the area of energy transition projects, and on the other hand, to establish hydrogen as a key technology for decarbonisation.

5.A.1. Acceleration of permitting procedures for renewables

Main challenges:

In Austria, spatial planning is the responsibility of the Länder, while the specific regional planning designation is the responsibility of the municipalities. As a result, due to lacking or inadequate energy planning and designation, wind power development has so far mainly taken place in the east of Austria and in some federal provinces progress has been slow or non-existent. In particular, Länder in the west of Austria are little developed by wind power expansion, especially in alpine regions there has been almost no wind power expansion so far; see the map of existing wind power projects in Austria below:



Source: IG Windkraft – Windradlandkarte (13.04.2023); available at [IG Windkraft -- Windrad-Landkarte](#)

Environmental impact assessment (EIA) procedures in Austria are concentrated permitting procedures ("one-stop-shop"), in which all necessary approvals are granted in one procedure by one authority. These procedures are therefore complex for large-scale projects, which are often associated with extensive environmental impacts, and which - in accordance with the EU EIA Directive - must also be carried out with public participation and legal remedies for environmental organisations and the affected public.

Objectives of the EIA Act Amendment 2023:

- Implementation of EIA permitting procedures for wind power plants even in the absence of energy area planning by the Länder and/or designation by the municipalities. In cases where a regional wind energy area plan exists, EIA procedures may go ahead without a planning designation by the municipality. If both are missing, the developer needs the consent of the municipality.
- In the case of projects for the energy transformation (generation of renewable energy, power lines and pipelines, deep drilling for geothermal energy, etc.), a particularly high public interest applies. For sites pre-assessed with strategic environmental assessments (SEAs), a rejection of the project may not be made solely on the grounds of the impact on the landscape and in the case of (insufficiently substantiated) blanket complaints, there is no suspensive effect of the appeal.
- Better procedural structuring through concrete deadlines for objections at the beginning of the procedure and deadlines set by the authorities and the Federal Administrative Court for further submissions in the procedure – for all EIA procedures. As a result, delays in the procedure by deliberately late submissions by project opponents are brought to an end.
- Increased use of digitalisation through requirements of the authorities for electronic proceedings and use of online or hybrid hearings (especially for the connection of experts, where bottlenecks currently exist due to lack of availability which leads to delays) – for all EIA procedures.
- Better coordination between project applicants and authorities on the documents to be submitted regarding priority/non-priority environmental impacts and greater consideration of the results of SEAs – for all EIA procedures.
- Facilitation for changes to the permit in the case of technological development (e.g. of energy efficiency or performance enhancing measures) or in the case of imission-neutral or minor changes by notification to the authority instead of change procedures – for all EIA procedures.

Expected Impact:

The bundle of numerous measures in the EIA Amendment to streamline and simplify the EIA procedures is expected to speed up permitting procedures. All sectors, not just energy transition projects are expected to benefit from the reform.

The limitation rule for objections attached to the publication of the project and the environmental report, which has so far been applicable only to 'large procedures' (under the General Administrative Procedure Act („*Allgemeines Verwaltungsverfahrensgesetz*“), for an estimated 100 participants in the EIA procedure), is to apply in future to all EIA procedures. Consequently, a person who does not raise objections within the time-limit loses the status of a party. This will prevent submissions and observations from being submitted very late in the procedure, thereby causing delays.

Speeding up appeal proceedings before the Federal Administrative Court: Procedural delays resulting from successive 'postponing' on grounds of appeal are no longer permitted. This also significantly shortens proceedings before the courts.

When the impacts of a RES project on landscape have been pre-assessed on the planning level with a SEA, these impacts cannot lead to a refusal of the permit. This will especially ease the permitting of wind farms. According to the 8th EIA Report to Parliament (2021) the median duration of EIA procedures completed between 2009 and 2020 was 15.2 month from application to the overall permit, from the completion of documents to the permit 7.2 month. The duration varies a lot between project types because of multiple factors like the quality of the project and the documents, sensibility of and impacts on the environment, availability of experts as well as public participation. With the measures envisaged in the EIA Amendment and mentioned above the duration of EIA procedures is expected to decrease. Evaluations of the effects will be presented in the 9th EIA Report (2024, covering the period 2021 to 2023) and the 10th EIA Report (2027, covering the period 2024 to 2026).

The affected economic sectors (especially the energy industry) as well as the EIA authorities (of the Länder) were involved in the preparation of the amendment and have therefore already been informed about it. An information letter was sent to the enforcement authorities when the amendment came into force.

Timeline:

Milestone 1 – Q1/2023: The amendment to the EIA Act was published in the Federal Law Gazette on 22 March 2023 and entered into force on 23 March 2023

Milestone 2 – Q3/2024: 9th EIA Report to Parliament with figures on duration of EIA procedures, including recommendations on the necessary actions to further speed up RES permitting in Austria

EU State Aid:

EU state aid legislation is not directly relevant.

5.A.2. Hydrogen as key technology to climate neutrality

Main challenges:

Climate-neutral hydrogen represents an important enabler for the Austrian goal of climate neutrality by 2040. It can help to ensure climate neutrality in sectors that are difficult to decarbonise - such as energy-intensive industries - as well as support the path toward a climate-neutral energy system. At the same time, hydrogen can be an important, sustainable option for Austria's secure energy supply in the future. It can help ensure a medium- to long-term shift away from fossil gas and thus lead to an important reduction in dependence on fossil energy imports. It is important to note that climate-neutral hydrogen must be available in sufficient quantities and at the most favourable conditions possible for Austria in the future. This in turn requires a functioning, efficient and future-proof hydrogen infrastructure in Austria.

Objectives:

The strategic cornerstones for supporting the ramp-up of an Austrian hydrogen market are set within the framework of the Austrian hydrogen strategy. The Strategy outlines ambitious targets and concrete measures along the entire hydrogen value chain, thereby supporting a targeted and efficient ramp-up of climate-neutral hydrogen. Investments in climate-neutral hydrogen production will be driven and market-based business models incentivised. The hydrogen strategy includes a dedicated action plan, which is divided into seven overarching fields of action and contains the measures for the implementation of the strategy until 2030.

These measures, such as

- a funding instrument for the transformation processes in energy-intensive industry (including hydrogen),
- scenarios and network modelling for the transformation of the gas sector towards climate neutrality 2040 and the development of a strategic integrated national network infrastructure plan (NIP) for electricity and gas/hydrogen networks
- or the implementation of national hydrogen certification,

are being implemented through various regulatory, legal and financial instruments in order to reach the targets of the hydrogen strategy and aimed at the long-term development of a hydrogen market in Austria.

Specific policies for implementation are used to support the targeted and efficient use of climate-neutral hydrogen in strategic consumption sectors embedded in the overall system.

At the same time, the development and repurposing of a suitable infrastructure from natural gas to hydrogen will be supported and imports of climate-neutral hydrogen to consumption centres in Austria enabled. For a fast, cost-efficient and coordinated ramp-up

along the value chain and the scaling up of projects, Austria takes coordinated measures from production to infrastructure to the usage of hydrogen. The development of a dedicated hydrogen infrastructure, embedded in the overall energy system planning in Austria, is a strategic cornerstone of the strategy. In this regard, a key measure of the strategy is the development of an integrated national energy infrastructure plan (NIP). The NIP identifies higher-level network needs required in the electricity and gas sectors for a whole economy energy transition, including for the repurposing of existing gas infrastructure to hydrogen infrastructure. In addition, scenarios and network modelling for the transformation of the gas sector towards climate neutrality in 2040 are explored, amongst others, through a detailed study on the development on the gas infrastructure in Austria.

In order to monitor the implementation of the strategy in the best possible way and to ensure the implementation of the individual measures, an evaluation and implementation report will be prepared. The measures of the hydrogen strategy will be evaluated in terms of their implementation status and impact, also with regard to Austria's contribution to the European energy and climate targets and to the goals of the Paris Climate Agreement. The report will include also an assessment of the progress made on the objectives in the strategy.

In order to ensure the best possible involvement of relevant stakeholders in the implementation process of the hydrogen strategy and to ensure a regular dialogue between stakeholders and decision-makers, a national hydrogen platform will be established. This platform will pool the perspectives and activities of research, industry (including energy-intensive industry, such as iron and steel industry and chemical industry), the energy sector and civil society in a dialogue process. The platform is also intended to strengthen cooperation and synergies between local, regional and national actors from different sectors, facilitate the exchange of information, provide evidence-based foundations for the strategic implementation of the strategy and create greater awareness of climate-neutral hydrogen by means of communication.

Timeline:

Milestone 1 – Q2/2023: Establishment of a national hydrogen platform as a measure of the hydrogen strategy

Milestone 2 – Q1/2024: Publication of the evaluation report on the implementation of the hydrogen strategy, including the state of play and an assessment of the progress made on the objectives included in the hydrogen strategy

Milestone 3 – Q1/2026: Publication of two key deliverables of the hydrogen strategy: The integrated national energy infrastructure plan (NIP), as well as scenarios and network modelling for the transformation of the gas sector towards climate neutrality in 2040

EU State Aid:

EU state aid law is not directly relevant.

Sub-component 5.B - REPowerEU investments

The two investment measures aim at the further decarbonisation of the power production sector as well as the transport sector. Photovoltaic systems in particular, especially if equipped with electricity storage, can contribute to reducing the times of electricity peaks usually served by gas-fired power plants. In addition, the promotion of zero-emission commercial vehicles of categories N2 and N3 supports the decarbonisation of these vehicle categories, which are usually powered by diesel.

5.B.1. Photovoltaic installations and electricity storage

Main challenges:

The Russian war of aggression on Ukraine and the associated gas crisis pose enormous challenges for Europe and Austria. An important step is to increase energy independence through renewable energies. The Austrian federal government has already taken comprehensive measures to achieve this goal. The expansion of photovoltaics in Austria has been driven forward by the Renewables Expansion Law since 2022. The national objectives are set out in the Austrian Recovery and Resilience Plan through the reform "1.D.1 Renewables Expansion Law" (EAG). Despite a large subsidy budget for photovoltaic systems of EUR 220 million, provided by the Renewables Expansion Law in 2022, the demand for support for expansion, especially in the area of systems ≤ 20 kW_{peak}, remains high. In order to meet this high demand and to further promote energy independence through the expansion of renewable energies, additional funds for the expansion of photovoltaic systems ≤ 20 kW_{peak} with or without electricity storage are now provided via REPowerEU.

Objectives:

With this measure, the available funds of EUR 140.3 million are to be used to promote the use of climate-friendly and environmentally friendly electricity generation plants through the installation and expansion of photovoltaic plants in grid-parallel operation with a capacity ≤ 20 kW_{peak}, with or without electricity storage. The milestones have been set to ensure that all projects are completed in accordance with the deadlines of the RRF in 2026. The subsidy is to be awarded via flat rates per kW_{peak}, depending on the size. The systems are subdivided according to size up to 10 kW_{peak} and systems between 10 and 20 kW_{peak}, which are subsidised with different flat rates. For electricity storage systems up to 50 kWh, which are installed together with the renewable energy generation system, flat rates per kWh are to be awarded. The prerequisites for funding and the amount of the flat rates in this programme are specified in the guidelines and complement the funding of the

Renewables Expansion Law in order to achieve even more renewable installations in Austria and to promote Austria's energy independence.

The subsidies in the Renewables Expansion Law are raised through the Renewable Energy Promotion Contribution and the Renewable Energy Promotion Rate; the possibility of awarding additional funds is excluded in the Renewables Expansion Law and the available budget is limited. The additional funds from REPowerEU are therefore distributed by the Climate and Energy Fund, in addition to the funding under the Renewables Expansion Law. The national legal basis is formed by the Climate and Energy Fund Act and the Investment Promotion Guideline for Environmental Promotion in Austria, in its current version.

The target group is private individuals and non-profit associations, provided they are consumers within the meaning of § 1 para. 1 no. 2 of the Consumer Protection Act.

The Climate and Energy Fund will only consider funding applications that have been submitted to the Clearing and Settlement Agency for Green Electricity (OeMAG) in accordance with the Renewables Expansion Law, but which have to be rejected by OeMAG due to a lack of budget. After consent of the applicants that their data can be transferred to another promotion agency (in accordance with the GDPR), these applications are forwarded by OeMAG to the processing office of the Climate and Energy Fund and registered by the promotion agency in this funding programme in the course of a one-step procedure. After implementation, the application is submitted by the applicants to the promotion agency of the Climate and Energy Fund in the course of the final settlement, where the applications are reviewed. This application must be submitted no later than 24 months after registration in the promotion agency of the Climate and Energy Fund. Double funding can be ruled out, as the first application must be submitted to the Double funding can be ruled out, as the first application must be submitted to the EAG Settlement Agency (OeMAG). It is not possible to apply directly to the processing office of the Climate and Energy Fund.

Timeline:

In order for all projects or measures to be completed in line with the RRF timeline the milestones were set as follows:

Milestone 1 – Q4/2023: Guidelines have been amended and published

Target 2 – Q4/2024: 17.500 projects have been installed

Target 3 – Q4/2025: 35.300 projects have been installed

EU State Aid:

Only private individuals and non-profit associations are eligible for subsidies, provided they are consumers within the meaning of Article 1(1)(2) of the Consumer Protection Act. The

sale of electricity from a subsidised PV system may constitute an entrepreneurial activity under European law, which is why the subsidy is processed in accordance with the de minimis regulation. However, no further checks under state aid law are required, as the applicants for subsidies are not subject to state aid law per se.

5.B.2. Funding zero-emission commercial vehicles and infrastructure

Main Challenges:

The challenges are the same as those of the original investment measure 1.B.4. Due to the more current data situation, an update is provided below.

The share of zero-emission vehicles in the Austrian vehicle population is currently still low. While the share of electric cars in new registrations is steadily increasing and was already 15.9% in 2022, their share in the total Austrian vehicle stock was also only 2.14%. In comparison, the share of electric commercial vehicles of the classes N1, N2 and N3 in new commercial vehicle registrations was lower in 2022 and was around 8.4%. The share of electric commercial vehicles in the stock reached only 1.4% in 2022. If the light commercial vehicles of class N1 are not considered, the share of heavy electric commercial vehicles (N2, N3 and tractor units) in the stock is only 0.14%. This can be explained by the fact that the costs of zero-emission commercial vehicles and the associated infrastructure are still higher than those of conventional commercial vehicles, which is why hardly any larger fleets have currently been converted to zero-emission operations apart from individual pilot projects, especially in the case of heavy commercial vehicles of classes N2 and N3. In order to achieve the EU's ambitious goal of climate neutrality in 2050, it is important to start the conversion of freight transport at an early stage. This is especially true in light of the fact that Austria has set itself the goal of achieving climate neutrality as early as 2040.

The transport sector was responsible for GHG emissions of approximately 21 million tonnes of CO₂ equivalents in 2020. Since 1990, the transport sector (incl. national air traffic) has recorded the highest increase in emissions of all sectors in the period 1990-2020, with an increase of 50.7%. The main emitter is road traffic, which accounts for around 28% of total national GHG emissions (incl. EH) and around 99% of the GHG emissions of the entire transport sector. The share of passenger road transport (cars, buses, mopeds, motorbikes) in the total national GHG emissions is 16.6%, that of road freight transport (heavy and light commercial vehicles) is around 11%.

40% of emissions in 2020 were from freight transport, which includes heavy and light commercial vehicles. In 2020, around 74% of tonne-kilometres were travelled by road. Total greenhouse gas emissions from this amounted to 8 263 000 tonnes of CO₂ equivalent in 2020 and have increased by approximately 100.5% since 1990, with light commercial vehicles showing an increase of 36% and heavy commercial vehicles an increase of 121.9%. The number of kilometres travelled by trucks in Austria (light and heavy commercial vehicles) has increased by about 70% since 1990, and the transport performance in tonne-

kilometres by 164%. This means that the transport performance per vehicle kilometre could be increased. In view of the goal of achieving climate neutrality in 2040, the decarbonisation of freight transport must proceed rapidly. [UBA 2022, Climate Protection Report 2022]⁴.

Objectives:

In Austria, there are currently 498 325 light commercial vehicles (N1), 9 690 heavy commercial vehicles of vehicle class N2 and 45 234 heavy commercial vehicles of vehicle class N3 as well as 20 247 tractor units (as of December 2022) in use, most of which are diesel-powered. If the light commercial vehicles of class N1 are not considered, the share of heavy electric commercial vehicles (N2, N3 and tractor units) in the fleet is only 0.14%. This makes it clear that there is a need for action in these vehicle segments in particular.

The goal is to significantly increase the share of zero-emission commercial vehicles. Thus, by the second quarter of 2026, at least 167 commercial vehicles in the N2 and N3 vehicle classes (incl. tractor units and special vehicles) should have been converted to zero-emission models and the necessary infrastructure installed for their operation. The possibility to aid emission free vehicles of class N1, N2 and N3 was created in the course of an exemption according to Article 36a and Article 36b of the GBER. The promotion of vehicle class N1 is described in measure 1.B 4. Emissions. The emissions can be drastically reduced by switching from currently fossil-fuelled commercial vehicles to zero-emission vehicles and at the same time using only renewable energy.

Implementation:

Potential funding recipients have been able to submit funding applications for zero-emission commercial vehicles of the vehicle categories N2, N3, tractor units and special vehicles and the infrastructure required for their operation to the settlement agency since March 22 2023. If operational procedures allow, the refuelling and charging infrastructure required for the operation of the respective vehicles that is funded may also be used by other road users and be publicly accessible (see Federal Law Gazette I No. 38/2018 §3 paras. 2 and 3). Provided that the predefined minimum criteria in this funding programme have been met, the projects are ranked on the basis of economic and ecological as well as other quality assessment criteria. Funding is then granted according to the ranking determined and the budgetary funds available in the respective call.

The last funding call is scheduled for Q4/2024 (if there is sufficient demand, the last funding call can be made earlier), so that the target of 167 new N2 and N3 commercial vehicles (incl.

⁴ [13. Umweltkontrollbericht \(umweltbundesamt.at\)](#)

tractor units and special vehicles) can be reached by the last payment application in Q3/2026.

The exclusive use of renewable energy (electricity and hydrogen) for the operation of the funded vehicles ensures that the investments fit into the efficient and integrated energy system that will be necessary for climate neutrality in 2040.

Target Group:

Businesses, other entrepreneurially active organisations as well as associations, religious institutions and public regional authorities.

EU State Aid:

The grant constitutes aid within the meaning of Article 107 (1) TFEU. The basis for the aid is the exemption of the aid scheme in question under Article 36a and Article 36b of the GBER.

Timeline:

Milestone 1 – Q1/2023: 1. Funding call for commercial vehicles in categories N2 and N3 "Emission-free commercial vehicles and infrastructure (ENIN)" has been launched

Target 2 – Q2/2026: On the basis of grant agreements, the recipients have procured and received at least 167 commercial vehicles of vehicle class N2 or N3 (incl. tractor units and special vehicles) with zero emission technology

d) Projects with a cross-border or multi-country dimension or effect

With three measures of the additional REPowerEU chapter to the Austrian Recovery and Resilience Plan (all but 5.B.2), a cross-border or transnational impact is achieved. Therefore, 66.71% of the funds, and thus far more than the 30% minimum target, contribute to this impact goal.

More specifically, the investment 5.B.1 Photovoltaic installations and electricity storage will reduce energy dependency on fossil fuels as well as energy demand and thus contribute to the improvement of cross border energy flows and the security of energy supply of the Union.

e) Consultation of local and regional authorities and other relevant stakeholders

Similar to the preparation of the RRP, the main consultations on the REPowerEU chapter and the possible adaptation of the RRP took place within the framework of the process for preparing the National Reform Programme. From 2 to 31 March 2023, stakeholders were invited to submit proposals to the Federal Ministry of Finance as the coordinating body within the framework of a public consultation. The consultation was publicly advertised on the website of the Austrian Recovery Plan. In addition, the social partners, relevant stakeholders of civil society, NGOs, youth organisations as well as representatives of regional and local authorities were made aware of the consultation in writing.

The content of the consultation with local and regional authorities and other relevant stakeholders was based on three questions:

- Which existing reforms and/or investments of the Austrian RRP could be included for the "REPowerEU Chapter" and increased in their level of ambition?
- Which new reforms and/or investments, which according to the specifications have to be completed by mid-2026, could be included for the "REPowerEU Chapter"?
- Which existing reforms and/or investments based on which objective reasons should be adjusted in the context of a possible revision of the Recovery and Resilience Plan?

A total of 14 different contributions were submitted by 31 March 2023, including contributions from 3 social partners, 3 Länder, 2 energy suppliers, 1 private individual, and 5 other relevant regional and economic stakeholders.

The contributions to the consultation comprised in total 72 projects, of which 48 projects suggesting new measures and 24 projects suggesting the scale-up of existing measures, for example:

New measures:

- Reforms to accelerate approval procedures for the expansion of renewable energies
- Investment in education and training with a focus on the energy sector
- Ramp-up of the hydrogen economy
- Additional subsidies and expansion of the scope of photovoltaic subsidies

Scale-up of existing measures:

- Expansion of the measure "Transforming industry towards climate neutrality" (1.D.2) and increase of the funding volume for individual projects.
- Increase and extend existing funding instruments for electric vehicles and infrastructure investments - EBIN and ENIN (1.B.3/1.B.4).
- Expansion of the measure "Combating Energy Poverty" (1.A.3) and addition of accompanying reforms such as a "One-Stop-Shop Heating Exchange".

- Increase the repair bonus (1.C.5) as well as the exchange of oil and gas heaters (1.A.2)

When adopting the REPowerEU chapter, the federal government focused on the implementation of Austria's country-specific recommendations for the year 2023, in particular independence from fossil fuels. To this end, measures are planned to accelerate the expansion of renewable energy and to diversify the energy supply. In this context, some suggestions of the municipal and regional authorities as well as other relevant stakeholders were also implemented:

With regard to investments in the REPowerEU chapter, the increase in support for zero-emission commercial vehicles was noted several times in consultation contributions. The expansion of photovoltaic support is also reflected in the contributions.

In terms of reforms, the EIA Act covers a central demand of the consultation, i.e. the acceleration of approval procedures for renewable energy projects. The hydrogen strategy in turn addresses the need for rapid ramp-ups as well as the targeted deployment of the hydrogen economy.

Thus, the investments and reforms of the Austrian REPowerEU chapter largely reflect the results of the public consultation. Of course, it is not possible to include all measures put forward in the consultation contributions due to the limited overall allocation of REPowerEU funds. Moreover, some proposals are not compatible with the RRF Regulation or simply outside the scope of REPowerEU.

f) Digital dimension

While under measure 5.B.1 Photovoltaic installations and electricity storage are funded, devices that enable ICT-based and data-controlled services, household appliances in the context of "smart homes" are not supported as such. It is, however, reasonable to assume that some recipients will install these devices at their own expense. This, in turn, can increase the self-consumption of the systems, which can relieve the load on the power grid, especially in times of high utilisation.

g) Climate and environmental tagging

Both investment measures contribute 100% to the climate target:

5.B.1. Photovoltaic installations and electricity storage

Code	INTERVENTION FIELD	Coefficient for the calculation of support to	Coefficient for the calculation of support to environmental objectives
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		climate change objectives	
29	<i>Renewable energy: solar</i>	100%	40%

5.B.2. Funding zero-emission commercial vehicles and infrastructure

Since this measure is scaled up version of 1.B.4 Zero-emission utility vehicles, the same “adhoc” classification is used:

Code	INTERVENTION FIELD	Coefficient for the calculation of support to climate change objectives	Coefficient for the calculation of support to environmental objectives
<i>ADHOC</i>	<i>ADHOC - Ad hoc intervention field</i>	100%	40%

h) ‘Do no significant harm’

5.A.1. Acceleration of permitting procedures for renewables

Please indicate which of the environmental objectives below require an in-depth DNSH assessment of the measure.	Yes	No	Justification for „No“
Climate Change Mitigation		x	In addition to the provisions on process efficiency, the reform 5.A.1 also contains regulations to strengthen climate protection, in particular by substantiating the licensing provisions on the reduction of greenhouse

			gases in accordance with the state of the art technology and on soil protection.
Climate Change Adaptation		x	Reform 5.A.1 includes measures against climate change, in particular by strengthening soil protection and avoiding excessive land use. Adaptation measures are taken into account in the environmental impact assessment (EIA).
Sustainable use and protection of water and marine resources		x	Sustainable water use will be strengthened through modifications to the projects subject to EIA and case-by-case assessments, e.g. for hydropower plants in sensitive areas and for soil drainage.
Transition to a circular economy		x	The circular economy will be strengthened through modifications to projects subject to EIA and case-by-case assessments for waste management measures, e.g. sorting plants or interim storage facilities.
Pollution prevention and control		x	Reform 5.A.1 contains the obligation to submit a soil protection concept as part of the project applicant's environmental impact statement and contains supplementary EIA requirements for projects on previously unsealed land.
Protection and restoration of biodiversity and ecosystems		x	Reform 5.A.1 contains the obligation to submit a soil protection concept as part of the project applicant's environmental impact statement and contains supplementary requirements for projects on previously unsealed land.

5.A.2. Hydrogen as key technology to climate neutrality

Please indicate which of the environmental objectives below require an in-depth DNSH assessment of the measure.	Yes	No	Justification for „No“
Climate Change Mitigation		x	The reform 5.A.2 has no or an insignificant foreseeable impact on the environmental objective related to the direct and primary indirect effects of the measure across its life cycle, given its nature, and as such is considered compliant with DNSH for the relevant objective.
Climate Change Adaptation		x	The reform 5.A.2 has no or an insignificant foreseeable impact on the environmental objective related to the direct and primary indirect effects of the measure across its life cycle, given its nature, and as such is considered compliant with DNSH for the relevant objective.
Sustainable use and protection of water and marine resources		x	The reform 5.A.2 has no or an insignificant foreseeable impact on the environmental objective related to the direct and primary indirect effects of the measure across its life cycle, given its nature, and as such is considered compliant with DNSH for the relevant objective.
Transition to a circular economy		x	The reform 5.A.2 has no or an insignificant foreseeable impact on the environmental objective related to the direct and primary indirect effects of the measure across its life

			cycle, given its nature, and as such is considered compliant with DNSH for the relevant objective.
Pollution prevention and control		x	The reform 5.A.2 has no or an insignificant foreseeable impact on the environmental objective related to the direct and primary indirect effects of the measure across its life cycle, given its nature, and as such is considered compliant with DNSH for the relevant objective.
Protection and restoration of biodiversity and ecosystems		x	The reform 5.A.2 has no or an insignificant foreseeable impact on the environmental objective related to the direct and primary indirect effects of the measure across its life cycle, given its nature, and as such is considered compliant with DNSH for the relevant objective.

5.B.1. Photovoltaic installations and electricity storage

Please indicate which of the environmental objectives below require an in-depth DNSH assessment of the measure.	Yes	No	Justification for „No“
Climate Change Mitigation		x	Investment 5.B.1 stimulates the production of renewable electricity, replacing fossil fuels and reducing greenhouse gas emissions.
Climate Change Adaptation		x	The focus of the measures is on the expansion of renewable energies and the mitigation of climate change through the determined reduction of greenhouse gas emissions. The Austrian electricity mix is currently based

			primarily on hydropower. This is expected to fluctuate more strongly due to climate change and to decline especially in summer. The switch to PV is therefore also a measure for adapting to climate change.
Sustainable use and protection of water and marine resources		x	The focus of the measures is on the expansion of renewable energies and the mitigation of climate change through the determined reduction of greenhouse gas emissions. No impact on the water resource is expected from these climate protection projects.
Transition to a circular economy		x	The equipment and components have a high durability and recyclability. The components are easy to dismantle and refurbish.
Pollution prevention and control		x	The expansion of electricity production through photovoltaic systems on roofs reduces greenhouse gas emissions, thus the measure contributes to climate change mitigation. Negative impacts on water, soil or air are not expected.
Protection and restoration of biodiversity and ecosystems		x	The photovoltaic systems promoted here are implemented exclusively on roofs, which is why the investment 5.B.1 does not result in any additional land sealing.

5.B.2. Funding zero-emission commercial vehicles and infrastructure

Please indicate which of the environmental objectives below require an in-depth DNSH assessment of the measure.	Yes	No	Justification for „No“
Climate Change Mitigation		x	<p>The measure is based on 1.B.4 Zero-emission utility vehicles which has already been recognised to support the climate change objectives with a coefficient of 100%.</p> <p>The infrastructure for electric vehicle charging and hydrogen refuelling (using only electricity or hydrogen from renewable sources) established under the measure promotes electrification and can thus be considered a necessary investment for the transition to an effective climate-neutral economy.</p> <p>The vehicles are not intended for the transport of fossil fuels.</p>
Climate Change Adaptation		x	<p>The activity supported by this measure has no significant foreseeable impact on this environmental objective, taking into account the direct and primary indirect life cycle impacts.</p> <p>Specifically, the recipients demonstrate that they comply with the criteria of the Taxonomy Regulation Annex A of Annex I.</p>
Sustainable use and protection of water and marine resources		x	<p>The activity supported by this measure has no significant foreseeable impact on this environmental objective, taking into account</p>

			<p>the direct and primary indirect life cycle impacts.</p> <p>Specifically, the recipients demonstrate compliance with the criteria of the Taxonomy Regulation Appendix B of Annex I and II.</p>
Transition to a circular economy		x	<p>The activity supported by this measure has no significant foreseeable impact on this environmental objective, taking into account the direct and primary indirect life cycle impacts.</p> <p>Specifically, the recipients demonstrate the following:</p> <p>Class N2 and N3 vehicles:</p> <p>(a) reusable or recyclable to at least 85% by weight;</p> <p>(b) reusable or recyclable to at least 95 % by weight.</p> <p>Waste management measures are in place both in the use phase (maintenance) and at the end of life of the fleet, including the reuse and recycling of batteries and electronics (in particular the critical raw materials contained therein), in accordance with the waste hierarchy.</p> <p>Charging and refuelling infrastructure:</p> <p>At least 70 % (by weight) of the non-hazardous construction and demolition waste generated on site (excluding naturally occurring material</p>

			<p>defined in category 17 05 04 of the European Waste List established by Decision 2000/532/EC) shall be prepared for reuse, recycling and other material recovery, including backfilling using waste as a substitute for other materials, in accordance with the waste hierarchy and the EU Protocol on Construction and Demolition Waste Management. Operators shall limit the generation of waste from process-related construction and demolition activities in accordance with the EU Protocol on Construction and Demolition Waste Management and taking into account best available techniques and using selective demolition to enable the removal and safe handling of hazardous materials and to facilitate reuse and high quality recycling through selective removal of materials, using available sorting systems for construction and demolition waste.</p>
<p>Pollution prevention and control</p>		<p>x</p>	<p>The activity supported by this measure has no significant foreseeable impact on this environmental objective, taking into account the direct and primary indirect life cycle impacts.</p> <p>Specifically, the recipients demonstrate the following:</p> <p>Class N2 and N3 vehicles:</p> <p>For road vehicles of classes M and N, the tyres comply with the external rolling noise requirements for the highest product</p>

			<p>containing class and with the rolling resistance coefficient requirements (which have an impact on the energy efficiency of the vehicle) for the two highest product containing classes, as set out in Regulation (EU) 2020/740 and verifiable through the European Product Database for Energy Performance Labelling (EPREL). The vehicles comply with the requirements of the latest applicable stage of type-approval with regard to emissions from heavy-duty vehicles (Euro VI) 244 in accordance with Regulation (EC) No 595/2009. The vehicles comply with Regulation (EU) No 540/2014.</p> <p>Loading and refuelling infrastructure:</p> <p>Where appropriate, noise and vibration from the use of the infrastructure shall be mitigated by the introduction of open trenches, wall barriers or other measures and shall comply with Directive 2002/49/EC. Measures will be taken to reduce noise, dust and pollutant emissions during construction or maintenance.</p>
<p>Protection and restoration of biodiversity and ecosystems</p>		<p>x</p>	<p>The activity supported by this measure has no significant foreseeable impact on this environmental objective, taking into account the direct and primary indirect life cycle impacts.</p> <p>Specifically, the recipients demonstrate the following:</p> <p>Charging and refuelling infrastructure:</p>

			<p>The activity complies with the criteria listed in Appendix D of the Annex from the Taxonomy Delegated Act. Where relevant, maintenance of vegetation along road infrastructure will ensure that invasive species do not spread. Mitigation measures have been implemented to avoid collisions with wildlife.</p>
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i) Financing and costs

5.A.1. Acceleration of permitting procedures for renewables

The reform is not associated with any costs for the RRP.

5.A.2. Hydrogen as key technology to climate neutrality

The reform is not associated with any costs for the RRP.

5.B.1. Photovoltaic installations and electricity storage

The flat-rate subsidies for photovoltaic systems of sizes up to 10 kWpeak will be up to EUR 285/kWpeak and for systems between 10 kWpeak and 20 kWpeak up to EUR 250/kWpeak. Electricity storage systems will be subsidised with up to EUR 200/kWh up to 50kWh.

From all EAG-calls in 2022, a total of around 59 000 applications for photovoltaic systems were submitted. Thereof, 32 000 applications were submitted for photovoltaic systems only and 27 000 applications were submitted for photovoltaic including electric storage. Based on the average system size and the distribution of applications, it was possible to determine an average funding per application, which was used for the calculation of the milestones and the expected capacity. The evaluations of the 1st call 2023 are not yet available.

Based on the experience from the 2022 EAG calls, an average size of around 10 kWpeak is expected per funding. Based on the previous distribution of the two size categories (approx. 74% with size up to 10 kWpeak, 26% between 10 and 20 kWpeak), an average subsidy rate of around EUR 276/kWpeak is assumed.

The following table shows the results of the 2022 EAG calls including the average size of photovoltaic system installed and an average funding rate (as well as an average cost of photovoltaic systems per kWpeak):

Photovoltaic-systems 2022					
	<i>average size [kWp]</i>	<i>average costs [EUR/kWp]</i>	<i>funding flat rates [EUR/kWp]</i>	<i>numbers of applications in 2022</i>	<i>ratio in categories [%]</i>
<i>Category A (≤10kWp)</i>	8.00	2 465.00	285.00	43 900	0.74
<i>Category B (10-20kWp)</i>	15.00	1 760.00	250.00	15 592	0.26
<i>Average</i>	9.83	2 220.00	275.83		

Furthermore, an average of 14 kWh is assumed for storage systems, each of which is subsidised at EUR 200/kWh. The previous distribution of PV systems without and with storage was approx. 55% to 45% (i.e. 32 000 out of 59 000 without storage; 27 000 out of 59 000 with storage).

The following table shows that approx. 27 000 out of 59 000 photovoltaic systems included electricity storage:

Energy storage 2022			
	<i>average costs [EUR/kWh]</i>	<i>funding flat rates [EUR/kWh]</i>	<i>numbers of applications in 2022</i>
<i>All categories</i>	705.00	200.00	27 003

Based on this ratio as well as the average size of projects in combination with the average funding rates, it can be estimated, that the average subsidy per project under the 2022 calls amounts to EUR 3 975 per project.

Thus, with the available budget of EUR 140.3 million, at least 35 292 photovoltaic systems could be subsidised. This means that up to 345 MW_{peak} of additional photovoltaic capacity and 220 MWh of electricity storage can therefore theoretically be subsidised.

5.B.2. Funding zero-emission commercial vehicles and infrastructure

The cost estimate of the original measure of the Austrian Recovery and Resilience Plan was prepared for commercial vehicles of category N1, for the commercial vehicles of categories N2 and N3 now supported via REPowerEU it is as follows:

1. General:

In order to advance the rapid decarbonisation of freight transport towards the goal of climate neutrality in 2040, it is necessary to provide suitable funding opportunities. The model for the design of the "Zero-emission commercial vehicles and infrastructure (ENIN)" funding programme is the funding programme "SA.63278 - RRF - Austria - Zero-emission public transport buses and infrastructure (EBIN)". The aid intensities described therein for the purchase of zero-emission vehicles and their infrastructure appear to be suitable for providing a stimulus for the procurement of zero-emission commercial vehicles and are therefore also used as the basis for calculating the necessary budget.

The aid intensity for zero-emission commercial vehicles is 80%, that for charging and refuelling infrastructure is 40%. The calculation is based on the eligible additional investment costs of a zero-emission commercial vehicle (retrofitting or new acquisition) compared to a fossil-fuelled comparable vehicle, or the eligible investment costs of the charging or refuelling infrastructure.

2. Calculation of the (additional) investment costs for heavy commercial vehicles of vehicles class N2 & N3:

The calculation of the budget requirement and the number of subsidised heavy commercial vehicles of vehicle class N2 & N3, tractor units and special vehicles is based on the additional investment costs. Since at the present time it is not possible to create a sufficiently statistically reliable data base on the basis of comparative offers for the different types of vehicles, the additional investment costs are calculated on the basis of current study results.

The additional costs of commercial vehicles of different size classes forecast for 2025 in the *ifeu* study "Potential Analysis for Battery Trucks" were used as the basis for the calculation. Back-calculation factors for battery costs (+64%) and the other technology-related additional vehicle costs (+30%) were used to calculate the vehicle costs used in the further calculation back to values for the year 2023. Since no statements can be made at this time about the costs of heavy commercial vehicles with hydrogen fuel cell drive due to a still very limited market state, experts in the Federal Ministry of Climate Action estimated additional cost of 100% for this type of vehicles. The share of battery-electric heavy commercial vehicles in all commercial vehicles is forecast at 70% over the entire period of the funding project.

The following breakdown shows the costs for heavy commercial vehicles in 2025 of the cited study:

Size	ICEV (in EUR)	BEV (excl. battery, in EUR)	BEV (incl. battery, in EUR)	Battery cost (in EUR)	Additional cost (in EUR)
HGV 3.5-7.5t	41 300	36 900	56 800	19 900	15 500
HGV 7.5-12t	56 000	58 500	79 700	21 200	23 700
HGV 12-18t	66 300	80 400	116 900	36 500	50 600
HGV 18-26t	89 500	104 800	161 800	57 000	72 300
HGV ≥26t	103 000	126 900	195 100	68 200	92 100

As these figures already anticipate cost depression due to falling battery and drive component prices until 2025, an adjustment is necessary. After applying the above-mentioned back-calculation factors, the following costs for heavy commercial vehicles result in 2023:

Size	ICEV (in EUR)	BEV (excl. battery, in EUR)	BEV (incl. battery, in EUR)	Battery cost (in EUR)	Additional cost (in EUR)
HGV 3.5-7.5t	41 300	47 970	80 534	32 564	39 234
HGV 7.5-12t	56 000	76 050	110 741	34 691	54 741
HGV 12-18t	66 300	104 520	164 247	59 727	97 947
HGV 18-26t	89 500	136 240	229 513	93 273	140 013
HGV ≥26t	103 000	164 970	276 570	111 600	173 570

For further calculations, the costs of the size class "HGV 7.5-12t" were used for the vehicle category N2 and the costs of the size class "HGV >26t" for the vehicle category N3.

Taking into account a share of 10% of vehicles in vehicle category N2 in the total number of heavy commercial vehicles and the assumptions described above (share of 30% commercial

vehicles with hydrogen fuel cell drive), the preliminary additional investment costs amount to EUR 210 193 and the funding amounts to EUR 168 155 euros per vehicle.

These values were subsequently compared with the cost data provided by potential funding applicants. On average, they indicate vehicle costs of approx. EUR 440 000 for vehicles of vehicle class N3. The additional investment costs thus amount to approx. EUR 340 000, resulting in an average subsidy amount of EUR 272 000 per vehicle. This deviation can be justified by the fact that the forecast year 2025 (which represents the starting point for the back calculation) is based on an already developed market. Factors such as supply bottlenecks, component and resource shortages, price increases, lack of competition and manufacturer diversity - which will in all likelihood fade into the background in the course of the next few years - are therefore not taken into account here. Due to the time frame set by the Facility, only calls for proposals in 2023 are likely to be considered for this measure, which is why it will not be possible to benefit from the positive effects of market development in the coming years. Since there is currently no broad publicly accessible charging network for heavy commercial vehicles, the vehicles must have a longer range in order to be integrated into the respective operational processes. This increases the costs for the traction batteries, which has a direct influence on the additional investment costs and thus the funding level. An adjustment factor of 125% is therefore added to the subsequent calculation⁵.

2.2 Additional Investments Infrastructure N2 & N3:

Since different types of charging infrastructure can be considered for the respective use cases, a mixed calculation of AC and DC charging infrastructure was used here. As a basic assumption, each electric vehicle is assigned a charging infrastructure and each hydrogen fuel cell truck is assigned a share of the costs of a hydrogen refuelling infrastructure.

The calculation of the charging infrastructure costs is based on the assumption of EUR 500/kW. This assumption is based on the Fraunhofer study "E-bus standard", which assumes approx. EUR 700/kW. However, this also includes costs for charging masts and roadside contact systems, which are not taken into account for this cost estimate.

⁵ The adjustment factor can be verified based on the information provided by applicants, which was obtained during consultation discussions with the settlement agency. The applicants stated vehicle prices for battery-electric commercial vehicles of class N3 ranging from EUR 250 000 to EUR 790 000. The average value is EUR 439 214, compared to average reference costs (commercial vehicle of class N3 with internal combustion engine) amounting to EUR 100 590. The average additional investment costs for battery-electric commercial vehicles of class N3 amount to EUR 338 624, resulting in a funding requirement of EUR 270 889 (comparable to the funding requirement with adjustment factor which amounts to EUR 291 037). If investment costs twice as high are considered for commercial vehicles of class N3 with hydrogen fuel cell drive, the additional investment costs amount to EUR 777 838, resulting in a funding requirement of EUR 622 270 (comparable to the funding requirement with adjustment factor which amounts to EUR 582 074). If the aforementioned split of 70 to 30 (BEV to FCEV) is applied, the average funding requirement amounts to EUR 376 310 (comparable to the average funding requirement with adjustment factor which amounts to EUR 378 348).

Type of Charging Infrastructure	Investment Cost [in EUR]	Share
AC <=22 kW	11 000	20%
DC >=150 kW	75 000	40%
DC >= 150 kW	175 000	40%

The calculation of the investment costs for hydrogen refuelling infrastructure is based on the following assumption. The investment costs of EUR 1.2 million for the hydrogen refuelling infrastructure are assumed for 10 vehicles each.

Thus, investment costs of EUR 102 200 and a subsidy amount of EUR 40 880 per charging point and vehicle are used for the further calculation. Furthermore, investment costs of EUR 120 000 and a subsidy amount of EUR 48 000 for hydrogen refuelling infrastructure per hydrogen vehicle are used for the further calculation.

3. Results and Summary:

The previously described information results in the following quantity structures and expenditures.

Specific funding levels per vehicle category:

N2/N3 Vehicle	EUR 378 348 per vehicle
N2/N3 Charging/Refuelling Infrastructure	EUR 43 016 per vehicle
Total	EUR 421 364 per vehicle

With a budget of EUR 70 million, 167 zero-emission commercial vehicles of the N2 & N3 vehicle category (also includes tractor units and special vehicles) including the charging and refuelling infrastructure required for their operation can be funded.

3. Pre-financing request

Following the adoption by the Council of the implementing decision referred to in Articles 20(1) and 21(2) of Regulation (EU) 2021/241, Austria would like to request up to two pre-financing payments for a total amount of 20% of the additional funding requested to finance the REPowerEU chapter.

Austria is aware that, to the extent possible and subject to available resources, the pre-financing will be paid out in up to two tranches; the first pre-financing payment within two months after the conclusion by the Commission and Austria of the individual legal commitment referred to in Article 23 of Regulation 2021/241, and the second pre-financing payment within twelve months of the entry into force of the Council Implementing Decision approving the assessment of the recovery and resilience plan including a REPowerEU chapter.

PART 2.2: Modified components

COMPONENT 1: SUSTAINABLE RECOVERY / SUBCOMPONENT 1.A RENOVATION WAVE	
Investment/ reform CID reference	Investment 1.A.2.
Investment/ reform name	Exchange of oil and gas heating systems
Type of change compared to CID	modified
Legal base of the change (select at least one)	<input type="checkbox"/> Article 14(2) – loan request <input type="checkbox"/> Article 18(2) – update of the maximum financial contribution <input checked="" type="checkbox"/> Article 21 – amendment due to objective circumstances <input type="checkbox"/> Article 21a – REPowerEU non-repayable financial support (ETS revenue) <input type="checkbox"/> Article 21b (2) – BAR transfers <input type="checkbox"/> None of the above, correction of clerical error
Elements modified (only for modified measures)	<input type="checkbox"/> Component / Measure description <input checked="" type="checkbox"/> Milestones and targets <input type="checkbox"/> Estimated cost <input type="checkbox"/> Green and digital tagging (potentially relevant, because there is a substantive change to the underlying measure) <input type="checkbox"/> DNSH self-assessment
Investment: 1.A.2 Exchange of oil and gas heating systems	
<p><u>Initial description:</u></p> <p>Investment 1.A.2 consists of three targets:</p> <p><u>Target 3:</u> At least 6 360 projects of replacement of heating systems have been implemented and audited.</p> <p><u>Target 4:</u> At least 15 900 projects of replacement of heating systems have been implemented and audited.</p> <p><u>Target 5:</u> At least 31 800 projects of replacement of heating systems have been implemented and audited.</p> <p><u>Requested amendments and justification of the change:</u></p>	

Target 3 was fulfilled as part of the first payment request. Targets 4 and 5 are supposed to be part of the third and sixth payment requests respectively.

Fast implementation of the investment has resulted in achievement of targets 4 and 5 already at the end of Q2/2022 and Q4/2022 respectively. Therefore, both targets can be shifted forward in time to be part of the second payment request.

Modified elements	Current version	Amended version
Component and / or measure description		No changes.
Milestones and targets	T4 Indicative timeline for completion: Q4/2023 T5 Indicative timeline for completion: Q2/2026	T4 Indicative timeline for completion: Q2/2022 T5 Indicative timeline for completion: Q4/2022
Estimated cost		No changes.
Green and digital tagging		No changes.
DNSH self-assessment		No changes.

COMPONENT 1: SUSTAINABLE RECOVERY / SUBCOMPONENT 1.A RENOVATION WAVE	
Investment/ reform CID reference	Investment 1.A.3
Investment/ reform name	Combating energy poverty
Type of change compared to CID	modified
Legal base of the change (select at least one)	<input type="checkbox"/> Article 14(2) – loan request <input type="checkbox"/> Article 18(2) – update of the maximum financial contribution <input checked="" type="checkbox"/> Article 21 – amendment due to objective circumstances <input type="checkbox"/> Article 21a – REPowerEU non-repayable financial support (ETS revenue) <input type="checkbox"/> Article 21b (2) – BAR transfers <input type="checkbox"/> None of the above, correction of clerical error
Elements modified (only for modified measures)	<input checked="" type="checkbox"/> Component / Measure description <input checked="" type="checkbox"/> Milestones and targets <input type="checkbox"/> Estimated cost <input type="checkbox"/> Green and digital tagging (potentially relevant, because there is a substantive change to the underlying measure) <input type="checkbox"/> DNSH self-assessment
Investment: 1.A.3 Combating energy poverty	
<p><u>Initial description</u></p> <p><u>Target 7:</u> At least 1 000 thermal renovation projects approved by BMK under the support scheme</p> <p><u>Target 8:</u> At least 2 250 thermal renovation projects completed as part of the support scheme</p> <p><u>Requested amendments and justification of the change</u></p> <p><u>Background:</u></p> <p>During the development of the RRF, the objective to create a support programme for low-income households to combat energy poverty in addition to existing national subsidies was pursued.</p>	

A tailor-made programme was aimed at which provides support in the renovation process, and enables effective and comprehensive renovations for dwellings for this population group ("Leave no one behind").

The Council Implementing Decision outlines the following objectives:

The investment shall support thermal renovation of dwellings of low-income households prone to energy poverty, and thus reduce their energy consumption and costs in a sustainable manner.

Therefore, the aim was to offer subsidies for thermal renovations of multi-storey residential buildings and single-family houses, thereby significantly reducing energy demand, greenhouse gas emissions, and energy costs of the residents.

Adjustment of the text of the Council Implementing Decision:

The following argumentation explains why, for objective reasons, the measure is not feasible in accordance with Article 21 of the RRF Regulation and therefore needs to be adjusted.

1. Difficulties in data acquisition due to Austria's federalist principle:

The subsidy is a federal subsidy and is processed through the KPC. However, since social policy falls under the jurisdiction of the federal states and is therefore administered by them, the federal government (and its implementing agency) does not have access to the data of welfare aid recipients⁶. Due to the time constraints in the RRF planning phase, these difficulties in obtaining consistent and uniform data were underestimated. Therefore, an alternative option had to be found to achieve the same objectives nationwide with a redesigned measure.

2. A more targeted measure has been identified, also in line with the objective reasons stated in Article 21:

People at risk of poverty often have such a low income that they cannot afford housing at all. Charitable and community organisations therefore provide low-cost housing and accommodation in buildings exclusively for vulnerable people. This is housing for

⁶ Therefore, national subsidies for heating replacement in low-income households are limited to the confirmations of households' poverty status issued by the authorities of the respective federal states. However, these confirmations cannot be uniformly and comprehensively verified and standardised at the federal level. Consequently, a subsidy financed by EU funds cannot be organised in this manner since a stringent and consistent traceability of poverty risk is not achievable.

medium- to long-term use, where a contract is established with the residents. Since these organisations rely mainly on donations, the buildings are usually in poor condition and energy costs are therefore particularly high.

The residents are charged a fee by these organisations. These fees also include operating costs⁷. In order to reduce these costs in the long term, thermal refurbishment is a sensible approach. Eligible for funding are the respective buildings, which means the dwellings as well as common or administrative rooms.

The amendment to the plan ensures that the reduction in energy costs resulting from the subsidised thermal refurbishment must benefit the residents.

The group of vulnerable persons is diverse. Youth in youth shelters, women or entire families in women's shelters or refugee shelters, etc. may benefit from the funding.

Submissions for this RRF funding can be made by non-profit organisations, associations and religious institutions that are listed on the "List of beneficial recipients of donations" of the Federal Ministry of Finance, as well as municipalities that operate or own a building primarily for the purpose of housing low-income or vulnerable persons as part of a charitable/non-profit institution. The savings in energy costs, however, benefit the residents of the buildings both financially and through a more pleasant living environment.

This programme addresses:

- exclusively people who are in need of protection and at risk of poverty,
- the most vulnerable people in Austria
- only non-profit organisations and municipalities

This is the most effective way to help these vulnerable people with the capital invested.

Adjustment of milestones:

An adjustment of the milestones is necessary due to the aforementioned modification of the measure, as well as price increases and delivery delays.

1. Price increases:

Compared to the original calculation of renovation costs within the framework of the RRF 2021 (and the data from the previous three years), the renovation costs have significantly increased. Construction costs have even risen disproportionately by 18.4% compared to the general inflation rate.

⁷ <https://www.fsw.at/p/winterangebote>

[https://www.gruft.at/unsere-](https://www.gruft.at/unsere-hilfe/angebote#:~:text=Um%205%20Euro%20pro%20Monat,50%20Cent%20ein%20warmes%20Mittagessen)

[hilfe/angebote#:~:text=Um%205%20Euro%20pro%20Monat,50%20Cent%20ein%20warmes%20Mittagessen](https://www.gruft.at/unsere-hilfe/angebote#:~:text=Um%205%20Euro%20pro%20Monat,50%20Cent%20ein%20warmes%20Mittagessen)

2. Modification of the measure and changes in cost structure:

The modification of the funding measure results in changes in costs per renovated dwelling. Based on the projects examined so far, the following cost structure can be derived. This cost structure also reflects increased prices due to the disproportionately high inflation.

Environmental Related Investment Costs: EUR 4 076 941

Number of thermally renovated dwellings: 88

Renovation costs/dwelling: EUR 46 329

In addition to inflation, the higher costs can be explained by the fact that when the original RRF was created, the goal was to develop new funding programmes. However, this meant that experience on the resulting costs was not yet available. Specifically, there were no accurate cost projections of thermal renovations of multi-story residential buildings. Therefore, the cost calculation is based on single-family homes. Since this programme is now an object subsidy and entire buildings with dwellings for persons in need of protection are thermally renovated, staircases, common rooms such as therapy rooms, workshops, kitchens, etc. are also included and therefore the actual costs are much higher than they were estimated.

In light of the cost structure of the initial reviewed projects, with a funding budget of EUR 50 million, it is possible to thermally renovate a total of 1,079 residential units in non-profit organisation (NPO) buildings. Therefore, with the available funds, target 7 needs to be adjusted to **480 dwellings**, and target 8 to **1 079 dwellings**.

3. Delivery delays:

Due to the late finalisation of the OA, the start of the subsidy programme was delayed. The resulting time pressure was exacerbated by delivery bottlenecks and delays in the construction industry. Numerous inquiries to the implementing agency testify to the impossibility of completing large- projects in multi-storey residential buildings by end-2025. This is reflected in the new timeline for the targets as well as the more concrete formulation of target 8.

Ambition level:

The changing of the design as well as the decrease in number of dwellings does not adversely affect our ambition level. We are targeting exclusively people in need of protection and at risk of poverty. Therefore, this design of the measure is even more suitable to support the most vulnerable people than the original programme.

A substantive number of people will benefit from the reduced costs as well as from better living conditions. It is common that more than one person lives in one dwellings. (Youths

in youth shelters, women and entire families in women's shelters or refugees in shelters are sharing rooms or accommodations.

Moreover, further steps are taken on a national level to support people facing energy poverty.

Since 2022, the following qualification and information measures have been taken within the framework of the Austrian Climate Protection Initiative (klimaaktiv):

1. Development of the quality standard "Energy advice for households at risk of poverty"
 The quality standard contains recommendations on the advice at the intersection of energy consulting and social work, in particular information on the appropriate format, duration and location, suitable methods, materials and equipment and the qualification of advisors (social and energy advisors, peer advisors) The perspective of energy and social advisors and affected households was included in the process. The quality standard was presented nationally at a conference and EU-wide at several stakeholder events:
<https://www.klimaaktiv.at/service/publikationen/klimaaktiv/soziale-energieberatung.html>

2. Training programme for social workers
 200 social workers have been trained as social energy advisors since October 2022. The training programme continues with further training modules in the autumn and monthly online networking.

3. Materials and equipment
 Information materials for households and equipment for the advisors have been distributed to social workers, including electricity meters, room thermometers and low-threshold information leaflets on heating, cooling and electricity in several languages (Farsi, English, Turkish, German, Arabic, Bosnian/Serbian/Croatian). More than 100 000 leaflets have been distributed to households since January 2023.

Modified elements	Current version	Amended version
Component and / or measure description	The objective of the investment is to contribute to a reduction in energy consumption in buildings, while supporting a just transition. The investment shall support thermal renovation of dwellings of low-income	The objective of the investment is to contribute to a reduction in energy consumption in buildings, while supporting a just transition. The investment shall support thermal renovation of dwellings of low-income households prone to energy buildings used by social non-profit-organisations (NPOs) sheltering

	<p>households prone to energy poverty, and thus reduce their energy consumption and costs in a sustainable manner.</p> <p>The measure targets low-income households living in older buildings which cannot afford an own contribution to existing national and regional schemes supporting energy efficiency measures.</p> <p>The investment consists of an integrated support scheme that shall provide tailored support and funding for renovation of family houses, comprising thermal insulation of walls and roof, replacement of windows and heaters as well as planning support. Part of the investment shall be dedicated to consultancy services and awareness raising, in cooperation with social NGOs, building on the reform included in this subcomponent.</p> <p>The implementation of the measure is expected to start by 31 March 2022 and shall be completed by 31 December 2025.</p>	<p>vulnerable people prone to poverty and thus reduce their energy consumption and costs in a sustainable manner.</p> <p>The measure targets low-income households living in older buildings which NPOs buildings, as these organisations operate on a donation basis and cannot afford an own contribution to existing national and regional schemes supporting energy efficiency measures.</p> <p>The final beneficiaries are the inhabitants of these buildings, as they profit from a reduction in energy costs.</p> <p>The investment consists of an integrated support scheme that shall provide tailored support and funding for renovation of family houses, comprising social NPOs buildings, such as thermal insulation of walls and roof, replacement of windows and heaters as well as planning support.</p> <p>Part of the investment shall be dedicated to consultancy services and awareness raising, in cooperation with social NGOs, building on the reform included in this subcomponent.</p> <p>The implementation of the measure is expected to start by 31 March 2022 and shall be completed by 31 December 2025 30 June 2026.</p>
Milestones and targets	Target 7: Q4/2023: At least 1 000 thermal renovation projects	Target 7: Q2/2024: At least 1000 480 thermal renovation projects (dwelling s) have

	approved by BMK under the support scheme Target 8: Q4/2025: At least 2 250 thermal renovation projects completed as part of the support scheme	been approved by the BMK under the support scheme Target 8: Q2/2026: 1 079 projects shall be completed on the basis of the established contractual and planning principles in accordance with the building permit
<i>Estimated cost</i>		No changes.
<i>Green and digital tagging</i>		No changes.
<i>DNSH self-assessment</i>		No changes.

COMPONENT 1: SUSTAINABLE RECOVERY / SUBCOMPONENT 1.B ECO-FRIENDLY MOBILITY		
Investment/ reform reference	CID	Investment 1.B.3
Investment/ reform name		Zero-emission buses
Type of change compared to CID		modified
Legal base of the change (select at least one)		<input type="checkbox"/> Article 14(2) – loan request <input type="checkbox"/> Article 18(2) – update of the maximum financial contribution <input checked="" type="checkbox"/> Article 21 – amendment due to objective circumstances <input type="checkbox"/> Article 21a – REPowerEU non-repayable financial support (ETS revenue) <input type="checkbox"/> Article 21b (2) – BAR transfers <input type="checkbox"/> None of the above, correction of clerical error
Elements modified (only for modified measures)		<input type="checkbox"/> Component / Measure description <input checked="" type="checkbox"/> Milestones and targets <input type="checkbox"/> Estimated cost <input type="checkbox"/> Green and digital tagging (potentially relevant, because there is a substantive change to the underlying measure) <input type="checkbox"/> DNSH self-assessment
Investment: 1.B.3 Zero-emission buses		
<p><u>Initial description</u></p> <p><u>Target 15:</u> On the basis of grant agreements, the beneficiaries have procured and received at least 682 buses with zero-emission technology.</p> <p><u>Target 16:</u> On the basis of grant agreements, the beneficiaries have installed the charging infrastructure (overnight/deposit and occasional loading at stops), overhead contact lines and hydrogen refuelling points necessary for the operation of at least 682 zero-emission buses.</p>		

Requested amendments and justification of the change

Current situation:

EBIN is a subsidy scheme for zero-emission buses where the basis for the calculation of the subsidy amount is the additional costs of a zero-emission bus over a Diesel bus. 80% of these additional costs will be subsidised. Infrastructure costs for zero-emission buses is subsidised by 40% of the total costs. The 5th and expected last call for expression is planned to be completed in the beginning of 2024. According to the CID-Annex the last call should be completed before the end of 2024.

The first two tenders have already been completed. Funding commitments have been made for 14 projects (see “20230426_EBIN_Projektliste AS1 und AS2.xlsx”; the projects “moving2zero” and “E-ÖV-I/T” were withdrawn) for a total of 375 subsidised zero-emission buses (one project on hold). The total funding amounts to approximately EUR 141 million (see “20230426_EBIN_Projektliste AS1 und AS2.xlsx” cell Q38).

Update of costing due to increased costs (inflation):

Due to higher costs for emission free buses the initial goal of 682 busses cannot be met. Expected funding in the official costing amounted to EUR 256 million which breaks down to EUR 300 000 to 550 000 additional investment costs per battery electric bus (see following tables). The actual (additional investment) costs for emissionfree busses exceed the originally calculated (additional investment) costs for electric buses in the ARP (for information of the actual additional bus costs please see the available tender documents “Anträge EBIN 1.AS.zip” and “Anträge EBIN 2.AS.zip” or “20230525_EBIN_Projektliste AS1 und AS2.xlsx” and the document “20230616_EBIN12_Auswertung_Details.xlsx” which is a document summerising the data of the official tender documents). Note, tender documents show additional costs as the calculation basis for the subsidy. The additional investment costs exceed the originally planned additional investment costs according to the official costing in the different size categories by 4% to 27.3% (cf. information from the tender documents). The result is shown in the following table.

The inflation in additional investment costs is driven by changes in prices of busses, that is, by inflation of zero-emission bus prises and deflation of Diesel bus prices .

Bus size	Information from tender documents
12m	16.8%

18m	4.0%
24m	27.3%

Since the price increases are different for the different vehicle sizes (see “20230616_EBIN12_Auswertung_Details.xlsx”), a weighted average is used for further calculation (12m 285 buses, 18m 59 buses, 24m 16 buses; see „20230525_Berechnung Planänderung ARF-Basis.xlsx“ E22 bis E26). This results in 15.17% higher additional investment costs for the electric buses, which also have a direct impact on the needed funding, resulting in a target reduction from 682 buses to 579 buses⁸. Based on a market analysis carried out timely before the first EBIN call, the reference costs for the buses were updated to better reflect the actual situation.

Bus size	ARP			EBIN 1. and 2. call		
	Reference costs ⁹	Costs BEV bus	Additional investment costs ¹⁰	Reference costs ¹¹	Costs BEV bus	Additional investment costs ¹²
12m	250 000	550 000	300 000	230 000	580 424	350 424
18m	350 000	750 000	400 000	310 000	725 847	415 847
24 m	450 000	1 000 000	550 000	500 000	1 200 000	700 000

Modified elements	Current version	Amended version
Component and / or measure description		No changes.

⁹ see ARP p. 82 table 4

¹⁰ see ARP S. 87 table 11

¹¹ see EBIN Ausschreibungsleitfaden ([LINK](#)) p. 39 table 12 (EBIN Klasse 2 und Klasse 4)

¹² see „20230525_Berechnung Planänderung ARF-Basis.xlsx“ C23 und C25

Milestones and targets	<p>T15: On the basis of grant agreements, the beneficiaries have procured and received at least 682 buses with zero-emission technology.</p> <p>T16: On the basis of grant agreements, the beneficiaries have installed the charging infrastructure (overnight/deposit and occasional loading at stops), overhead contact lines and hydrogen refuelling points necessary for the operation of at least 682 zero-emission buses.</p>	<p>T15: On the basis of grant agreements, the beneficiaries have procured and received at least 682 579 buses with zero-emission technology.</p> <p>T16: On the basis of grant agreements, the beneficiaries have installed the charging infrastructure (overnight/deposit and occasional loading at stops), overhead contact lines and hydrogen refuelling points necessary for the operation of at least 682 579 zero-emission buses.</p>
Estimated cost		No changes.
Green and digital tagging		No changes.
DNSH self-assessment		No changes.

COMPONENT 1: SUSTAINABLE RECOVERY / SUBCOMPONENT 1.D TRANSFORMATION TO CLIMATE-NEUTRALITY	
Investment/ reform CID reference	Reform 1.D.1
Investment/ reform name	Renewables Expansion Law
Type of change compared to CID	modified
Legal base of the change (select at least one)	<input type="checkbox"/> Article 14(2) – loan request <input type="checkbox"/> Article 18(2) – update of the maximum financial contribution <input checked="" type="checkbox"/> Article 21 – amendment due to objective circumstances <input type="checkbox"/> Article 21a – REPowerEU non-repayable financial support (ETS revenue) <input type="checkbox"/> Article 21b (2) – BAR transfers <input checked="" type="checkbox"/> Correction of clerical error
Elements modified (only for modified measures)	<input type="checkbox"/> Component / Measure description <input checked="" type="checkbox"/> Milestones and targets <input type="checkbox"/> Estimated cost <input type="checkbox"/> Green and digital tagging (potentially relevant, because there is a substantive change to the underlying measure) <input type="checkbox"/> DNSH self-assessment
Reform: 1.D.1 Renewables Expansion Law	
<p><u>Initial description</u></p> <p><u>Target 40:</u> Hydrogen production capacity from renewable sources of at least 200 MW has been installed.</p> <p><u>Requested amendments and justification of the change</u></p> <p><u>Amendment due to clerical error:</u> A mistake was made with the unit of measure in the CID. The correct unit of measure for energy production capacity under Target 39 and Target 40 is MW.</p> <p><u>Amendment due to objective circumstances:</u> The current Milestone and Target for Target 40 “Newly installed hydrogen production capacity” states that by Q4 2025 hydrogen production capacity from renewable sources of at least 200 MWh has been installed. This is not expected to be achievable, thus Austria would like to amend the milestone to “90 MW has been installed by Q2 2026”.</p>	

We justify an amendment of the milestone guided by the following reasoning:

Challenging global economic conditions and the recent disruptions in supply chains through COVID-19 have impacted also the timely uptake of hydrogen production capacity in Austria. This is an issue prevalent across Europe. Recently it has also been recognised on European level that these particular challenges for electrolyser investment which lead to a postponement and issues in the timely execution. Thus, we expect a ramp-up for the up-scaling and the mass production phase of hydrogen later than anticipated, when the milestone was originally defined. The original assumption for this target was based on the draft government bill of the Renewables Expansion Law, which foresaw a higher yearly funding from the national budget than the final adopted bill. In addition, the adoption of the ordinance specifying the investment subsidies for electrolysers is currently delayed. The overall ambition of Austria to install 1 GW electrolyser capacity as well as the underlying bill of the Renewables Expansion Law remain unchanged, however it is expected that the realisation of the majority of electrolyser projects will only take place in the second half of this decade.

The recent developments on the global markets put pressure on projects through uncertainties concerning the supply chain, in Austria as well as also in other EU-Member States. Already in 2021 involved companies described in their project portfolios how the immaturity of the manufacturers' and suppliers' markets, implying high costs and risk of equipment supply, as well as the lack of large electrolyser manufacturing capacity in Europe represent significant challenges. In fact, the raw materials needed for the manufacturing of electrolysers are likely to be in tight or even endangered supply in the coming years.

In addition, the supply chain resilience risk (i.e. the risk of inability to switch to other materials or technologies) for H₂ infrastructure / electrolysers is rather high. Manufactures are already affected by delays in the supply chain. However, there are several big electrolyser projects announced and in the early planning stages in Austria, of which the biggest foresees a 60 MW electrolyser by end of 2027 and 300 MW by 2030. Therefore, as described above, the overall ambition of Austria to install 1 GW electrolyser capacity remains unchanged, however it is expected that the realisation of the majority of electrolyser projects will only take place in the second half of this decade.

To keep the ambition level of Austria's RRP high, we can propose an increase of target 39 **from 1 100 MW to 1 300 MW** of additional renewable electricity generation capacity.

This will be achieved by the end of 2023. Yet, final data on the implementation of this goal will only be available by Q4/2024. Austria thus intends to postpone the milestone to Q4 2024. This does not lower the ambition level, as the postponement merely reflects the time needed to collect the data.

Modified elements	Current version	Amended version
Component and / or measure description		No changes.
Milestones and targets	<p>T40: Q4 2025</p> <p>Hydrogen production capacity from renewable sources of at least 200 MWh has been installed.</p> <p>T39: Q4 2023</p> <p>Additional generation capacity from renewable sources of at least 1 100 MWh has been installed.</p>	<p>T 40: Q2 2026</p> <p>Hydrogen production capacity from renewable sources of at least 200 MWh 90 MW has been installed.</p> <p>T 39: Q4 2024</p> <p>Additional generation capacity from renewable sources of at least 1100 MWh 1 300 MW has been installed.</p>
Estimated cost		No changes.
Green and digital tagging		No changes.
DNSH self-assessment		No changes.

COMPONENT 1: SUSTAINABLE RECOVERY / SUBCOMPONENT 1.D TRANSFORMATION TO CLIMATE-NEUTRALITY	
Investment/ reform CID reference	Reform 1.D.2
Investment/ reform name	Transforming industry towards climate neutrality
Type of change compared to CID	modified
Legal base of the change (select at least one)	<input type="checkbox"/> Article 14(2) – loan request <input type="checkbox"/> Article 18(2) – update of the maximum financial contribution <input checked="" type="checkbox"/> Article 21 – amendment due to objective circumstances <input type="checkbox"/> Article 21a – REPowerEU non-repayable financial support (ETS revenue) <input type="checkbox"/> Article 21b (2) – BAR transfers <input type="checkbox"/> None of the above, correction of clerical error
Elements modified (only for modified measures)	<input checked="" type="checkbox"/> Component / Measure description <input checked="" type="checkbox"/> Milestones and targets <input type="checkbox"/> Estimated cost <input type="checkbox"/> Green and digital tagging (potentially relevant, because there is a substantive change to the underlying measure) <input type="checkbox"/> DNSH self-assessment
Reform: 1.D.2 Transforming industry towards climate neutrality	
<p><u>Initial description</u></p> <p><u>Target 42:</u> At least 15 projects to decarbonise industrial production have been completed under the support scheme.</p> <p><u>Requested amendments and justification of the change</u></p> <p>The intention of the measure is the decarbonisation of the economy and thus the reduction of greenhouse gas emissions from the economy. In order to achieve this goal, the focus should be on switching to renewable energies, energy efficiency measures and other measures to reduce greenhouse gas emissions. The current energy policy situation also requires this focus.</p> <p>Two calls for proposal have already been launched, one of which is already completed bringing forward three successful projects in the area of switching to renewable energies and thus saving 4 100 tonnes of GHG emissions per year. The second call for proposals is</p>	

open until 28 June 2023 and targets the following measures: switching to renewable energies, energy efficiency and other measure reducing GHG emissions. Those areas were identified as high priority for decarbonizing the economy and tackling the energy crisis. Of course, the reduction of environmental impact of hazardous waste treatment is also crucial, however given the current energy and climate crises it was not identified as a high priority and thus is not explicitly part of the calls for proposals.

The original intention while drafting this measure was to describe a rather broad scope of this **measure based the legal basis (“Umweltförderungsgesetz” and “Investitionsrichtlinie der Umweltförderung im Inland”)** and leave it to the specific calls to set an individual focus on specific topics, **this also included funding of industrial eco-innovations and technologies reducing the environmental impact of hazardous waste treatment.**

The current calls for tender, however, only cover part of the description according to page 157 of the annex of the Austrian NRP which states:

„Es sollen Förderungen im Rahmen der Umweltförderung im Inland vergeben werden. Gefördert werden Investitionen zum effizienten Einsatz von Energie, zur Erzeugung und zum effizienten Einsatz erneuerbarer Energieträger in ortsfesten oder mobilen Anlagen; zur Umstellung der Produktion auf den effizienten Einsatz von biogenen Rohstoffen oder zur sonstigen Vermeidung oder Verringerung von Treibhausgasemissionen. Des Weiteren werden Investitionen zur Steigerung der Ressourceneffizienz und der Kreislaufwirtschaft, zur Verringerung der Umweltbelastungen durch Behandlung oder stoffliche Verwertung von gefährlichen Abfällen gefördert.“

Translation: “This measure supports investments in the efficient use of energy, the generation and the efficient use of renewable energy sources in stationary or mobile installations; the transformation of production to the efficient use of biogenic raw materials or to otherwise avoid or reduce greenhouse gas emissions. Furthermore, investments to increase resource efficiency and the circular economy, to reduce environmental pollution through the treatment or recycling of hazardous waste may also be supported.”

The current energy and climate crisis and the necessary focus on decarbonisation led to the decision to focus this measure on switching to renewables, energy efficiency and further measures to reduce GHG emissions rather than hazardous waste treatment or industrial eco-innovations.

The target groups are producing companies and energy supply companies, as they were identified as the most affected sectors. The first two calls were designed to favour

projects with the most efficient GHG emissions savings (€/reduced t of GHG). Projects focusing on hazardous waste treatment or eco-innovation were not able to compete in a reasonable way in these calls as other projects lead to more efficient GHG emissions savings. An additional call for proposals would be needed. Due to the limited time frame of the RRF, this is not possible.

Hence adapting the measure description **to reflect the aim of the two already launched calls more precisely** is suggested.

In addition, projects with investment costs of over EUR 2 million require a plausible period of time to implement the measures submitted for funding. With the war of aggression against Ukraine investment decisions have been postponed due to uncertainties also in supply chains and increased prices (see proof of increased prices in graphic).

Furthermore, the timelines until when projects within the RRF have to be completed is very ambitious, especially for decarbonisation projects that also face permitting processes. This was brought forward by companies following various workshops and information exchanges related to this funding programme. This is also reflected in the rather limited number of project submission within the first call for proposals. The ambitious timeline to complete projects was the main reason pointed out by companies discouraging them from participating in the call.

Nevertheless, the measures aimed at as part of this funding programme are essential in order to decrease energy consumption, get independent from Russian gas and to reduce greenhouse gas emissions to achieve national and European energy and climate goals. The implementation deadline according to the 2nd call for proposals (see stipulations) for companies is currently 31 March 2025, in reasoned exceptions 30 September 2025, which is perceived as very ambitious by the target group. We therefore consider an adjustment as necessary.

This adjustment will not reduce the original level of ambition of the final milestone to complete 20 decarbonisation projects (T43) and will also not postpone the date of reaching this number of completed projects but slightly adjust the target 42 in order to be able to reach the final milestone 43 of 20 completed decarbonisation projects.

We therefore propose amendments to the CID below.

Modified elements	Current version	Amended version
<i>Component and / or measure description</i>	The investment measure aims to accelerate the decarbonisation of industry, increase its resource and	The investment measure aims to accelerate the decarbonisation of industry, by supporting measures to switch to renewable energies,

	energy efficiency, support industrial eco-innovations and advanced technology reducing the environmental impact of hazardous waste treatment.	energy efficiency measures as well as other measures leading to a reduction of greenhouse gas emissions.
Milestones and targets	<p><u>T 42 (Q4 2024):</u> At least 15 projects to decarbonise industrial production have been completed under the support scheme.</p> <p><u>Verification Mechanism Point d):</u> copies of certificates of completion, issued by the competent authority Kommunalkredit Public Consulting (KPC), demonstrating the completion of the projects.</p>	<p><u>T42 (Q2 2024):</u> At least 20 projects to decarbonise industrial production have been approved for funding under the support scheme.</p> <p><u>Verification Mechanism Point d):</u> copies of the approval of funding, issued by the Austrian “Klima- und Energiefonds”, demonstrating the successful funding decision of the projects.</p>
Estimated cost		No changes.
Green and digital tagging		No changes.
DNSH self-assessment		No changes.

COMPONENT 2: DIGITAL RECOVERY / SUBCOMPONENT 2.A BROADBAND EXPANSION	
Investment/ reform CID reference	Investment 2.A.2.
Investment/ reform name	Widespread availability of Gigabit capable access networks and creation of new symmetric Gigabit connections
Type of change compared to CID	modified
Legal base of the change (select at least one)	<input type="checkbox"/> Article 14(2) – loan request <input type="checkbox"/> Article 18(2) – update of the maximum financial contribution <input checked="" type="checkbox"/> Article 21 – amendment due to objective circumstances <input type="checkbox"/> Article 21a – REPowerEU non-repayable financial support (ETS revenue) <input type="checkbox"/> Article 21b (2) – BAR transfers <input checked="" type="checkbox"/> Correction of clerical error
Elements modified (only for modified measures)	<input checked="" type="checkbox"/> Component / Measure description <input checked="" type="checkbox"/> Milestones and targets <input type="checkbox"/> Estimated cost <input type="checkbox"/> Green and digital tagging (potentially relevant, because there is a substantive change to the underlying measure) <input type="checkbox"/> DNSH self-assessment
Investment: 2.A.2 Widespread availability of Gigabit capable access networks and creation of new symmetric Gigabit connections	
<p><u>Initial Description</u></p> <p><u>Target 46:</u> At least 46 % of all Austrian households shall have access to Gigabit capable connections (compared to 43 % in Q3 2020) as result of the broadband rollout project funded under the RRP, as assessed in the broadband reports published by the Austrian authorities.</p> <p><u>Target 47:</u> At least 48 % of all Austrian households shall have access to Gigabit capable connections (compared to 46 % in Q3 2022) as result of the broadband rollout project funded under the RRP, as assessed in the broadband reports published by the Austrian authorities.</p> <p><u>Target 48:</u> At least 50% of all Austrian households shall have access to Gigabit capable connections (compared to 48% in Q3 2024) as a result of the broadband roll-out projects funded under the RRP, as assessed in the broadband reports published by the Austrian authorities</p>	

Requested amendments and justification of the change

During the translation of the Austrian RRP, submitted to the Commission on 30 April 2021, into the CID, a clerical error occurred concerning the measure “2.A.2 Widespread availability of Gigabit capable access networks and creation of new symmetric Gigabit connections” .

The Austrian RRP provided the following time frame:

“Zeitplan: Die ersten Ausschreibungen in der Initiative Breitband Austria 2030 sind nach Notifikation der Europäischen Kommission ab Q4/2021 vorgesehen und sollen jährlich stattfinden. Bis Ende Q3 2026 werden alle mit RRF-Mittel finanzierten Ausbauprojekte einen unterschriebenen Vertrag aufweisen.“

Meaning that „The first tenders under the Broadband Austria 2030 initiative will take place after the notification by the European Commission in Q4/2021 on an annual basis. By end of Q3/2026 all projects funded by the RRF will have a signed contract”.

Indeed, after the notification of the Broadband Austria 2030 initiative by the European Commission, the first round of tenders started in March 2022 and it is expected that most contracts, benefiting from the RRF support, are signed by the end of June 2023 (thus way ahead of Q3/2026 since it was decided to frontload RRF support to the first tenders, with the remaining annual tenders financed from national funds).

The Austrian RRP also clarifies on page 188 that projects, once contracts are signed, have “in principle 3 years” or in case they are major projects (i.e. projects with > 10 million Euro cost) 5 years to be completed. In addition an extension by one year is under certain conditions possible. The funding guidelines specify that this extension by one year is only permissible if the project has been delayed through no fault of the funding recipient and the eligibility of funding still exists. **It is thus evident that by the last possible payment request in Q3/2026 only a part of the projects that have been contracted will have been finished and accordingly only a fraction of households will have access.**

The Austrian RRP was drawn up with the following 4 milestones/targets:

„Meilenstein/Ziel 1: Q1/2023: Inanspruchnahme der Förderung durch die mit RRF-Mittel initiierten Breitband-Ausbauprojekte betreffend die initiale Ausschreibung (Planwert: 20%)

Meilenstein/Ziel 2: Q4/2024: Inanspruchnahme der Förderung durch die mit RRF-Mittel initiierten Breitband-Ausbauprojekte zu folgenden Zwischen-Meilensteinen: Interim-Evaluierung der Folge-Ausschreibungen (Planwert: 50%)

Meilenstein/Ziel 3: Q3/2026: Inanspruchnahme der Förderung durch die mit RRF-Mittel initiierten Breitband-Ausbauprojekte zu folgenden Zwischen-

Meilensteinen: Vertragsabschluss-Zeitpunkt von Ausbauvorhaben vorangegangener Ausschreibungen (Planwert: 100%)

Meilenstein/Ziel 4: Q3/2026: Erreichen einer Verfügbarkeit von Gigabit-fähigen Anschlüssen für mindestens 50 Prozent der Haushalte mit den durch RRF-Mittel initiierten Breitband-Ausbauvorhaben.“

Above milestones/targets 1-3 aimed at capturing the signed contracts (20% by Q1/2023, 50% by Q4/2024 and 100% by Q3/2026), while milestone/target 4 aimed at “Achieving the availability of gigabit-capable connections for at least 50 percent of households with the broadband expansion projects initiated with RRF funds”.

Following the submission of the RRP and subsequent discussions between the Austrian authorities and the Commission, the initially proposed milestones have evolved. As a result, the CID differs from this gradual build-up of the funding scheme reflected in the initial milestones above and focuses solely on the final target of 50% with two preceding targets with the earliest to be achieved in Q3/2022.

Since the starting point is 43% (data from Q3/2020, i.e. prior to RRF support), the impression is given that the increase to 50% shall be solely attributable to the RRF support. If this were the case, this 7% point increase would mean access to Gigabit capable connections for additional 275.000 households by Q3/2026 due to RRF support alone. **This is in contradiction with what the Austrian RRP states on p 181:**

„Ausgehend von der aktuellen Kostenabschätzung durch das nationale Breitbandbüro können mit finanziellen Mitteln des RRF im geschätzten Ausmaß von 891,3 Mio. Euro eine Summe von 150.000 bis 220.000 Haushalte einen Gigabit-fähigen Anschluss erhalten.“

This means that RRF support of EUR 891.3 million would lead to 150 000 - 220 000 additional households gaining access to gigabit-capable connections. This figure is based on a public consultation of the special guidelines and the target area of the initiative Broadband Austria 2030 which was conducted in April 2021. Based on this public consultation around 520 000 households would have been in eligible areas for subsidies. Based on a funding estimation between EUR 4 000 and 6 000 per household, 150 000 to 220 000 households could have been reached.

It therefore appears that there was a clerical error in the CID in the sense that the CID should have reflected a target between 150 000 and 220 000 households rather than 50% of the population.

With the signature of the contracts finished by the end of June 2023, a clearer picture has emerged that within these cost estimates, only the lower bound of the range, i.e. contracts for an additional 150 000 households can be reached. This is due to costs per project reaching the higher end of the cost estimation as set out during the drafting of the plan, for instance due to larger than expected private broadband expansion, leaving

only more costly areas to access for RRF funded projects. After the notification of the Broadband Austria 2030 initiative to the European Commission, the first round of tenders started in March 2022. Due to the private deployment, the number of eligible households has been reduced to 418 000 (from 520 000 in 2021). The average funding per household turned out to be around EUR 6 000 in the first calls which equals to the higher end of the price estimates made during the drafting of the plan.

In addition to the clerical error described above, the following objective circumstance is also evoked: The notification of the Broadband Austria 2030 initiative took longer than initially envisaged, delaying the calls for proposals which in turn created a knock on effect on the selections of projects and, in turn, on the signature of contracts which are currently envisaged to be completed by June 2023.

The European Commission was informed in August 2021 as planned that following the public consultation, the revision of the special directives “*BBA2030: Access*” and “*BBA 2030: OpenNet*” have been completed. In addition to the directives the EC was provided with all stakeholder’s statements on the special directives. Considering the fact that the Austrian scheme is implemented under the RRF, the European Commission intended that the notification process would be given priority with a notification foreseen already by November 2021. Under this timeline, first calls could have started still in 2021 and been assessed by a Jury before summer 2022. The official notification process was, however, delayed to 21st of March 2022. This delay in the notification ultimately led to the first calls starting on the 23rd of March with juries in September and November of 2022.

In addition, since these contracts foresee “in principle 3 years” or in case of major projects (> EUR 10 million cost) 5 years to be completed, the knock-on effects created by the delay in notification means that only a portion of the estimated 150 000 – 220 000 will be accessible by Q3/2026, namely a total of 130 000 households by the end of 2026 and a total of 150 000 by the end of 2027.

In addition, there is also a time lag between finalised construction and the reporting to the Austrian broadband authority. Stakeholders are obligated to submit a report every year. From the end date, stakeholders have three months to submit the report to the settlement office (i.e. funding agency, FFG). Once the settlement office receives the report, the audit and controlling process (validation) starts which takes at least another six months. In case the stakeholders need to submit additional documents, this process may take even longer. Therefore, there is a delay between the finalisation of a project and the validation of a project by the settlement office. Thus, the actual number of households on which a report can be submitted by Q3/2026 is estimated at 80 000, with projects representing an estimated additional 20 000 households submitted for validation to the settlement office by that deadline.

Amending the milestones and targets of this measure to reflect the given circumstances would ensure the completion and proof of such completion for a large number of households (80 000) by Q3 2026. However, a larger share of completion would be achieved by the end of the facility (December 2026). At the same time, the high ambition

of providing access to at least 150 000 households is kept by Austria and can be ensured to be completed through the signed contracts.

It is therefore proposed amend both measure description as well as the milestones/targets:

Modified elements	Current version	Amended version
Component and / or measure description	<p>The investment consists of the two funding directives, Access and OpenNet, of the Austria Broadband Programme 2030. Both funding directives have the objective to improve broadband availability in those areas of Austria, which, due to a market failure, are not or are insufficiently developed by the private sector. The measure shall increase the availability of Gigabit-capable access networks, as a result of the RRP support, to cover at least 50% of Austrian households. (...)</p>	<p>The investment consists of the two funding programmes, Access and OpenNet, of the Austria Broadband Programme 2030. Both funding programmes have the objective to improve broadband availability in those areas of Austria, which, due to a market failure, are not or are insufficiently developed by the private sector. The measure shall increase the availability of Gigabit-capable access networks, as a result of the RRP support, to cover at least 50% of to at least an additional 150 000 Austrian households. (...)</p>
Milestones and targets	<p>46 (Q3/2022): At least 46 % of all Austrian households shall have access to Gigabit capable connections (compared to 43 % in Q3 2020) as result of the broadband rollout project funded under the RRP, as assessed in the broadband reports published by the Austrian authorities.</p> <p>47 (Q3/2024): At least 48 % of all Austrian households shall have access to Gigabit capable connections (compared to 46 % in Q3 2022) as result of the broadband rollout project funded under the RRP, as assessed in the broadband reports published by the Austrian authorities.</p>	<p>46 (Q3/2022): Calls for tenders under Broadband Austria 2030 completed with award decisions issued.</p> <p>47 (Q2/2023): Signature of all contracts related to the completed calls for tenders under Broadband Austria 2030. The signed contracts represent projects increasing the availability of Gigabit-capable networks to at least an additional 150 000 Austrian households by 2027.</p>

	<p>48 (Q3/2026): At least 50% of all Austrian households shall have access to Gigabit capable connections (compared to 48% in Q3 2024) as a result of the broadband roll-out projects funded under the RRP, as assessed in the broadband reports published by the Austrian authorities</p>	<p>48 (Q3/2026): Out of the projects representing at least 150 000 households, projects providing access to Gigabit-capable networks for at least 80 000 Austrian households are completed and projects representing 20 000 households submitted for validation to the settlement office (funding agency).</p>
<i>Estimated cost</i>		No changes.
<i>Green and digital tagging</i>		No changes.
<i>DNSH self-assessment</i>		No changes.

COMPONENT 2: DIGITAL RECOVERY / SUBCOMPONENT 2.B DIGITILISATION OF SCHOOLS	
Investment/ reform reference	Investment 2.B.2
Investment/ reform name	Provision of digital end-user devices to pupils
Type of change compared to CID	modified
Legal base of the change (select at least one)	<input type="checkbox"/> Article 14(2) – loan request <input type="checkbox"/> Article 18(2) – update of the maximum financial contribution <input type="checkbox"/> Article 21 – amendment due to objective circumstances <input type="checkbox"/> Article 21a – REPowerEU non-repayable financial support (ETS revenue) <input type="checkbox"/> Article 21b (2) – BAR transfers <input checked="" type="checkbox"/> None of the above, correction of clerical error
Elements modified (only for modified measures)	<input type="checkbox"/> Component / Measure description <input checked="" type="checkbox"/> Milestones and targets <input type="checkbox"/> Estimated cost <input type="checkbox"/> Green and digital tagging (potentially relevant, because there is a substantive change to the underlying measure) <input type="checkbox"/> DNSH self-assessment
Investment 2.B.2: Provision of digital end-user devices to pupils	
<p><u>Initial Description</u></p> <p><u>Target 55:</u> Digital terminals for the first year of the new cycle of secondary school</p> <p><u>Requested amendments and justification of the change</u></p> <p>The objective of the investment 2.B.2 is to provide the pedagogical and technical requirements for IT-supported lessons at all school locations, by handing out digital devices to all pupils at lower secondary level.</p> <p>The corresponding milestones 53-55 are named as follows:</p> <p>53: Digital devices for the first two year of secondary school</p> <p>54: Digital devices for the remaining grades of lower secondary school</p> <p>55: Digital terminals for the first year of the new cycle of secondary school</p> <p>The term “terminals” as found in name of milestone 55 represents a clerical error in the drafting of the CID. Clearly, all these milestone refer to the same intention to provide digital</p>	

“devices” to students. This is also reflected by the name of the overall measure 2.B.2 as well as the description of the measure in the CID.

Furthermore, the description of milestone 55 refers again to digital “devices”. It is clear, that the inclusion of the word “terminal” instead of “device” has been a clerical error to be fixed. This error is not reflected in the DE version of the CID, where all three milestones under this measure correctly refer to “digitale Endgeräte”.

Modified elements	Current version	Amended version
<i>Component and / or measure description</i>		No changes.
<i>Milestones and targets</i>	T55: Digital terminals for the first year of the new cycle of secondary school	T55: Digital terminals devices for the first year of the new cycle of secondary school
<i>Estimated cost</i>		No changes.
<i>Green and digital tagging</i>		No changes.
<i>DNSH self-assessment</i>		No changes.

COMPONENT 2: DIGITAL RECOVERY / SUBCOMPONENT 2.C DIGITALISATION OF PUBLIC ADMINISTRATION	
Investment/ reform CID reference	Investment 2.C.2.
Investment/ reform name	Digitalisation fund public administration
Type of change compared to CID	modified
Legal base of the change (select at least one)	<input type="checkbox"/> Article 14(2) – loan request <input type="checkbox"/> Article 18(2) – update of the maximum financial contribution <input checked="" type="checkbox"/> Article 21 – amendment due to objective circumstances <input type="checkbox"/> Article 21a – REPowerEU non-repayable financial support (ETS revenue) <input type="checkbox"/> Article 21b (2) – BAR transfers <input checked="" type="checkbox"/> Correction of clerical error
Elements modified (only for modified measures)	<input type="checkbox"/> Component / Measure description <input checked="" type="checkbox"/> Milestones and targets <input checked="" type="checkbox"/> Estimated cost <input type="checkbox"/> Green and digital tagging (potentially relevant, because there is a substantive change to the underlying measure) <input type="checkbox"/> DNSH self-assessment
Investment: 2.C.2 Digitalisation fund public administration	
<p><u>Initial Description</u></p> <p><u>Milestone 60:</u> Projects have been selected and selection decisions have been published. Of the EUR 160 000 000 allocated to the measure, at least EUR 80 000 000 shall be earmarked for cross-departmental projects to implement IT consolidation. The remaining funds shall be earmarked for projects with a cross-departmental impact for the development of citizen and business services and for projects aimed at accelerating and improving the efficiency of procedures.</p> <p><u>Requested amendments and justification of the change</u></p> <p>The digitalisation fund for public administration was a demand driven fund; its legal base expired by the end of 2022 and all calls have been finished.</p> <p>The budget of the fund was indeed EUR 160 million as indicated in the RRP and the corresponding milestone description. Up to EUR 80 million were allocated (i.e. budgeted) in 2021 and up to EUR 80 million in 2022 (§2 of the Digitalisation Fund Act) . It was therefore, to be understood as the maximum available amount in accordance with §2 of the Digitalisation Fund Act.</p>	

However, by 31.12.2022, i.e. the last day of the legal base being in force (§4 of the Digitalisation Fund Act), projects worth EUR 118 854 865.22 were selected via several calls. These funds were legally committed and will be paid out in due time. Since the legal base is no longer in force, no more calls can be launched.

Out of the EUR 118 854 865.22 committed, a total of 95 projects worth EUR 81 328 632.54 were committed ("earmarked") for cross-departmental projects to implement IT consolidation and the remainder, i.e. EUR 37 526 232.68 were committed ("earmarked") for a total of 60 projects with a cross-departmental impact for the development of citizen and business services and for projects aimed at accelerating and improving the efficiency of procedures.

The first part of the requirement, i.e. "at least EUR 80 000 000 shall be earmarked for cross-departmental projects to implement IT consolidation", is met. If the interpretation of the 2nd requirement, i.e. "The remaining funds shall be earmarked for..." is to be interpreted to be the residual to the overall budget of EUR 160 million, this part of the requirement would not be met.

The objective reason for this is that the digitalisation fund was a demand driven scheme and while interest in cross-departmental projects to implement IT consolidation slightly exceeded the indicative amount of "at least EUR 80 million", the overall demand was well below the anticipated amounts. In general, we propose to change the milestone description to the number of selected projects for each of the two funding areas - "cross-departmental projects to implement IT consolidation" and projects with a cross-departmental impact for the development of citizen and business services and for projects aimed at accelerating and improving the efficiency of procedures" in order to better reflect the impact and performance of the fund.

A potential reason for the lack of demand could be the fact that the digitalisation fund was foreseen to run only for a limited time span from 2021 to 2022. It had been planned that the Digitalisation Fund Act enters into force in Q1 2021, however after having passed the vote in the first parliamentary chamber (Nationalrat) on 24 March 2021, the second parliamentary chamber (Bundesrat) rejected the motion not to raise objection on 30 March 2021, which triggered an 8 week waiting period. Only after the expiration of this waiting period could the Act be published in the Official Journal on 27 May 2021 and retroactively enter into force as of 1 January 2021. This delay in the parliamentary process could not have been foreseen and laid outside of the control of the national administration. This delay and legal uncertainty about the entry into force of the Digitalisation Fund Act led many Ministries to implement their IT projects, which otherwise would have been eligible under the digitalisation fund, using their own IT budget, thus reducing the demand for funding under the digitalisation fund. This allowed ministries, to secure funding earlier, rather than having to wait for the publication of the Digitalisation Fund Act and the funding decision by the Task Force once the tranches have closed. Once, Ministries had already secured funding through their internal IT budgets, there was little incentive to retrospectively submit the projects to the Digitalisation Fund.

Other general factors, of why the ministries' chose to use their own IT budget over the Digitalisation Fund in some instances, are the higher requirements under the Digitalisation Fund, such as the cross-ministerial dimension of projects and the application procedure taking place in tranches rather than on a rolling basis (i.e. one has to wait for the Task Force decision of the respective tranche).

Lastly, we would like to correct a discrepancy between our plan and the CID Annex (clerical error). In our plan we do not specify that the selection decisions will be published. Selection decisions are communicated to all applicants via the electronic act (ELAK). This is in line with the description of the measure in our plan (see p.236/237), which specifies that the Task Force will process the submitted projects via file.

Therefore, the following changes are proposed:

Modified elements	Current version	Amended version
Component and / or measure description		No changes.
Milestones and targets	M60: Projects have been selected and selection decisions have been published. Of the EUR 160 000 000 allocated to the measure, at least EUR 80 000 000 shall be earmarked for cross-departmental projects to implement IT consolidation. The remaining funds shall be earmarked for projects with a cross-departmental impact for the development of citizen and business services and for projects aimed at accelerating and improving the efficiency of procedures.	M60: At least 95 projects have been selected in the area of "cross-departmental projects to implement IT consolidation" and at least 60 projects have been selected in the area of "projects with a cross-departmental impact for the development of citizen and business services and for projects aimed at accelerating and improving the efficiency of procedures" and selection decisions have been communicated.
Estimated cost	EUR 160 000 000.00	EUR 118 854 865.22
Green and digital tagging		No changes.
DNSH self-assessment		No changes.

COMPONENT 2: DIGITAL RECOVERY / SUBCOMPONENT 2.D DIGITAL AND ECOLOGICAL TRANSFORMATION OF ENTERPRISES	
Investment/ reform CID reference	Investment 2.D.2
Investment/ reform name	Digital investments in enterprises
Type of change compared to CID	modified
Legal base of the change (select at least one)	<input type="checkbox"/> Article 14(2) – loan request <input type="checkbox"/> Article 18(2) – update of the maximum financial contribution <input checked="" type="checkbox"/> Article 21 – amendment due to objective circumstances <input type="checkbox"/> Article 21a – REPowerEU non-repayable financial support (ETS revenue) <input type="checkbox"/> Article 21b (2) – BAR transfers <input type="checkbox"/> None of the above, correction of clerical error
Elements modified (only for modified measures)	<input type="checkbox"/> Component / Measure description <input checked="" type="checkbox"/> Milestones and targets <input type="checkbox"/> Estimated cost <input type="checkbox"/> Green and digital tagging (potentially relevant, because there is a substantive change to the underlying measure) <input type="checkbox"/> DNSH self-assessment
Investment: 2.D.2 Digital investments in enterprises	
<p><u>Initial Description:</u></p> <p>Investment 2.D.2 consists of one milestone and two targets:</p> <p><u>Milestone 65:</u> Entry into force of the amendment to the Investment Premium Act providing for a budget increase to reflect the availability of the RRP funds for support of eligible digital investments by companies</p> <p><u>Target 66:</u> Support granted to at least 3 000 companies for their digital investments (such as in hardware, software, digital infrastructure and e-commerce).</p> <p><u>Target 67:</u> Support granted to at least 7 000 companies for their digital investments (such as in hardware, software, digital infrastructure and e-commerce).</p> <p><u>Requested amendments and justification of the change</u></p> <p>Milestone 65 was fulfilled as part of the first payment request. Targets 66 and 67 are supposed to be part of the third and fifth payment requests respectively.</p>	

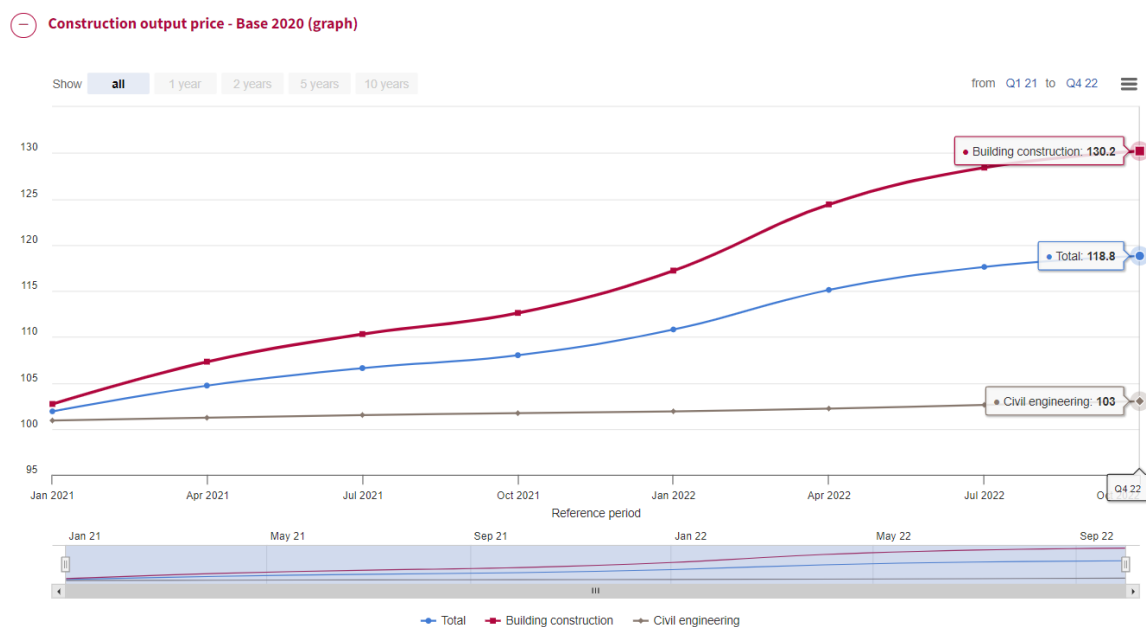
Fast implementation of the investment has resulted in achievement of targets 66 and 67 already at the end of Q2/2022 and Q4/2022 respectively. Therefore, both targets can be shifted forward in time to be part of the second payment request.

Modified elements	Current version	Amended version
Component and / or measure description		No changes.
Milestones and targets	T66 Indicative timeline for completion: Q1/2023 T67 Indicative timeline for completion: Q1/2025	T66 Indicative timeline for completion: Q2/2022 T67 Indicative timeline for completion: Q4/2022
Estimated cost		No changes.
Green and digital tagging		No changes.
DNSH self-assessment		No changes.

COMPONENT 2: DIGITAL RECOVERY / SUBCOMPONENT 2.D DIGITAL AND ECOLOGICAL TRANSFORMATION OF ENTERPRISES	
Investment/ reform CID reference	Investment 2.D.3
Investment/ reform name	Green investments in enterprises - Investments in thermal renovation
Type of change compared to CID	modified
Legal base of the change (select at least one)	<input type="checkbox"/> Article 14(2) – loan request <input type="checkbox"/> Article 18(2) – update of the maximum financial contribution <input checked="" type="checkbox"/> Article 21 – amendment due to objective circumstances <input type="checkbox"/> Article 21a – REPowerEU non-repayable financial support (ETS revenue) <input type="checkbox"/> Article 21b (2) – BAR transfers <input type="checkbox"/> Correction of clerical error
Elements modified (only for modified measures)	<input type="checkbox"/> Component / Measure description <input checked="" type="checkbox"/> Milestones and targets <input type="checkbox"/> Estimated cost <input type="checkbox"/> Green and digital tagging <input type="checkbox"/> DNSH self-assessment
Investment: 2.D.3 Green investments in enterprises	
<u>Initial description</u>	
<p><u>Target 70:</u> Support granted to at least 1 000 companies for their investments in thermal renovation</p>	
<u>Requested amendments and justification of the change</u>	
<p>Measure 2.D.3 <i>Green investments in enterprises</i> aims to encourage companies' investments into ecological transformation and to direct them towards forward-looking priority areas. The investment consists of a 14% investment premium granted to companies for investments in the priority areas of green transition.</p> <p>The proposed amendment concerns Target 70 Thermal renovation under the RRP, which is partially no longer achievable due to objective circumstances, particularly, a lack of demand for the investment premium in the area of thermal renovations and energy savings (T72) due to companies facing unforeseeable price increases and investment uncertainty.</p> <p>The application period for funding for investments in thermal renovation under the Investment Premium Act has been open from the beginning of September 2020 until the end of February 2021. The implementation of the planned investment, however, has been a challenging undertaking for the enterprises, facing unexpected developments of costs of construction works. Rising fundamental costs (materials and labour), a rapid increase of costs</p>	

of construction works, and then in turn an increase of the price level in the sector, could be observed. This tendency continued over a two-year period, starting from the first quarter of 2021, and reaching a peak by the fourth quarter of 2022, which would have been the implementation period for the planned investments.

The construction output price index provides information on the change in actual prices that the customer must pay for construction activities and serves as a deflator to determine the real change in construction output figures. Since the 1st quarter of 2021, the indices have been calculated and published taking the average for 2020 = 100 as the base.



Source: STATISTICS AUSTRIA (<https://www.statistik.at/en/statistics/industry-construction-trade-and-services/short-term-business-statistics/construction-output-price-index>, on 02.03.2022).

The construction output price index for the entire building construction and civil engineering sector (base year 2020) reached an annual average of 105.3 index points (+5.3%) in 2021, according to calculations by Statistics Austria. In the fourth quarter of 2021, this index altered to 108.0 points, which represents a growth of 7.4% over the fourth quarter of 2020. The construction output price index of building construction reached an annual average of 108.2 index points for the year 2021, which is an increase of 8.2% in comparison to 2020.

The development of prices in the construction sector had a direct effect on the sub-sector of thermal renovations, as the rising prices of materials and labour, lead to rising costs for construction companies, followed by an increase in the end price for the customers. Especially the ongoing increase and uncertainty on the market in the period from the beginning of 2021 until the end of May 2021, which would have been the deadline to set the first measure for the planned investments, according to the Investment Premium Implementation Act, has been an obstacle for the companies to start the implementation of the investments. In this period the price level of building construction continued to grow,

with the price index of building construction reaching 110.3 index points, which is increase of more than 10% in comparison with the previous year, when the investments were planned.

The tendency continued in the following year, as a further price increases on quarter-to-quarter, as well on year-on-year levels occurred. A further significant increase of construction output price could be observed, with the construction output price index of building construction reaching an annual average of 125.1 index points in 2022, which is an increase of 15.6 % in annual comparison and more than 25% in comparison to the base line year, when the investment was planned.

Results (overview): Construction output price index, base year 2020

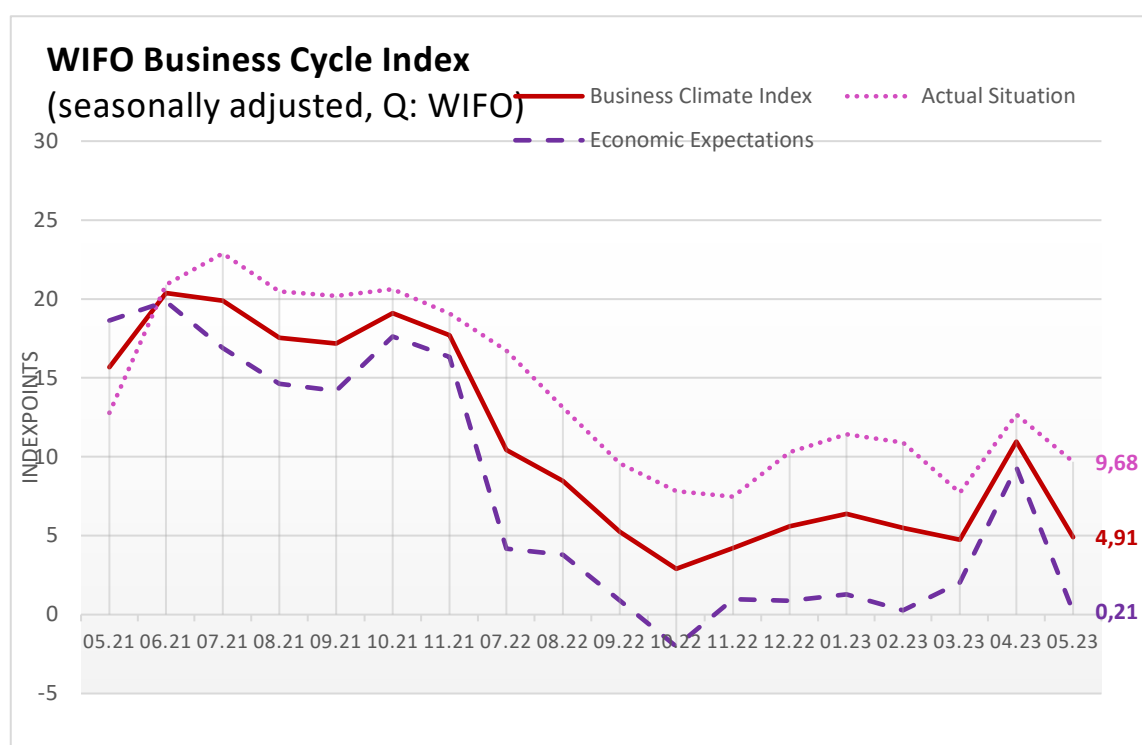
Year/Quarter	Total	Building construction									Civil en	
		Total	Building constructors work	Other building work	Residential buildings			Other building construction			Total	Road construction
					Total	Building constructors work	Other building work	Total	Building constructors work	Other building work		
Ø 2022	115,6	125,1	122,2	127,0	124,2	122,1	125,8	126,3	122,6	128,3	102,4	102,4
Ø 2021	105,3	108,2	108,0	108,4	108,0	107,9	108,0	108,6	108,1	108,9	101,3	101,3
Ø 2020	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
2022 IV.	118,8	130,2	126,5	132,7	129,1	126,3	131,4	131,7	126,9	134,3	103,0	103,0
III.	117,6	128,4	125,4	130,4	127,4	125,2	129,2	129,8	125,8	131,9	102,6	103,0
II.	115,1	124,4	121,8	126,1	123,5	121,6	124,9	125,7	122,2	127,5	102,2	102,2
I.	110,8	117,2	115,2	118,6	116,6	115,1	117,8	118,1	115,5	119,5	101,9	102,2
2021 IV.	108,0	112,6	111,6	113,3	112,1	111,5	112,7	113,3	111,7	114,1	101,7	102,2
III.	106,6	110,3	110,2	110,3	110,0	110,1	109,9	110,7	110,4	110,9	101,5	101,5
II.	104,7	107,3	107,4	107,2	107,1	107,4	106,8	107,6	107,5	107,6	101,2	101,5
I.	101,9	102,7	102,7	102,7	102,7	102,7	102,6	102,8	102,8	102,8	100,9	101,5
2020 IV.	100,6	100,7	100,7	100,6	100,6	100,7	100,5	100,7	100,6	100,7	100,6	100,6
III.	100,4	100,4	100,4	100,3	100,4	100,4	100,3	100,3	100,4	100,3	100,2	100,6
II.	99,8	99,9	100,1	99,8	99,9	100,1	99,8	99,9	100,1	99,8	99,8	99,8
I.	99,1	99,1	98,8	99,3	99,0	98,7	99,3	99,1	98,8	99,2	99,3	99,8

Source: STATISTICS AUSTRIA (<https://www.statistik.at/en/statistics/industry-construction-trade-and-services/short-term-business-statistics/construction-output-price-index>, on 02.03.2022).

The prices reaching up to 30% more in comparison with the period when the investments were planned, and the grant being 14% of the total costs of the investment, affected the expected profitability of the company's investments. An investment incentive was no longer present for them, despite the grant agreement. As extensive thermal renovation investments were an economic risk, and the grant funding could not compensate the macroeconomic conditions, a lot of beneficiaries opted out for single thermal renovation measures. Single measures are however not eligible for funding under the Investment Premium Implementation Act, as they are not depreciable capital assets. Eligible for funding are new tangible and intangible investments in depreciable capital assets.

Initially, over 7 000 applications for funding of thermal renovation investments were submitted and awarded a grant agreement. However, due to the rise of costs and the development of prices, by the deadline for submission of final reports on 31.5.2023 only 500 companies implemented thermal renovation investments.

Investment activities are highly influenced by demand, resp. demand expectations. According to the WIFO Business Cycle Index, these expectations have decreased almost steadily since July 2021 - a few months after enterprises applied for the Investment Premium¹³. Business climate deteriorated from the maximum of 20.4 points in June 2021 to 4.9 in May 2023 (with a minimum of 2.9 in October 2022). Expectations worsened enormously from 19.8 points in June 2021 to 0.2 points in May 2023. With worsening expectations, the perceived need of investment decreased. The reason for the deterioration of expectations is mainly due to the slower than expected worldwide recovery after Covid, the Russian war in Ukraine and the resulting price increases and demand reductions. These factors could not be foreseen when the milestones were designed.



Whilst cost for planned investment increased drastically, investments were scaled back as a response leading to costs per investments staying relatively in line with cost expectations made under the initial RRP. For Target 70, EUR 20 million were estimated for support in 1000 thermal renovation investments, meaning an average contribution of EUR 20 000 per investment. To date, the actual contribution per investment is estimated at around EUR 19 697 based on 420 settled projects, thus even slightly below the original costing estimates originally made during the drafting of the plan.

This means that for 500 projects, a total of EUR 9 848 396 Euros is expected to be contributed, staying EUR 10 151 604 below the original estimation of EUR 20 million.

¹³ [WIFO-Konjunkturtest Indexreihen](#)

In order to keep the high ambition of the plan, Austria proposes to proportionately scale up Target 71 Investment in Solar Energy. With an average cost of EUR 7 418.90 per solar energy project to date, an additional 1 368 investments could be financed from the ‘remaining’ funding originally foreseen for thermal renovation projects. Due to the compensation of the lack of demand, the total costing of the measure remains stable.

In addition to the proposed scale-up due to a reduction in Target 72, Austria foresees Target 71 to require support for at least 13 558 companies (10 800 + 1 368 + 1 390) for their investments in solar energy and electricity storage.

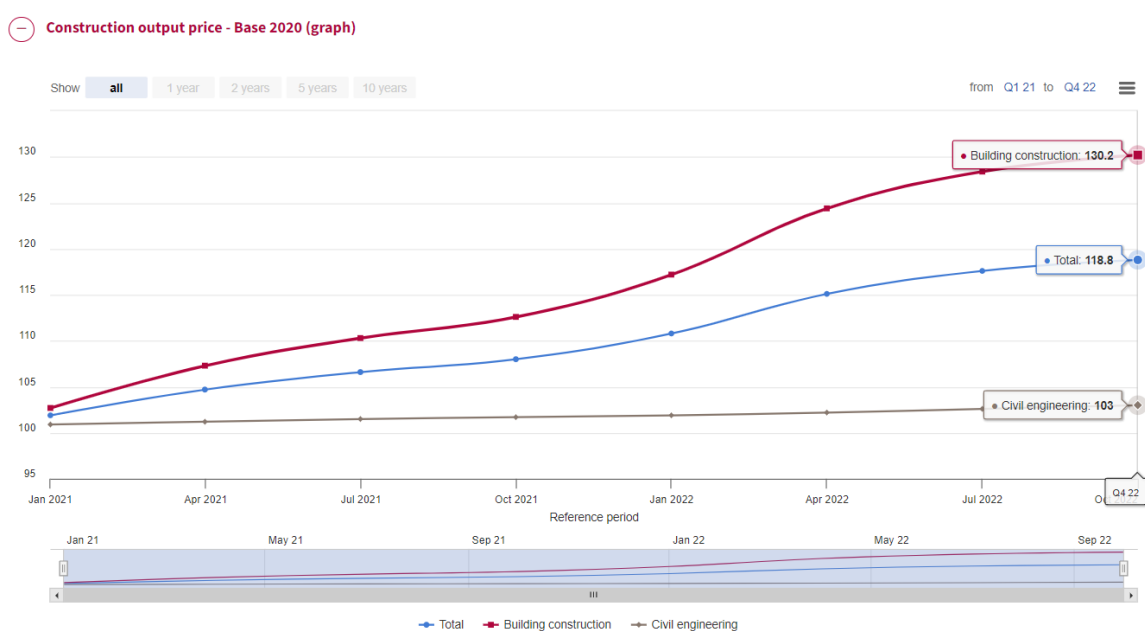
Therefore, the following changes are suggested:

Modified elements	Current version	Amended version
Component and / or measure description		No changes.
Milestones and targets	<p>T70: Support granted to at least 1 000 companies for their investments in thermal renovation</p> <p>T71: Support granted to at least 10 800 companies for their investments in solar energy and electricity storage</p>	<p>T70: Support granted to at least 500 companies for their investments in thermal renovation</p> <p>T71: Support granted to at least 13 558 companies for their investments in solar energy and electricity storage</p>
Estimated cost		No changes.
Green and digital tagging		No changes.
DNSH self-assessment		No changes.

COMPONENT 2: DIGITAL RECOVERY / SUBCOMPONENT 2.D DIGITAL AND ECOLOGICAL TRANSFORMATION OF ENTERPRISES	
Investment/ reform CID reference	Investment 2.D.3
Investment/ reform name	Green investments in enterprises - Investments in energy savings
Type of change compared to CID	modified
Legal base of the change (select at least one)	<input type="checkbox"/> Article 14(2) – loan request <input type="checkbox"/> Article 18(2) – update of the maximum financial contribution <input checked="" type="checkbox"/> Article 21 – amendment due to objective circumstances <input type="checkbox"/> Article 21a – REPowerEU non-repayable financial support (ETS revenue) <input type="checkbox"/> Article 21b (2) – BAR transfers <input type="checkbox"/> Correction of clerical error
Elements modified (only for modified measures)	<input type="checkbox"/> Component / Measure description <input checked="" type="checkbox"/> Milestones and targets <input type="checkbox"/> Estimated cost <input type="checkbox"/> Green and digital tagging <input type="checkbox"/> DNSH self-assessment
Investment: 2.D.3 Green investments in enterprises	
<p><u>Initial description</u></p> <p><u>Target 72:</u> Support granted to at least 1 300 companies for their investments in energy savings</p> <p><u>Requested amendments and justification of the change</u></p> <p>Measure 2.D.3 <i>Green investments in enterprises</i> aims to encourage companies' investments into ecological transformation and to direct them towards forward-looking priority areas. The investment consists of a 14% investment premium granted to companies for investments in the priority areas of green transition.</p> <p>The proposed amendment concerns Target 72 Investments in energy savings to support companies under the RRP. Eligible investments in energy savings include all projects with energy savings of at least 10%, such as investments in increased efficiency of industrial processes, machinery, control electronics, as well as optimisation of lighting, the use of heat pumps, heat exchangers and others.</p> <p>Target 72 is partially no longer achievable due to objective circumstances, particularly, a lack of demand for the investment premium in the area of energy savings and thermal renovations (T70) due to companies facing unforeseeable price increases and investment uncertainty.</p>	

The application period for funding for investments in energy savings under the Investment Premium Act has been open from the beginning of September 2020 until the end of February 2021. The implementation of the planned investment, however, has been a challenging undertaking for the enterprises, facing unexpected developments of costs. Rising fundamental costs (materials and labour), a rapid increase of costs of construction works, and then in turn an increase of the price level in the sector, could be observed. This tendency continued over a two-year period, starting from the first quarter of 2021, and reaching a peak by the fourth quarter of 2022, which would have been the implementation period for the planned investments.

The construction output price index provides information on the change in actual prices that the customer must pay for construction activities and serves as a deflator to determine the real change in construction output figures. Since the 1st quarter of 2021, the indices have been calculated and published taking the average for 2020 = 100 as the base.



Source: STATISTICS AUSTRIA (<https://www.statistik.at/en/statistics/industry-construction-trade-and-services/short-term-business-statistics/construction-output-price-index>, on 02.03.2022).

The construction output price index for the entire building construction and civil engineering sector (base year 2020) reached an annual average of 105.3 index points (+5.3%) in 2021, according to calculations by Statistics Austria. In the fourth quarter of 2021, this index altered to 108.0 points, which represents a growth of 7.4% over the fourth quarter of 2020. The construction output price index of building construction reached an annual average of 108.2 index points for the year 2021, which is an increase of 8.2% in comparison to 2020.

The development of prices in the construction sector had a direct effect on the price of energy savings measures, as the rising prices of materials and labour lead to rising costs for construction companies, followed by an increase in the end price for the customers. Especially the ongoing increase and uncertainty on the market in the period from the beginning of 2021 until the end of May 2021, which would have been the deadline to set the first measure for the planned investments, according to the Investment Premium Implementation Act, has been an obstacle for the companies to start the implementation of the investments. In this period, the price level of building construction continued to grow, with the price index of building construction reaching 110.3 index points, which is increase of more than 10% in comparison with the previous year, when the investments were planned.

The tendency continued in the following year, as a further price increases on quarter-to-quarter, as well on year-on-year levels occurred. A further significant increase of construction output price could be observed, with the construction output price index of building construction reaching an annual average of 125.1 index points in 2022, which is an increase of 15.6 % in annual comparison and more than 25% in comparison to the base line year, when the investment was planned.

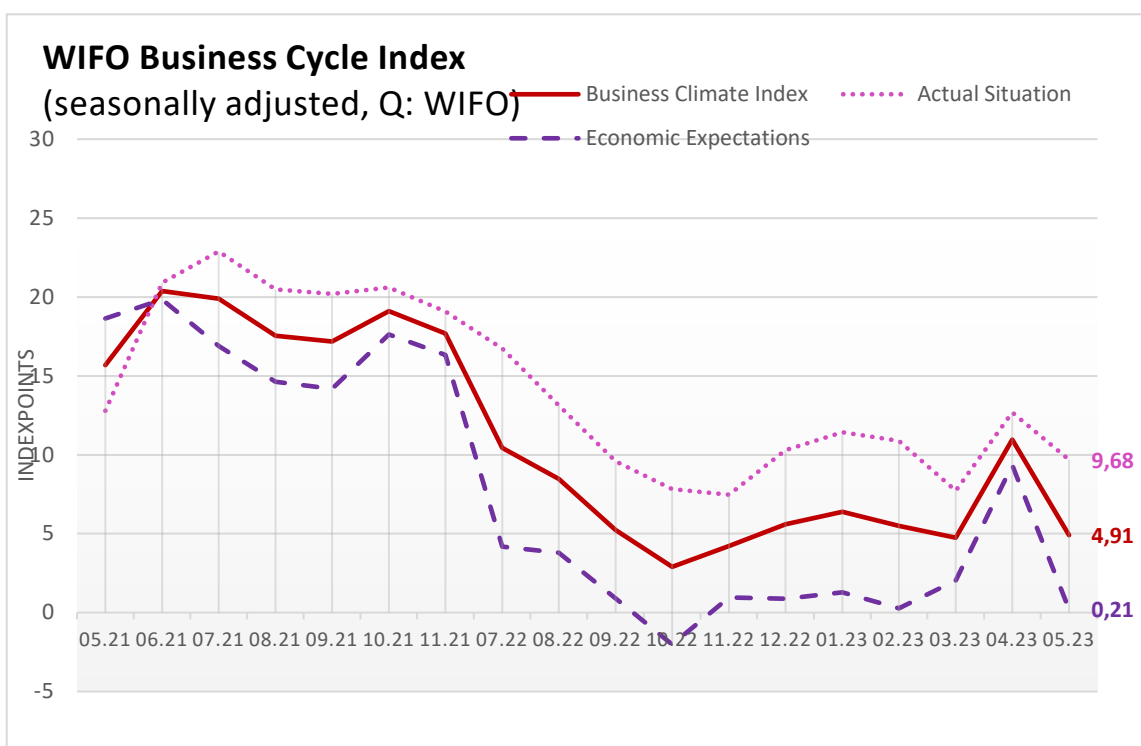
Results (overview): Construction output price index, base year 2020

Year/Quarter	Building construction											Civil engineering		
	Total	Total	Building constructors work	Other building work	Residential buildings			Other building construction			Total	Road construction	Bridge construction	
					Total	Building constructors work	Other building work	Total	Building constructors work	Other building work				
Ø 2022	115,6	125,1	122,2	127,0	124,2	122,1	125,8	126,3	122,6	128,3	102,4	102,9	103	
Ø 2021	105,3	108,2	108,0	108,4	108,0	107,9	108,0	108,6	108,1	108,9	101,3	101,5	101	
Ø 2020	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100	
2022 IV.	118,8	130,2	126,5	132,7	129,1	126,3	131,4	131,7	126,9	134,3	103,0	103,6	104	
III.	117,6	128,4	125,4	130,4	127,4	125,2	129,2	129,8	125,8	131,9	102,6	103,1	103	
II.	115,1	124,4	121,8	126,1	123,5	121,6	124,9	125,7	122,2	127,5	102,2	102,6	103	
I.	110,8	117,2	115,2	118,6	116,6	115,1	117,8	118,1	115,5	119,5	101,9	102,3	102	
2021 IV.	108,0	112,6	111,6	113,3	112,1	111,5	112,7	113,3	111,7	114,1	101,7	102,1	102	
III.	106,6	110,3	110,2	110,3	110,0	110,1	109,9	110,7	110,4	110,9	101,5	101,7	102	
II.	104,7	107,3	107,4	107,2	107,1	107,4	106,8	107,6	107,5	107,6	101,2	101,3	101	
I.	101,9	102,7	102,7	102,7	102,7	102,7	102,6	102,8	102,8	102,8	100,9	101,0	101	
2020 IV.	100,6	100,7	100,7	100,6	100,6	100,7	100,5	100,7	100,6	100,7	100,6	100,8	100	
III.	100,4	100,4	100,4	100,3	100,4	100,4	100,3	100,3	100,4	100,3	100,2	100,2	100	
II.	99,8	99,9	100,1	99,8	99,9	100,1	99,8	99,9	100,1	99,8	99,8	99,9	99	
I.	99,1	99,1	98,8	99,3	99,0	98,7	99,3	99,1	98,8	99,2	99,3	99,1	99	

Source: STATISTICS AUSTRIA (<https://www.statistik.at/en/statistics/industry-construction-trade-and-services/short-term-business-statistics/construction-output-price-index>, on 02.03.2022).

When applying for the Investment Premium, enterprises calculated their investment plans on the basis of the actual costs in 2020/2021. The costs which an enterprise faces are now tremendously higher than at that time. This is not only true for investment costs, but also for running costs (wages, operating resources, preliminary products). The running costs will not taper off in the short run and therefore restrict the financial means of the enterprises. Hence enterprises cut their investment plans in order to save costs. Due to the rise of costs and the development of prices, by the deadline for submission of final reports on 31.5.2023 only 800 companies implemented energy saving investments.

Investment activities are highly influenced by demand, resp. demand expectations. According to the WIFO Business Cycle Index, these expectations have decreased almost steadily since July 2021 - a few months after enterprises applied for the Investment Premium¹⁴. Business climate deteriorated from the maximum of 20.4 points in June 2021 to 4.9 in May 2023 (with a minimum of 2.9 in October 2022). Expectations worsened enormously from 19.8 points in June 2021 to 0.2 points in May 2023. With worsening expectations, the perceived need of investment decreased. The reason for the deterioration of expectations is mainly due to the slower than expected worldwide recovery after Covid, the Russian war in Ukraine and the resulting price increases and demand reductions. These factors could not be foreseen when the milestones were designed.



Whilst cost for planned investment increased drastically, investments were scaled down as a response leading to costs per investments staying relatively in line with cost expectations made under the initial RRP. For Target 72, EUR 32.5 million. were estimated for support in 1 300 investments into energy savings, meaning an average contribution of EUR 25 000 per investment. To date, the actual contribution per investment is estimated at around EUR 27 733 Euros based on 686 settled projects, thus slightly above the original costing estimates originally made during the drafting of the plan.

This means that for 800 projects, a total of EUR 22 186 006 is expected to be contributed, staying EUR 10 313 994 below the original estimation of EUR 32.5 million.

¹⁴ [WIFO-Konjunkturtest Indexreihen](#)

In order to keep the high ambition of the plan, Austria proposes to proportionately scale up Target 71 Investment in Solar Energy. With an average cost of EUR 7 418.90 per solar energy project to date, an additional 1 390 investments could be financed from the 'remaining' funding originally foreseen for energy saving projects. Due to the compensation of the lack of demand, the total costing of the measure remains stable.

In addition to the proposed scale-up due to a reduction in Target 72, Austria foresees Target 71 to require support for at least 13 558 companies (10 800 + 1 368 + 1 390) for their investments in solar energy and electricity storage.

Therefore, the following changes are suggested:

Modified elements	Current version	Amended version
<i>Component and / or measure description</i>		No changes.
<i>Milestones and targets</i>	<p>T72: Support granted to at least 1 300 companies for their investments in energy savings</p> <p>T71: Support granted to at least 10 800 companies for their investments in solar energy and electricity storage</p>	<p>T72: Support granted to at least 800 companies for their investments in energy savings</p> <p>T71: Support granted to at least 13 558 companies for their investments in solar energy and electricity storage</p>
<i>Estimated cost</i>		No changes.
<i>Green and digital tagging</i>		No changes.
<i>DNSH self-assessment</i>		No changes.

COMPONENT 3: KNOWLEDGE BASED RECOVERY / SUBCOMPONENT 3.A RESEARCH	
Investment/ reform CID reference	Reform 3.A.1
Investment/ reform name	Research, Innovation and Technology Strategy 2030 (RTI Strategy 2030)
Type of change compared to CID	modified
Legal base of the change (select at least one)	<input type="checkbox"/> Article 14(2) – loan request <input type="checkbox"/> Article 18(2) – update of the maximum financial contribution <input type="checkbox"/> Article 21 – amendment due to objective circumstances <input type="checkbox"/> Article 21a – REPowerEU non-repayable financial support (ETS revenue) <input type="checkbox"/> Article 21b (2) – BAR transfers <input checked="" type="checkbox"/> None of the above, correction of clerical error
Elements modified (only for modified measures)	<input checked="" type="checkbox"/> Component / Measure description <input type="checkbox"/> Milestones and targets <input type="checkbox"/> Estimated cost <input type="checkbox"/> Green and digital tagging (potentially relevant, because there is a substantive change to the underlying measure) <input type="checkbox"/> DNSH self-assessment
Reform: 3.A.1 Research, Innovation and Technology Strategy 2030 (RTI Strategy 2030)	
<u>Initial description</u>	
<p><u>3.A.1 – Measure description:</u></p> <p><i>The objective of this reform is to design the overarching framework for the research, innovation and technology policy in Austria in the coming ten years. The aims are to become an international innovation leader and to strengthen Austria as an RTI location, to focus on effectiveness and excellence, and to focus on knowledge, talent and skills. The implementation of the reform is organised with the research financing act and the operationalisation with three-year pacts for research, technology and innovation. The investments included in this subcomponent complement the RTI Pact 2021-2023 adopted in 2020 and will be covered by the future pacts. The ‘RTI-Strategy 2030’ is to be implemented by the end of 2030.</i></p> <p><i>The implementation of the part of the reform under the recovery and resilience plan shall be completed by 31 December 2025.</i></p>	
<u>Requested amendments and justification of the change</u>	
Usage of the word “will” in the requirements set out in the Council Implementing Decision creates ambiguity in the understanding of said requirements. The word “will” does not	

create a clear legal understanding of a requirement as an *obligation* (indicated by the usage of the word “shall”) compared to an *expectation* (indicated by the usage of the phrase “is expected to”).

In order to create legal certainty as well as coherence throughout the CID, the measure description is amended to more clearly reflect the intentions of the original recovery and resilience plan. Therefore, the following changes are suggested:

Modified elements	Current version	Amended version
Component and / or measure description	<p>The objective of this reform is to design the overarching framework for the research, innovation and technology policy in Austria in the coming ten years. The aims are to become an international innovation leader and to strengthen Austria as an RTI location, to focus on effectiveness and excellence, and to focus on knowledge, talent and skills. The implementation of the reform is organised with the research financing act and the operationalisation with three-year pacts for research, technology and innovation. The investments included in this subcomponent complement the RTI Pact 2021-2023 adopted in 2020 and will be covered by the future pacts. The ‘RTI-Strategy 2030’ is to be implemented by the end of 2030.</p> <p>The implementation of the part of the reform under the recovery and resilience plan shall be completed by 31 December 2025.</p>	<p>The objective of this reform is to design the overarching framework for the research, innovation and technology policy in Austria in the coming ten years. The aims are to become an international innovation leader and to strengthen Austria as an RTI location, to focus on effectiveness and excellence, and to focus on knowledge, talent and skills. The implementation of the reform is organised with the research financing act and the operationalisation with three-year pacts for research, technology and innovation. The investments included in this subcomponent complement the RTI Pact 2021-2023 adopted in 2020 and will are expected to be covered by the future pacts. The ‘RTI-Strategy 2030’ is to be implemented by the end of 2030.</p> <p>The implementation of the part of the reform under the recovery and resilience plan shall be completed by 31 December 2025.</p>
Milestones and targets		No changes.
Estimated cost		No changes.
Green and digital tagging		No changes.
DNSH self-assessment		No changes.

COMPONENT 3: KNOWLEDGE BASED RECOVERY / SUBCOMPONENT 3.A RESEARCH		
Investment/ reform CID reference	Investment 3.A.2	
Investment/ reform name	Quantum Austria — Promotion of Quantum Sciences	
Type of change compared to CID	modified	
Legal base of the change (select at least one)	<input type="checkbox"/> Article 14(2) – loan request <input type="checkbox"/> Article 18(2) – update of the maximum financial contribution <input type="checkbox"/> Article 21 – amendment due to objective circumstances <input type="checkbox"/> Article 21a – REPowerEU non-repayable financial support (ETS revenue) <input type="checkbox"/> Article 21b (2) – BAR transfers <input checked="" type="checkbox"/> None of the above, correction of clerical error	
Elements modified (only for modified measures)	<input type="checkbox"/> Component / Measure description <input checked="" type="checkbox"/> Milestones and targets <input type="checkbox"/> Estimated cost <input type="checkbox"/> Green and digital tagging (potentially relevant, because there is a substantive change to the underlying measure) <input type="checkbox"/> DNSH self-assessment	
Investment: 3.A.2 Quantum Austria — Promotion of Quantum Sciences		
<p><u>Initial description</u></p> <p><u>Milestone 77 – Milestone description:</u> As part of the preparation and negotiation of the performance agreements with research institutions, both the adaptation of the technical infrastructure and the transfer of operations to the research institutions will be embedded shall be part of the performance agreements by the Ministry (BMBWF).</p> <p><u>Requested amendments and justification of the change</u></p> <p>In the milestone description of milestone 77, there is still wording present which has been crossed out during the drafting of the CID.</p> <p>This crossed out section serves no purpose and has clearly been left in the milestone description on accident during the drafting of the CID.</p>		
Modified elements	Current version	Amended version
<i>Component and / or measure description</i>		No changes.
<i>Milestones and targets</i>	As part of the preparation and negotiation of the performance agreements	As part of the preparation and negotiation of the performance agreements

	with research institutions, both the adaptation of the technical infrastructure and the transfer of operations to the research institutions will be embedded shall be part of the performance agreements by the Ministry (BMBWF).	with research institutions, both the adaptation of the technical infrastructure and the transfer of operations to the research institutions shall be part of the performance agreements by the Ministry (BMBWF).
<i>Estimated cost</i>		No changes.
<i>Green and digital tagging</i>		No changes.
<i>DNSH self-assessment</i>		No changes.

COMPONENT 3: KNOWLEDGE BASED RECOVERY / SUBCOMPONENT 3.B RE-SKILLING AND UP-SKILLING		
Investment/ reform CID reference	Investment 3.B.2	
Investment/ reform name	Promoting re-skilling and up-skilling	
Type of change compared to CID	modified	
Legal base of the change (select at least one)	<input type="checkbox"/> Article 14(2) – loan request <input type="checkbox"/> Article 18(2) – update of the maximum financial contribution <input type="checkbox"/> Article 21 – amendment due to objective circumstances <input type="checkbox"/> Article 21a – REPowerEU non-repayable financial support (ETS revenue) <input type="checkbox"/> Article 21b (2) – BAR transfers <input checked="" type="checkbox"/> None of the above, correction of clerical error	
Elements modified (only for modified measures)	<input type="checkbox"/> Component / Measure description <input checked="" type="checkbox"/> Milestones and targets <input type="checkbox"/> Estimated cost <input type="checkbox"/> Green and digital tagging (potentially relevant, because there is a substantive change to the underlying measure) <input type="checkbox"/> DNSH self-assessment	
Investment: 3.B.2 Promoting re-skilling and up-skilling		
<p><u>Initial description</u></p> <p><u>CID ‘Related Measure (Reform or Investment)’ for Milestone 87:</u></p> <p>3.B.1 Promoting re-and upskilling</p> <p><u>Requested amendments and justification of the change</u></p> <p>In the Austrian CID, the ‘Related Measure (Reform or Investment)’ column for M87 reads: <i>3.B.1 Promoting re-and upskilling</i></p> <p>However, as this milestone is part of the measure <i>3.B.2 Promoting re-skilling and up-skilling</i>, this clerical error should be corrected.</p>		
Modified elements	Current version	Amended version
<i>Component and / or measure description</i>		No changes.
<i>Milestones and targets</i>	M87 - Related Measure (Reform or Investment):	M 87 - Related Measure (Reform or Investment):

	3.B.1 Promoting re-and upskilling	3.B.2 Promoting re-skilling and up-skilling
<i>Estimated cost</i>		No changes.
<i>Green and digital tagging</i>		No changes.
<i>DNSH self-assessment</i>		No changes.

COMPONENT 3: KNOWLEDGE BASED RECOVERY / SUBCOMPONENT 3.B RE-SKILLING AND UP-SKILLING		
Investment/ reform CID reference	Investment 3.B.2	
Investment/ reform name	Promoting re-skilling and up-skilling	
Type of change compared to CID	modified	
Legal base of the change (select at least one)	<input type="checkbox"/> Article 14(2) – loan request <input type="checkbox"/> Article 18(2) – update of the maximum financial contribution <input checked="" type="checkbox"/> Article 21 – amendment due to objective circumstances <input type="checkbox"/> Article 21a – REPowerEU non-repayable financial support (ETS revenue) <input type="checkbox"/> Article 21b (2) – BAR transfers <input type="checkbox"/> None of the above, correction of clerical error	
Elements modified (only for modified measures)	<input type="checkbox"/> Component / Measure description <input checked="" type="checkbox"/> Milestones and targets <input type="checkbox"/> Estimated cost <input type="checkbox"/> Green and digital tagging (potentially relevant, because there is a substantive change to the underlying measure) <input type="checkbox"/> DNSH self-assessment	
Investment: 3.B.2 Promoting re-skilling and up-skilling		
<u>Initial description</u>		
<p><u>Target 89:</u> At least 94 000 people shall have benefited from re- and up-skilling measures over the period of implementation as stated in the annual implementation report issued by the responsible Ministry.</p>		
<u>Requested amendments and justification of the change</u>		
<p>Target 89 was originally intended to be achieved in line with the fourth payment request.</p> <p>Fast implementation of the investment has resulted in achievement of target 89 already at the end of Q4/2022. Therefore, this target can be shifted forward in time to be part of the second payment request.</p>		
Modified elements	Current version	Amended version
<i>Component and / or measure description</i>		No changes.
<i>Milestones and targets</i>	T89: Indicative timeline for completion: Q4/ 2024	T89: Indicative timeline for completion: Q4/ 2022
<i>Estimated cost</i>		No changes.
<i>Green and digital tagging</i>		No changes.
<i>DNSH self-assessment</i>		No changes.

COMPONENT 3: KNOWLEDGE BASED RECOVERY / SUBCOMPONENT 3.C EDUCATION	
Investment/ reform CID reference	Reform 3.C.1
Investment/ reform name	Improved Access to education
Type of change compared to CID	modified
Legal base of the change (select at least one)	<input type="checkbox"/> Article 14(2) – loan request <input type="checkbox"/> Article 18(2) – update of the maximum financial contribution <input type="checkbox"/> Article 21 – amendment due to objective circumstances <input type="checkbox"/> Article 21a – REPowerEU non-repayable financial support (ETS revenue) <input type="checkbox"/> Article 21b (2) – BAR transfers <input checked="" type="checkbox"/> None of the above, correction of clerical error
Elements modified (only for modified measures)	<input checked="" type="checkbox"/> Component / Measure description <input type="checkbox"/> Milestones and targets <input type="checkbox"/> Estimated cost <input type="checkbox"/> Green and digital tagging (potentially relevant, because there is a substantive change to the underlying measure) <input type="checkbox"/> DNSH self-assessment
Reform: 3.C.1 Improved access to education	
<p><u>Initial description</u></p> <p>3.C.1 – Measure description:</p> <p><i>The reform measure provides the framework for the two investment measures. It aims to improve the basic skills of disadvantaged groups in order to guarantee equal opportunities in education. It seeks to set the scene for the investments that are part of the same subcomponent to be successfully implemented and for the share of pupils completing lower secondary education to be increased. It describes the same conditions and actions as the investments, but with a longer timeframe. It will depend on investments beyond the Recovery and Resilience Facility for the part of the implementation that exceeds the investments of the subcomponent.</i></p> <p><i>The implementation of the measure shall be completed by 31 December 2025.</i></p> <p><u>Requested amendments and justification of the change</u></p> <p>Usage of the word “will” in the requirements set out in the Council Implementing Decision creates ambiguity in the understanding of said requirements. The word “will” does not</p>	

create a clear legal understanding of a requirement as an *obligation* (indicated by the usage of the word “shall”) compared to an *expectation* (indicated by the usage of the phrase “is expected to”).

In order to create legal certainty as well as coherence throughout the CID, the measure description is amended to more clearly reflect the intentions of the original recovery and resilience plan.

Therefore, the following changes are suggested:

Modified elements	Current version	Amended version
<i>Component and / or measure description</i>	<p>The reform measure provides the framework for the two investment measures. It aims to improve the basic skills of disadvantaged groups in order to guarantee equal opportunities in education. It seeks to set the scene for the investments that are part of the same subcomponent to be successfully implemented and for the share of pupils completing lower secondary education to be increased. It describes the same conditions and actions as the investments, but with a longer timeframe. It will depend on investments beyond the Recovery and Resilience Facility for the part of the implementation that exceeds the investments of the subcomponent.</p> <p>The implementation of the measure shall be completed by 31 December 2025.</p>	<p>The reform measure provides the framework for the two investment measures. It aims to improve the basic skills of disadvantaged groups in order to guarantee equal opportunities in education. It seeks to set the scene for the investments that are part of the same subcomponent to be successfully implemented and for the share of pupils completing lower secondary education to be increased. It describes the same conditions and actions as the investments, but with a longer timeframe. It will depends on investments beyond the Recovery and Resilience Facility for the part of the implementation that exceeds the investments of the subcomponent.</p> <p>The implementation of the measure shall be completed by 31 December 2025.</p>
<i>Milestones and targets</i>		No changes.
<i>Estimated cost</i>		No changes.
<i>Green and digital tagging</i>		No changes.
<i>DNSH self-assessment</i>		No changes.

COMPONENT 3: KNOWLEDGE BASED RECOVERY / SUBCOMPONENT 3.C EDUCATION	
Investment/ reform CID reference	Reform 3.C.1
Investment/ reform name	Improved Access to education
Type of change compared to CID	modified
Legal base of the change (select at least one)	<input type="checkbox"/> Article 14(2) – loan request <input type="checkbox"/> Article 18(2) – update of the maximum financial contribution <input checked="" type="checkbox"/> Article 21 – amendment due to objective circumstances <input type="checkbox"/> Article 21a – REPowerEU non-repayable financial support (ETS revenue) <input type="checkbox"/> Article 21b (2) – BAR transfers <input type="checkbox"/> None of the above, correction of clerical error
Elements modified (only for modified measures)	<input type="checkbox"/> Component / Measure description <input checked="" type="checkbox"/> Milestones and targets <input type="checkbox"/> Estimated cost <input type="checkbox"/> Green and digital tagging (potentially relevant, because there is a substantive change to the underlying measure) <input type="checkbox"/> DNSH self-assessment
Reform: 3.C.1 Improved access to education	
<u>Initial description</u>	
<p><u>Target 90: Pupils eligible for promotion from 5th school year:</u> Total of all pupils from the fifth school year who had an eligibility for promotion to the next grade or a successful completion of a school type at the end of the reference school year / total of all pupils from the 5th school year in the reference year.</p>	
Base (school year 2017/18)	92.4%
Goal (Q4/2025 – school year 2023/2024)	94.7%
<i>Data basis: Statistics Austria</i>	
<u>Requested amendments and justification of the change</u>	
<p>Measure 3.C.1 Improved Access to education aims to improve access to high quality education for all students and in particular for students from disadvantaged and/or migrant backgrounds. The current target T90 addresses the promotion of all pupils from 5th year onwards and sets the goal at 94.7% with an indicative target date of Q4/2025.</p>	

This means it is to be reached during the school year 2023/2024 as data on the eligibility for promotion is only made available by “Statistik Austria” in retrospect for the last year.

The goal of an eligibility rate for promotion of 94.7% was already surpassed in 2019/2020 with a value of 95.2% reached, while in school year 2020/21, the eligibility rate for promotion was 93.7%. This overall increase in the promotion rate can be mainly explained by various substantial changes in the regulations for eligibility for promotion adopted during the pandemic in order to counteract negative impacts of lock-downs and distance learning on educational careers (2019/20: BGBl. II Nr. 208/2020, BGBl. II Nr. 164/2020; 2020/21: BGBl. II Nr. 384/2020).

At the time of drafting the ARP it was unclear how long the pandemic would last and the more flexible rules would be in place. In school year 2021/22, Austria focused on the goal to quickly ensure a return to high quality educational outcomes and grading/degrees. Therefore, the Ministry decided to gradually return to pre-pandemic rules for eligibility for promotion (2021/22: BGBl. II Nr. 374/2021 from August 2021). After the 2021/22 school year, there were no COVID-19 provisions regarding promotion eligibility. As one related consequence, students who had been promoted (more easily) during COVID-19 years now face an even higher risk of not being eligible for promotion.

Another unforeseen development, which will most likely have a negative impact on the indicator, is the high intake of displaced persons from UA since 2022. The requirement to first support displaced Ukraine students with German language support measures in order for them to successfully participate in the education process means that a promotion to the next school level might not materialise immediately in a lot of cases.

These objective circumstances will make it impossible to reach the ARP target Target 90, as the Ministry anticipates a further downward adjustment of the related indicator until 2025 as a result of the described changes in the rules for promotion since drafting the ARP and the uncertainties connected to the Russian aggression against UA.

While Austria will continue to pursue increasing the promotion rate of pupils, it is suggested to **change the target T90 into a milestone that captures better the spirit of measure 3.C.1** “Improved Access to education” and which aims to improve access to high quality education for all pupils.

As of 2022, the newly introduced national standardised assessments of the “Individual Competence Assessment PLUS” (iKMPLUS) assesses – annually and compulsorily – the extent to which students achieve national standards in German, Maths at grades 3, 4, 7 and 8 as well as English at grades 7 and 8. Each year the results are used immediately to support individual learning and to improve teaching and learning processes at the school and classroom level.

We now propose to include as a milestone a new reform which implements the full spectrum of “modules” and instruments offered by the “iKMPLUS” alongside the already implemented compulsory modules via two legal acts: an amendment to the School

Education Act (Schulunterrichtsgesetz) will build the framework for the legal anchoring of further modules of “iKMPLUS) while an addition legal act will be adopted which implements the additional modules.

Through additional diagnostic instruments and didactical materials, schools and teachers will receive targeted support in helping their students achieve their educational goals. For instance, students, who perform low in reading will obtain a more detailed diagnostic analysis of their skills followed by targeted support in their language development. That way, special attention will be given to the aspect of equal opportunities. With the additional modules of iKMPLUS, a more complete picture of learning processes and learning levels will be generated, teaching practice will be informed through additional data and the realisation of competence-oriented teaching and learning will be supported.

In the long term, the entirety of instruments and measures implemented with the iKMPLUS aim at reducing the number of students, who do not meet or only partially meet the educational standards and to increase the number of students, who achieve or exceed the educational standards by the end of grade 4 and grade 8. They are seen as an important contribution to further supporting and developing individualised and evidence-based learning and to supporting students to achieve their own best potential.

This measure would contribute to the improvement of pupils’ access to education across the Austrian school system through the provision of targeted and timely support resulting from the additional diagnostic instruments.

Therefore, we suggest the following amendments:

Modified elements	Current version	Amended version
<i>Component and / or measure description</i>		No changes.
<i>Milestones and targets</i>	<p><u>Milestone 90:</u></p> <p>Name: Pupils eligible for promotion from 5th school year</p> <p>Baseline: 92.4 (2018) Goal: 94.7 (Q4 2025)</p> <p>Unit of measure: Percentage of pupils entitled for promotion to the next grade or successful completion of a school type</p> <p>Description of the target:</p>	<p><u>Milestone 90 – Q1/2023</u></p> <p>Entry into force of the amended School education Act (Schulunterrichtsgesetz) which builds the framework for the legal anchoring of further modules (full implementation) of the national standardised assessments “Individual Competence Assessment PLUS” (iKMPLUS)</p> <p><u>Milestone 90-bis – Q2/2024</u></p>

	Total of all pupils from the fifth school year who had an eligibility for promotion to the next grade or a successful completion of a school type at the end of the reference school year / total of all pupils from the 5th school year in the reference year.	Legal act is adopted which implements and specifies additional modules to the national standardised assessments (iKMPLUS). Together with the compulsory modules implemented in 2022 the additional modules enable targeted support for pupils in these focus areas.
<i>Estimated cost</i>		No changes.
<i>Green and digital tagging</i>		No changes.
<i>DNSH self-assessment</i>		No changes.

COMPONENT 3: KNOWLEDGE BASED RECOVERY / SUBCOMPONENT 3.C EDUCATION	
Investment/ reform CID reference	Reform 3.C.1
Investment/ reform name	Improved Access to education
Type of change compared to CID	modified
Legal base of the change (select at least one)	<input type="checkbox"/> Article 14(2) – loan request <input type="checkbox"/> Article 18(2) – update of the maximum financial contribution <input checked="" type="checkbox"/> Article 21 – amendment due to objective circumstances <input type="checkbox"/> Article 21a – REPowerEU non-repayable financial support (ETS revenue) <input type="checkbox"/> Article 21b (2) – BAR transfers <input type="checkbox"/> None of the above, correction of clerical error
Elements modified (only for modified measures)	<input type="checkbox"/> Component / Measure description <input checked="" type="checkbox"/> Milestones and targets <input type="checkbox"/> Estimated cost <input type="checkbox"/> Green and digital tagging (potentially relevant, because there is a substantive change to the underlying measure) <input type="checkbox"/> DNSH self-assessment
Reform: 3.C.1 Improved access to education	
<p><u>Initial description</u></p> <p><u>Target 91:</u> Pupils from migration background having achieved secondary level II degree: Pupils with a migration background (first and second generation) aged 20-24 who have achieved a secondary level II degree as a share (in % of all people with a migration background (first and second generation) in the resident population of the same age).</p> <p><u>Requested amendments and justification of the change</u></p> <p>Education remains the best way for people to escape poverty and reach their full potential. Education gives people the knowledge and skills they need to stay healthy, get jobs and foster tolerance.</p> <p>Measure 3.C.1 (Improved access to education) aims to improve the skills of disadvantaged groups, specifically pupils with a migration background. In response to the 2019/2020 CSRs on education, Austria is taking a comprehensive set of measures to further develop the education system and to ensure the best possible education opportunities for all, including disadvantaged learners.</p>	

This implies the aim that more pupils with a migration background achieve a Secondary level II qualification. The initially chosen indicator to measure progress in this regard measures the rate of pupils with a migration background (first and second generation) aged 20-24 who have achieved a secondary level II degree as a share (in %) of all people with a migration background (first and second generation) in the resident population of the same age.

Often times, first-generation migrants have achieved their highest secondary degree abroad and not in Austria. In fact, statistics generated by Statistik Austria in the “Arbeitskräfteerhebung 2021” show that for those migrants who have reached Austria at an age of 15-24, 78.3% receive their highest degree of education abroad. It can be assumed that this is even higher for those migrants who are entering Austria at age 20 and above.

This shows that the set indicator for pupils with migration background (first and second generation) is highly susceptible to changes in migration patterns. For instance, a large number of first-generation migrants entering Austria with a particularly high (low) share of secondary degrees would push up (down) the set indicator, although there have been no changes in the Austrian school system to warrant this development.

The indicator has shown an overall downward trend since 2016, particularly among 1st generation migrants, who – as described - often immigrate without bringing the corresponding qualifications with them. For 2nd generation migrants, on the other hand, there has been a relative increase in secondary II degrees. Between school years 2015/16 until 2019/20, the ratio of 1st and 2nd generation to the total number of all migrants in the age group of the indicator was quite stable (it amounted to approx. 69% 1st generation and 31% 2nd generation migrants, respectively). Therefore, a trend toward positive development and achievement of the original target value for this indicator could be assumed in the medium term.

However, since the development of the ARP objective circumstances have occurred that could not have been foreseen: Since 2020, Austria again had unpredictably high immigration rates in the 20-24 age group (2020: approx. 24 000; 2022: approx. 38 000 meaning a plus of around 60%). This leads to a substantial increase in the share of the 1st generation group (which tends to have less sec II qualifications than the 2nd generation) in the total number of migrants.

Due to the extreme sensitivity of the indicator to such sudden and unpredictable changes in the composition of the group, it will be impossible for Austria to achieve the set target of 67.9% (Q4 2025).

While Austria will continue to pursue increasing the rate of migrants with a secondary level II degree, it is suggested to **change the target T91 into a milestone that captures better the spirit of measure 3.C.1** “Improved Access to education” and which aims to improve access to high quality education for all pupils and in particular for pupils from disadvantaged and/or migrant backgrounds.

To this end, we propose to **introduce a new reform** that aims at **establishing criteria for the specification of the socio-economic background and the socio-economic baseline of schools** by ways of a legal act (regulation).

School careers and educational success in Austria depend to a large extent on socio-economic background, which is usually captured by education, occupation and income as well as occasionally the parents' first language or migration status. Austrian schools, or the composition of the population of students there, are often markedly different with respect to these dimensions. Risk of educational poverty increases when social disadvantages at school increase, i.e. when the composition of the student body is more socially unfavourable.

The distribution of resources is a central way of responding to these different framework conditions of the schools. The 2017 education reform established by law factors that the boards of education have to take into account when allocating teacher resources to individual schools, incl. the socio-economic background. At present, the BMBWF is working with the Federal Institute for Quality Assurance in the Austrian School System (IQS) to develop a permanent and quality-assured calculation basis for an index.

The new measure will consist of the **adoption of a regulation which will specify criteria of the socio-economic background**. It aims at ensuring that students who attend schools with a low supportive personal background are given the necessary support.

Therefore, we **suggest the following amendment:**

Modified elements	Current version	Amended version
<i>Component and / or measure description</i>		No changes.
<i>Milestones and targets</i>	T91: Pupils from migration background having achieved secondary level II degree; Baseline: 65.4 (2018); Target: 67.9 (Q4 2025)	<u>T91</u> : A legal act which establishes criteria for the specification of the socio-economic background Target date for implementation: Q2/2025
<i>Estimated cost</i>		No changes.
<i>Green and digital tagging</i>		No changes.
<i>DNSH self-assessment</i>		No changes.

COMPONENT 3: KNOWLEDGE BASED RECOVERY / SUBCOMPONENT 3.C EDUCATION	
Investment/ reform CID reference	Investment 3.C.3.
Investment/ reform name	Expansion of elementary education
Type of change compared to CID	modified
Legal base of the change (select at least one)	<input type="checkbox"/> Article 14(2) – loan request <input type="checkbox"/> Article 18(2) – update of the maximum financial contribution <input type="checkbox"/> Article 21 – amendment due to objective circumstances <input type="checkbox"/> Article 21a – REPowerEU non-repayable financial support (ETS revenue) <input type="checkbox"/> Article 21b (2) – BAR transfers <input checked="" type="checkbox"/> None of the above, correction of clerical error
Elements modified (only for modified measures)	<input checked="" type="checkbox"/> Component / Measure description <input type="checkbox"/> Milestones and targets <input type="checkbox"/> Estimated cost <input type="checkbox"/> Green and digital tagging (potentially relevant, because there is a substantive change to the underlying measure) <input type="checkbox"/> DNSH self-assessment
Investment: 3.C.3 Expansion of elementary education	
<p><u>Initial description</u></p> <p>3.C.3 – Measure description:</p> <p><i>The objective of the investment is to expand the provision of childcare facilities, particularly for the under three year old and the opening hours for the three to six years old, to facility the reconciliation of work and family life. Additionally, with a focus improving early childhood education and care at the earliest possible age of learners, the quality of early childhood education and care facilities is expected to be improved.</i></p> <p><i>The investment consists of funding to expand the provision of suitable early childhood education and care facilities for the under three year old, to meet the Barcelona target for children under the age of three (childcare rate 33%). In addition, incentives will be created to extend the opening times of elementary educational institutions for three to six year olds. The quality of education and care for children until the start primary school shall be further developed, notably by improving the staff/child ratio.</i></p> <p><i>The implementation of the measure shall be completed by 30 September 2023.</i></p> <p><u>Requested amendments and justification of the change</u></p>	

Usage of the word “will” in the requirements set out in the Council Implementing Decision creates ambiguity in the understanding of said requirements. The word “will” does not create a clear legal understanding of a requirement as an *obligation* (indicated by the usage of the word “shall”) compared to an *expectation* (indicated by the usage of the phrase “is expected to”).

In order to create legal certainty as well as coherence throughout the CID, the measure description is amended to more clearly reflect the intentions of the original recovery and resilience plan. Therefore, the following changes are suggested:

Modified elements	Current version	Amended version
<p><i>Component and / or measure description</i></p>	<p>The objective of the investment is to expand the provision of childcare facilities, particularly for the under three year old and the opening hours for the three to six years old, to facility the reconciliation of work and family life. Additionally, with a focus improving early childhood education and care at the earliest possible age of learners, the quality of early childhood education and care facilities is expected to be improved.</p> <p>The investment consists of funding to expand the provision of suitable early childhood education and care facilities for the under three year old, to meet the Barcelona target for children under the age of three (childcare rate 33%). In addition, incentives will be created to extend the opening times of elementary educational institutions for three to six year olds. The quality of education and care for children until the start primary school shall be further developed, notably by improving the staff/child ratio.</p>	<p>The objective of the investment is to expand the provision of childcare facilities, particularly for the under three year old and the opening hours for the three to six years old, to facility the reconciliation of work and family life. Additionally, with a focus improving early childhood education and care at the earliest possible age of learners, the quality of early childhood education and care facilities is expected to be improved.</p> <p>The investment consists of funding to expand the provision of suitable early childhood education and care facilities for the under three year old, to meet the Barcelona target for children under the age of three (childcare rate 33%). In addition, incentives will are expected to be created to extend the opening times of elementary educational institutions for three to six year olds. The quality of education and care for children until the start primary school shall be further developed, notably by improving the staff/child ratio.</p>

	The implementation of the measure shall be completed by 30 September 2023.	The implementation of the measure shall be completed by 30 September 2023.
<i>Milestones and targets</i>		No changes.
<i>Estimated cost</i>		No changes.
<i>Green and digital tagging</i>		No changes.
<i>DNSH self-assessment</i>		No changes.

COMPONENT 3: KNOWLEDGE BASED RECOVERY / SUBCOMPONENT 3.C EDUCATION	
Investment/ reform CID reference	Investment 3.C.3.
Investment/ reform name	Expansion of elementary education
Type of change compared to CID	modified
Legal base of the change (select at least one)	<input type="checkbox"/> Article 14(2) – loan request <input type="checkbox"/> Article 18(2) – update of the maximum financial contribution <input checked="" type="checkbox"/> Article 21 – amendment due to objective circumstances <input type="checkbox"/> Article 21a – REPowerEU non-repayable financial support (ETS revenue) <input type="checkbox"/> Article 21b (2) – BAR transfers <input checked="" type="checkbox"/> Correction of clerical error
Elements modified (only for modified measures)	<input type="checkbox"/> Component / Measure description <input checked="" type="checkbox"/> Milestones and targets <input type="checkbox"/> Estimated cost <input type="checkbox"/> Green and digital tagging (potentially relevant, because there is a substantive change to the underlying measure) <input type="checkbox"/> DNSH self-assessment
Investment: 3.C.3 Expansion of elementary education	
<p><u>Initial description</u></p> <p><u>Target 95:</u> The childcare quota for under 3-year-olds shall be increased by 1 percentage point per Land and year; however, the common goal is to aim for an increase of 5 percentage points.</p> <p>Baseline: 28% Goal: 33%</p> <p><u>Requested amendments and justification of the change</u></p> <p>There are two requested amendments with respect to Target 95, one concerning the correction of a clerical error and the second amendment due to objective circumstances according to Art. 21.</p> <p>1. <u>Correction of a clerical error</u> The correction of the clerical error concerns the target description as well as the baseline value for target 95.</p>	

Under the Austrian RRP, measure 3.C.3 aims to expand the provision of childcare facilities, particularly for the under 3-year-olds and the opening hours for the three to six years old, to facilitate the reconciliation of work and family life.

For children under three years old, the first challenge identified in the RRP relates to achieving the Barcelona target for under 3-year-olds which for this age-group has not been reached by Austria.

“Während bei der Altersgruppe der 3- bis 6-Jährigen bereits 2009 das Barcelona-Ziel von 90% erreicht wurde und sich die österreichweite Betreuungsquote bei knapp 95% stabilisiert hat, wurde für die Altersgruppe der unter Dreijährigen zwar eine Verdopplung der Betreuungsquote von 14% auf 30,1% erreicht, aber das Barcelona-Ziel von 33% noch verfehlt. Aktuell fehlen rund 2,95 Prozentpunkte oder ca. 7.500 Plätze zur Zielerreichung.” (AT RRP, p. 376)

The RRP mentions that in order to reach the goal of 33% of under 3-year-old children being in high quality and affordable childcare facilities incl. children cared for by childminders, Austria still needs to increase their quota by 2.95 percentage points. At the time of the drafting of the plan, the latest available data from kindergarten year 2019/2020 had shown a childcare quota of 30.1% for under 3-year-olds.

Correcting for this baseline value, it becomes clear that the target description set for target 95 does not accurately reflect the goal of the measure which is explained in the Austrian RRP:

„Das Barcelona-Ziel für die unter Dreijährigen (Betreuungsquote 33%) soll mit dem Ausbau des Betreuungs- und Bildungsangebotes in geeigneten elementaren Bildungseinrichtungen erfüllt werden.“ (AT RRP, p. 379)

The goal of the measure and the achievement of target 95 is clearly indicated as reaching the Barcelona target (childcare quota of 33% for under 3-year-olds). For a baseline value of 28%, the 5 percentage point increase (as it is currently part of the target description) would correspond to a final target of 33%. However, the selection of this baseline value constitutes a clerical error as stated above. Instead, it is explicitly mentioned that the gap to reach the Barcelona target is at 2.95 percentage points.

We would therefore propose to fix this error and rephrase the target (including the deletion of references to Länder due to objective circumstances) to:

The childcare quota for under 3-year-olds shall be increased by 2.95 percentage points.

Baseline: 30.1% (2020)

Goal: 33%

2. Amendments due to objective circumstances according to Art. 21

Austria pursues ambitious goals to expand elementary education in all federal states, which are also set in Article 15a B-VG agreement between the Federal Government and

the Federal States on early childhood education for the kindergarten years 2022/23 to 2026/27 (“Vereinbarung gemäß Art. 15a B-VG zwischen dem Bund und den Ländern über die Elementarpädagogik für die Kindergartenjahre 2022/23 bis 2026/27”).

When setting the targets and target dates for the RRP in 2021, the most recent basis for data was the day-care centre statistics¹⁵ by Statistik Austria from September 2020 which provided data for the kindergarten year 2019/2020. Data for the childcare quota for under 3-year-olds (excl. childminder) can be found in table 18 of said statistics. The more relevant data for the childcare quota (incl. childminder) comes from the Bundeskanzleramt (BKA). Childminders counted into the statistics go through obligatory training courses and therefore should be counted towards the quota. Training courses which are carried out according to the quality standards specified in the curriculum, receive a stamp of quality. Training providers who conduct courses for childminders according to the nationwide standard curriculum receive a seal of quality as a positive award for the quality of the course.

Based on this data (day-care centre statistics 2019/20) and the calculation of the BKA, the development of the childcare quota was assumed as a continuous linear upwards trend in line with the past three years. The increase in the childcare quota (incl. childminders) for children aged 0 to 3 from kindergarten year 2017/18 to 2019/20 averaged 0.75 percentage points (PP). A simple extrapolation of this increase indicated that the target of 33% could be reached in kindergarten year 2023/24.

Year	Excl. childminders		Incl. childminders	
	Rate in %	Projection in 2021	Rate in %	Projection in 2021
2017/18	26.10%		28.60%	
2018/19	26.50%		29.00%	
2019/20	27.60%		30.10%	
2020/21		28.35%		30.85%
2021/22		29.10%		31.60%

¹⁵ [Publikationvorlage für Standpublikation \(statistik.at\)](https://www.statistik.at)

2022/23		29.85%		32.35%
2023/24		30.60%		33.10%
2024/25		31.35%		33.85%
2025/26		32.10%		34.60%

Table 1: Development of childcare quota for children under three years old (target 95)

Source: Statistics Austria day-care centre statistics¹⁶

It should be noted, that the original target date Q4/2023 represents the point in time, when the childcare quota was predicted to reach the goal of 33 %, i.e. this point in time falls into the middle of the relevant kindergarten year 2023/2024. However, what the original target disregarded was the delay in the availability of data, as the day-care centre statistics for the year 2023/2024, and thus, proof for the achievement of the target, would only be available in Q3/2024.

The target date was in this sense misunderstood in the original drafting of the plan, as the earliest possible date to prove the target based on the official statistics is only after the end of the kindergarten year, in which the relevant quota is fulfilled.

Furthermore, during the drafting of the plan in 2021, i.e. **with only preliminary data on effects of the COVID-19 pandemic**, additional factors such as high infection rates in or closures of kindergartens due to further lockdowns, and accompanying economic developments could not yet be estimated.

These unforeseeable effects of the COVID-19 pandemic and additional lockdowns were already indicated in the risk assessment in the original submission of the plan, which foresaw in the 'Assumptions/risks' column of the Excel Fiche for the achievement of Target 95 that:

“Durch COVID-19 bedingte Lockdown-Maßnahmen auf regionaler oder nationaler Ebene sowie individuell Lehrpersonen betreffende Quarantänemaßnahmen kann die Inanspruchnahme der für den Präsenzunterricht vorgesehenen Förderstunden in vollem Umfang erheblich gefährdet sein. Personalmangel in einzelnen Unterrichtsgegenständen oder an einzelnen Schulstandorten, könnte zusätzlich

¹⁶ The child-care quota for under 3-year-olds can be derived from the Austrian children day-care centre statistics.

All children day-care centre statistics back to 2018/19 can be accessed here:

[Kindertagesheime, Kinderbetreuung - STATISTIK AUSTRIA - Die Informationsmanager](#)

The children day-care centre statistics on the kindergarten year 2017/2018 can be accessed here:

[kindertagesheimstatistik_201718_1.pdf](#)

dazu führen, dass die Fördermaßnahmen nicht in vollem Umfang in Anspruch genommen werden könnten.“

English:

"COVID-19-related lockdown measures at regional or national level, as well as quarantine measures affecting individual teachers, may significantly jeopardise the full use of the support hours provided for classroom teaching. In addition, staff shortages in individual subjects or at individual school sites could mean that the support measures could not be fully utilised."

Unfortunately, this risk materialised with the second COVID-19 related lockdown from November 2021. In essence, the second COVID-19 related lockdown during the kindergarten year 2020/21 exacerbated two effects, which had a negative impact on the childcare quota of under three-year olds. First, short-time work was very prevalent during the period April 2020 to March 2022 (see Figure 1). In particular, the third big COVID-19 wave, starting in November 2021, could not have been factored in at the time of drafting the plan.

At the same time, the rate of employees working from home was particularly high in 2021 with 26.6% of Austrians working from home regularly in the first quarter of 2021 (according to Statistik Austria¹⁷) and continued to be above pre-pandemic levels also in 2022 (e.g. in the spring of 2022, one in five employees were working from home)¹⁸. Taken together, the increase of people in short-term work schemes and those regularly working from home meant that on average, (working) parents spent more time at home. This additional time spent at home means that they had more time to care for their children at home and were thus less incentivised to send children to child care.

¹⁷ <https://www.statistik.at/fileadmin/announcement/2022/06/20220609AKEQ12022.pdf>

¹⁸ https://viecer.univie.ac.at/fileadmin/user_upload/z_viecer/Blog_145_-_Kurzarbeit_oder_Home_Office_wer_in_der_Pandemie_wie_arbeitete.pdf
<https://www.statistik.at/fileadmin/announcement/2022/09/20220908ArbeitsmarktQ222.pdf>

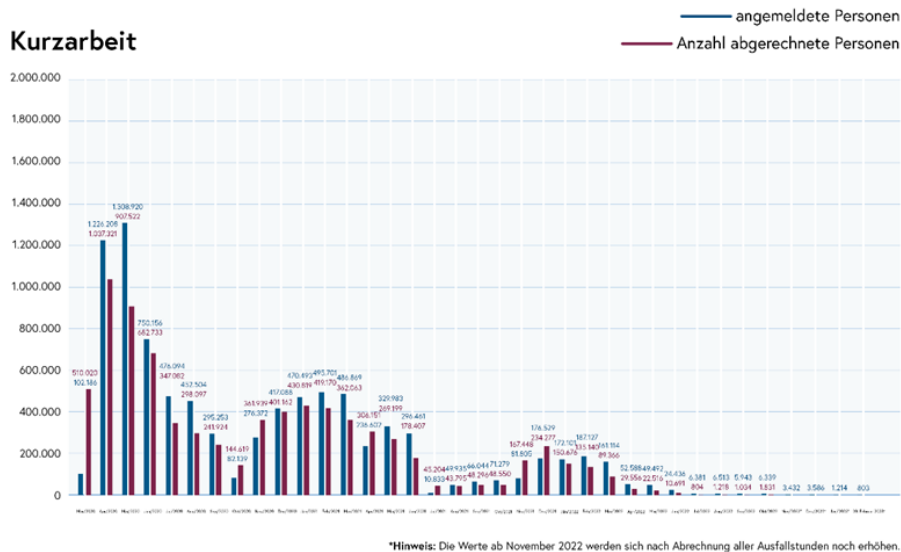


Figure 1: Short time work in Austria between November 2020 and March 2023.
 Source: Federal Ministry of Labour and Economy,
<https://www.bmaw.gv.at/Presse/Aktuelles/Aktuelle-Arbeitsmarktzahlen.html>

Indeed, the **rate of childcare for children under the age of three declined in the kindergarten year 2020/21** (see Table 2), which may be partly attributed to the two effects outlined above.

These trends are also reflective of an overall trend of a slight decrease in the employment of women with children under the age of three, which decreased by one percentage point from 38.2% in 2019 to 37.1% in 2021 based on statistics by Statistik Austria¹⁹, likely due to the effects of the COVID-19 pandemic.

The quantitative impact of the second and third COVID-19 lockdowns (17 November to 7 December 2020 and 26 December 2020 to 8 February 2021), which happened during the kindergarten year 2020/21, could not yet have been determined at the time of drafting the plan, especially considering the rather soft impact of the first COVID-19 lockdown on the childcare quota of year 2019/20.

Rate of children in childcare (incl. childminders) under the age of three					
Year	2017/18	2018/19	2019/20	2020/21	2021/22
Rate in %	28.6	29.1	30.1	29.9	31.2

¹⁹ https://www.statistik.at/fileadmin/pages/258/08_Familien_Erwerbstaetigkeit_2022.ods

Proj. 2021	28.6	29.1	30.1	30.9	31.6
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Table 2: Based on data from the day-care centre statistics by Statistics Austria for the respective kindergarten year (as indicated). *Source: Statistic Austria,*

The trend was additionally intensified due to a significant lack of childcare personnel, which developed, especially from 2021 onwards, in Austria. This led to bottlenecks in the provision of (additional) childcare places and slowed down the increase of the childcare quota compared to the rate originally foreseen. Reports²⁰ about a lack of personnel leading to reduced hours for childcare institutions as well as closing down whole childcare groups have been prominent over the last two years. The magnitude of the shortage in qualified personnel was also not foreseen during the drafting of the plan.

Due to this break in the (assumed) linear trend, a 1 percentage point per Land per year is no longer feasible.

Nevertheless, for the near future, an upward trend is predicted for the overall childcare quota for under 3-year-olds as can be seen in table 6. The evolution of the data series for under 3-year-olds has been extrapolated from the updated past data to show a trend for the future (average increase of 0.7PP per year). This extrapolated data shows that for the kindergarten year 2024/25 the Barcelona target will be reached if a linear trend can be maintained (see below for substantiating reasons). This assumption substantiates a delay of reaching the Barcelona target of 33% of children under three in childcare facilities (incl. childminders) until 2025.

Year	Excl. childminders			Incl. childminders		
	Actual	Proj. 2021	Proj. 2023	Actual	Proj. 2021	Proj. 2023
2017/18	26.10%			28.60%		
2018/19	26.50%			29.00%		
2019/20	27.60%			30.10%		

²⁰ [Mangel an Personal: - Grazer Kindergarten schließt plötzlich viel früher | krone.at](#)
[Personalmangel im Kindergarten spitzt sich zu, 350 Dienstposten unbesetzt - Bildung - derStandard.at](#) › Inland
[Personalnot in Kindergärten: Stadt Innsbruck geht in die Offensive | Tiroler Tageszeitung – Aktuelle Nachrichten auf tt.com](#)

2020/21	27.60%	28.35%		29.90%	30.85%	
2021/22	29.10%	29.10%		31.20%	31.60%	
2022/23		29.85%	29.85%		32.35%	31.85%
2023/24		30.60%	30.60%		33.10%	32.50%
2024/25		31.35%	31.35%		33.85%	33.15%
2025/26		32.10%	32.10%		34.60%	33.80%

Table 3: Development of childcare quota for children under three years old incl. new projections (target 95)

At least a linear increase in the childcare quota can be achieved for under 3 year olds until the kindergarten year 2024/25 according to current expectations.

One of the main reasons for the delay which is the take-up of work from home for parents, is slowly diminishing in Austria. Already in Q3/2022, only 14% of Austrians made use of work from home options, down from 26.6% in Q1/2021. At the same time, the number of people in short-time work schemes is also back at the pre-pandemic level (see Figure 1). This suggests that incentives for working parents to fully care for children at home are being reduced.

Most importantly, the new agreement according to Art. 15a B-VG on elementary education for the kindergarten years 2022/23 to 2026/27 **will make a total of EUR 1 billion available** from the federal government for elementary educational offers. The annual special-purpose grant **increases from previously EUR 142.5 million for kindergarten years 2019/20 to 2021/22 to EUR 200 million per year (plus 40%)**. The funds will go towards the expansion of early-childcare places and language support. In addition, there are still funds from the **co-financing of the federal states in the amount of 52.5%** of the special-purpose grant from the federal government with the exception of the compulsory kindergarten years. Attendance at kindergarten is compulsory for all children who have reached the age of 5 before September 1 of the respective kindergarten year and who will be required to attend school in the following year. These children must attend kindergarten for at least 16 to 20 hours per week (for one kindergarten year). EUR 200 million is available annually as an earmarked grant. Of this, EUR 80 million is for compulsory visits. The remaining EUR 120 million are for expansion and language support. The mandatory co-financing of 52.5% by the federal states relates to the special-purpose grants without compulsory visits, i.e. the EUR 120 million.

Since the agreement has been reached/adopted in the spring of 2022, the **federal states have already started to implement new programmes to accelerate the expansion of elementary education**. For example, Lower Austria amended ([RIS - LGBLA_NI_20221230_97 - Landesgesetzblatt authentisch für Niederösterreich \(bka.gv.at\)](#)) the Lower Austrian Kindergarten Act 2006 (*Niederösterreichisches Kindergartenengesetz 2006*) and the Lower Austrian Childcare Act 1996 (*Niederösterreichisches Kinderbetreuungsgesetzes 1996*), to **lower the entry age** for children to attend kindergarten from 2,5 to 2 years. Furthermore, **opening hours** of kindergartens in Lower Austria have been **extended** to provide childcare compatible with full-time employment of parents. A recent amendment of the law also creates **new forms of employments for childcare staff**, such as “pedagogical specialists” or “pedagogical-administrative assistance” in order to address bottlenecks in finding the necessary staff ([RIS - LGBLA_NI_20230612_27 - Landesgesetzblatt authentisch für Niederösterreich \(bka.gv.at\)](#)).

Carinthia also amended ([RIS - LGBLA_KA_20230221_13 - Landesgesetzblatt authentisch für Kärnten \(bka.gv.at\)](#)) the Carinthian Children Education and Care Act ([RIS - Kärntner Kinderbildungs- und -betreuungsgesetz – K-KBBG - Landesrecht konsolidiert Kärnten, Fassung vom 04.07.2023 \(bka.gv.at\)](#)) to modify their funding model for municipalities **setting financial incentives to expand** opening hours in kindergartens. The same goes for Salzburg ([LGBLA_SA_20230324_29.pdf \(salzburg.gv.at\)](#))

Furthermore, pursuant to the agreement of Art. 15a B-VG on elementary education, the federal states are required to draw up plans on resources, targets and performance annually (*RZL Plan*). These plans function as a planning tool and analysis tool for the implementation of goals. In the plans, measures are formulated, which describe both the expansion and the early language support in elementary educational institutions over a time horizon of 5 years. The targets are typically formulated either in terms of the actual childcare quota to be reached, i.e. an increase of 1 percentage point per year in the childcare quota for under 3-year-olds, or in terms of more concrete targets, i.e. the number of new kindergarten groups being set up, the number of newly trained kindergarten teachers/child minders etc.

Talks are also held annually between the federal government and the federal states about the progress of the implementation of the plans on resources, targets and performance (*RZL Plan*). Unfortunately, reliable forecasts on the evolution of the childcare quota cannot be made from the resource targets set by the Länder due to the wide array of more and less concrete targets, difficult to measure effects, i.e. average effect of one additional child-minder or size of an average new group in kindergartens, as well as uncertainty in meeting the set targets.

Complementarily, the Ministry for Education, Science and Research has taken important steps to alleviate the shortage of kindergarten personnel. The Ministry for Education, Science and Research has put forward additional offers for education starting from the school year 2021/22 and even expanded upon them in the year 2023/24. Since the academic year 2021/22, the university course "Elementarpädagogik" has been available at the 'Pädagogische Hochschule', which serves as a lateral entry option into the

professional field of elementary education in the sense of qualification as a "group-leading elementary teacher" for groups of persons with relevant prior training.

From the academic year 2023/24 onwards, a new university course "Quereinstieg Elementarpädagogik" (lateral entry elementary education) will be available at the 'Pädagogische Hochschule', which serves as a lateral entry opportunity into the professional field of elementary education in the sense of qualification as a "group-leading elementary teacher" for graduates of non-subject-related studies in the scope of 180 ECTS. Also, from 2023/24, graduates of the Bildungsanstalt für Sozialpädagogik (5-year form or college) who would like to enter the field of elementary education can complete a two-semester course for elementary education at a *Bildungsanstalt für Elementarpädagogik* (BAfEP).²¹

Also, a new federal initiative 'Elementar+' is being launched at the University of Graz²² in 2023 which is intended to be subsequently rolled out across Austria. The initiative aims to professionalise employees who are already practicing in elementary education and have low qualifications (e.g. assistant carers). This qualification relies on flexibility through a mixture of formats. The participants are accompanied by experts from science and practical work.

Hence, considering recent developments, in line with the agreement according to Art. 15a B-VG, as well as further initiatives from the Federal States to expand elementary education, it can be expected that **Target 95**, a childcare quota for under 3-year-olds of at least 33% ("Barcelona target"), **can be reached in two years** (i.e. by Q3 2025).

Furthermore, whilst the overall target of an increase in the childcare quota to 33% is expected to be achieved until Q3/2025, an increase in the childcare quota for under 3-year-olds by 1 percentage point per Land and year cannot be reached by Austria due to objective circumstances.

An increase of 1 percentage point per Land per year would mean that there is an equal focus on those Länder with a comparatively high child-care quota which have reached or surpassed the Barcelona target as for those regions which are underserved or with a low coverage of childcare.

However, in order to reach the 33% target across Austria, there needs to be a refocus on those Länder lagging behind. Data from the day-care centre statistics 2021/22 (Table 4) shows that the childcare quota for under 3-year olds has already surpassed the Barcelona target for Burgenland and Vienna with Länder such as Styria and Upper Austria lagging behind.

²¹ [Berufsfeld Elementarpädagogik/ Sozialpädagogik \(bmbwf.gv.at\)](https://www.bmbwf.gv.at/berufsfeld-elementarpaedagogik-sozialpaedagogik)

²² [Elementar+ \(uni-graz.at\)](https://www.uni-graz.at/elementar-plus)

	Population	Children in childcare (without child-minders)	Children in childcare with child-minders	Childcare Quota 21/22
Age	0–2 Years	0–2 Years	0–2 Years	0–2 Years
Austria	253 884	73 933	5 299	31.21%
Burgenland	6 927	2 566	37	37.58%
Carinthia	13 709	3 800	210	29.25%
Lower Austria	45 859	13 098	817	30.34%
Upper Austria	45 082	8 820	1 084	21.97%
Salzburg	17 025	4 129	594	27.74%
Styria	33 037	6 141	1 415	22.87%
Tyrol	22 506	6 246	339	29.26%
Vorarlberg	12 929	3 990	85	31.52%
Vienna	56 810	25 143	718	45.52%

Table 4: Child-care quota for under 3-year olds for the kindergarten year 2021/22
Source: Statistics Austria day-care centre statistics 2021/22

As Austria aims to reach a common target for the whole country with a Barcelona target of 33%, the 1 percentage point increase per Land and year, i.e. an identical focus on improvement for all regions is not beneficial. This is why under the recent agreements according to Art. 15a B-VG, one particular focus is lying on underserved regions.

Agreement according to Art. 15a B-VG between Austria and the Länder - Art. 1, Abs. (6):

(6) Vor diesem Hintergrund kommen die Vertragsparteien über folgende Punkte überein:

1. [...]
2. **Flächendeckender Ausbau, insbesondere von Plätzen für unter Dreijährige und Fokus auf noch unterversorgte Regionen;**
- 3.-6. [...]

English translation:

(6) Accordingly, the Contracting Parties agree on the following points:

1. [...]
2. **Nationwide expansion of places, especially of places for under 3-year olds with a focus on regions still underserved;**
- 3.-6. [...]

As some Länder have already surpassed the Barcelona target and with a shift in focus on underserved regions, we suggest to delete the reference to a 1-point increase per Land

and year as this is not the most efficient way to reach the overall goal of an overall increase in the childcare quota for under 3-year olds in Austria to 33%.

Therefore, we **suggest a postponement of the target date as well as an amendment of the target 95 as follows:**

	Current version	Amended version
<i>Component and / or measure description</i>		No changes.
<i>Milestones and targets</i>	<p>T95: The childcare quota for under 3-year-olds shall be increased by 1 percentage point per Land and year; however, the common goal is to aim for an increase of 5 percentage points.</p> <p>Indicative timeline for completion: (Q4/2023)</p> <p>Baseline: 28 % Goal: 33%</p>	<p>T95: The childcare quota for under 3-year-olds shall be increased by 2.95 percentage points ± percentage point per Land and year; however, the common goal is to aim for an increase of 5 percentage points. reach 33%.</p> <p>Indicative timeline for completion: (Q3/2025)</p> <p>Baseline: 30.1% Goal: 33%</p>
<i>Estimated cost</i>		No changes.
<i>Green and digital tagging</i>		No changes.
<i>DNSH self-assessment</i>		No changes.

COMPONENT 3: KNOWLEDGE BASED RECOVERY / SUBCOMPONENT 3.C EDUCATION							
Investment/ reform CID reference	Investment 3.C.3.						
Investment/ reform name	Expansion of elementary education						
Type of change compared to CID	modified						
Legal base of the change (select at least one)	<input type="checkbox"/> Article 14(2) – loan request <input type="checkbox"/> Article 18(2) – update of the maximum financial contribution <input checked="" type="checkbox"/> Article 21 – amendment due to objective circumstances <input type="checkbox"/> Article 21a – REPowerEU non-repayable financial support (ETS revenue) <input type="checkbox"/> Article 21b (2) – BAR transfers <input checked="" type="checkbox"/> Correction of clerical error						
Elements modified (only for modified measures)	<input type="checkbox"/> Component / Measure description <input checked="" type="checkbox"/> Milestones and targets <input type="checkbox"/> Estimated cost <input type="checkbox"/> Green and digital tagging (potentially relevant, because there is a substantive change to the underlying measure) <input type="checkbox"/> DNSH self-assessment						
Investment: 3.C.3 Expansion of elementary education							
<p><u>Initial description</u></p> <p><u>Target 96:</u> The offer of places in early childhood education institutions for children aged three to six years of age shall increase and be compatible with fulltime employment of parents. The increase shall be accompanied by yearly resource targets and performance reviews with the Laender. The data of the increased offer shall be available at Statistik Austria.</p> <table border="1"> <tbody> <tr> <td>Base (kindergarten year 2019/20)</td> <td>46.8%</td> </tr> <tr> <td>Current Value (kindergarten year 2021/22)</td> <td>49.3%</td> </tr> <tr> <td>Goal (kindergarten year 2023/24)</td> <td>52.8%</td> </tr> </tbody> </table> <p><i>The data basis is formed by the day-care center statistics of Statistics Austria for the respective kindergarten year.</i></p> <p><u>Requested amendments and justification of the change</u></p>		Base (kindergarten year 2019/20)	46.8%	Current Value (kindergarten year 2021/22)	49.3%	Goal (kindergarten year 2023/24)	52.8%
Base (kindergarten year 2019/20)	46.8%						
Current Value (kindergarten year 2021/22)	49.3%						
Goal (kindergarten year 2023/24)	52.8%						

There are two requested amendments with respect to Target 96, one concerning the correction of a clerical error and the second amendment due to objective circumstances according to Art. 21.

3. Correction of a clerical error

The correction of the clerical error concerns the target description of target 96.

It is proposed to change the target 96 to the following:

*The offer of places in early childhood education institutions for children aged three to six years of age **which are compatible with fulltime employment of parents** shall increase ~~and be compatible with fulltime employment of parents~~. The increase shall be accompanied by yearly resource targets and performance reviews with the Laender. The data of the increased offer shall be available at Statistik Austria.*

This target better reflects the goal of the measure. As per the Austrian Recovery and Resilience Plan (AT RRP), achieving the target is to improve the childcare offer of early childhood education institutions which is compatible with fulltime employment of parents:

Verbesserungsbedarf besteht für die Altersgruppe der Drei- bis Sechsjährigen hinsichtlich der Öffnungszeiten. So sind elementare Bildungseinrichtungen zwar flächendeckend vorhanden, aber nur weniger als die Hälfte der betreuten Kinder (46,8%) besucht Einrichtungen, deren Öffnungszeiten mit einer Vollbeschäftigung ihrer Eltern vereinbar sind (VIF-konform). (AT RRP, p. 376)

The way the target has been translated in the CID suggests that the overall offer of places in early childhood education institutions for children in the respective age group shall increase in general. The compatibility with fulltime employment of parents could then be understood as an additional requirement to the general increase of the offer of places.

However, an overall increase in the offer of places is not intended under the measure. Rather, it aims at a targeted increase in the offer of places which are compatible with full-time employment as a share of all places. Rephrasing the target in this way would thus correct the clerical error and avoid confusion in the understanding of the target.

4. Amendments due to objective circumstances according to Art. 21

When setting the targets and target dates for the RRP in 2021, the most recent basis for data was the day-care centre statistics by Statistik Austria from September 2020 which provided data for the kindergarten year 2019/2020.

Data for the childcare quota for children aged three to six years in institutions compatible with full time employment of parents (according to "Vereinbarkeitsindikator Beruf und

Familie”, VIF-compliant) is derived from table 28 of the day-care centre statistics²³. It reflects the proportion of children in VIF-compliant facilities of all children in childcare facilities in the same age group.

When drawing up the Austrian RRP, the statistics for the kindergarten year 2019/2020 were the most recent available data regarding childcare quotas. Based on this data, the development of the childcare quota for VIF-compliant places was assumed as a continuous linear upwards trend in line with the past three years. The available data in 2021 suggested that the childcare quota of 52.8% for 3- to 6-year-olds could be reached in the kindergarten year 2023/24 according to a simple linear extrapolation. For this subgroup, the childcare quota saw an average increase of 1.56 PP from year 2017/18 to year 2019/20.

Year	Rate in %	Projection in 2021
2017/18	43.63%	
2018/191	44.34%	
2019/20	46.75%	
2020/21		48.32%
2021/22		49.88%
2022/23		51.44%
2023/24		53.01%
2024/25		54.57%

Table 1: Development of childcare quota for children aged three to six years (target 96)

²³ Publikationvorlage für Standpublikation (statistik.at); Note: Table 28 refers to children aged 3-5 years old at the cut-off date for the respective kindergarten year (1st of September). This means, that this group also includes children who become six years old throughout the kindergarten year which is why the target was phrased in this way.

It should be noted, that the original target date Q4/2023 represents the point in time, when the childcare quota was predicted to reach the goal of 52.8%, i.e., this point in time falls into the middle of the relevant kindergarten year 2023/2024. However, what the original target disregarded was the delay in the availability of data, as the day-care centre statistics for the year 2023/2024, and thus, proof for the achievement of the target, would only be available in Q3/2024.

The target date was in this sense misunderstood in the original drafting of the plan, as the earliest possible date to prove the target based on the official statistics is only after the end of the kindergarten year, in which the relevant quota is fulfilled.

Data²⁴ on the ratio of children aged three to six in VIF-compliant child care institutions for the kindergarten year 2020/2021 (at 51.8%) suggested that the projected linear increase could be surpassed. However, in the kindergarten year 2021/2022, data²⁵ by Statistik Austria shows a significant drop for the quota of children aged three to six in VIF-compliant childcare institutions to 49.3%.

The drop in the relevant childcare quota was not evenly distributed across Austria as Table 2 shows.

	Kindergarten Year 2020/21	Kindergarten Year 2021/22	Δ Year-on-Year in percentage points
	Rate in %	Rate in %	
Austria	51.8	49.3	- 2.5
Burgenland	61.5	60.0	- 1.5
Carinthia	38.9	36.3	- 2.6
Lower Austria	41.5	31.4	- 10.1
Upper Austria	24.7	26.2	+ 1.5
Salzburg	54.1	54.3	+ 0.2
Styria	49.9	49.4	- 0.5
Tyrol	37.6	38.8	+ 1.2
Vorarlberg	42.1	44.8	+ 2.7
Vienna	94.5	89.3	- 5.2

²⁴ [Kindertagesheimstatistik 2020 21.pdf](#)

²⁵ [Kindertagesheimstatistik 2021/22](#)

Table 2: Childcare quota (VIF-compliant) for children aged three to six years in 2020/21 and 2021/22

The reduction in the childcare quota results from a combination of factors, i.e. ongoing effects of the COVID-19 pandemic as well as the shortage of qualified personnel in elementary child education and care (ECEC).

For one, ongoing effects of the COVID-19 pandemic on working patterns, i.e. an increased trend towards work from home and short-term work following multiple lockdowns still impacted the demand of parents for VIF-compliant childcare. Further effects of the COVID-19 pandemic and additional lockdowns were already indicated in the risk assessment in the original submission of the plan, which foresaw in the 'Assumptions/risks' column of the Excel Fiche for the achievement of Target 96 that:

“Durch COVID-19 bedingte Lockdown-Maßnahmen auf regionaler oder nationaler Ebene sowie individuell Lehrpersonen betreffende Quarantänemaßnahmen kann die Inanspruchnahme der für den Präsenzunterricht vorgesehenen Förderstunden in vollem Umfang erheblich gefährdet sein. Personalmangel in einzelnen Unterrichtsgegenständen oder an einzelnen Schulstandorten, könnte zusätzlich dazu führen, dass die Fördermaßnahmen nicht in vollem Umfang in Anspruch genommen werden könnten.“

English:

"COVID-19-related lockdown measures at regional or national level, as well as quarantine measures affecting individual teachers, may significantly jeopardise the full use of the support hours provided for classroom teaching. In addition, staff shortages in individual subjects or at individual school sites could mean that the support measures could not be fully utilised."

Unfortunately, this risk materialised with the second COVID-19 related lockdown from November 2021 which led to a significant increase of work from home in Austria. The ratio of work from home was particularly high in 2021 and continued to be above pre-pandemic levels also in 2022 according to Statistik Austria²⁶.

At the same time, during winter of 2021, there was again an increase in short-term working (see Figure 1) due to the COVID-19 related lockdown. Both, the increased work from home levels as well as the uptick in short-term work lead to parents being less inclined to keep their child in a childcare education that is compatible with full-time employment of parents.

²⁶ <https://www.statistik.at/fileadmin/announcement/2022/06/20220609AKEQ12022.pdf>

<https://www.statistik.at/fileadmin/announcement/2022/09/20220908ArbeitsmarktQ222.pdf>

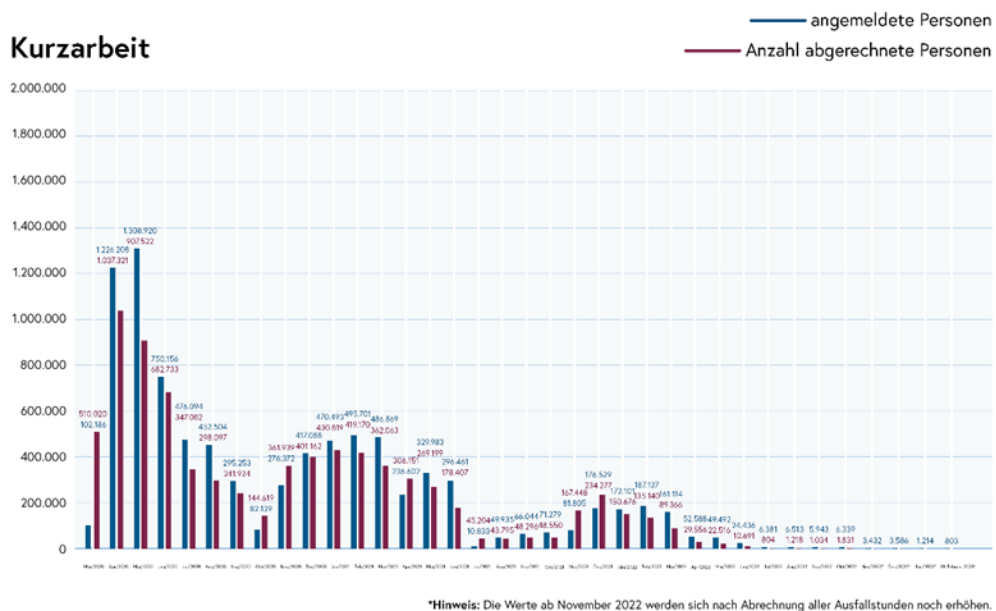


Figure 1: Short time work in Austria between November 2020 and March 2023.
 Source: Federal Ministry of Labour and Economy,
<https://www.bmaw.gv.at/Presse/Aktuelles/Aktuelle-Arbeitsmarktzahlen.html>

However, a lack of qualified personnel was the largest challenge for the expansion of VIF. This lack of personnel led to bottlenecks in the provision of (additional) childcare places and slowed down the increase of the childcare quota compared to the rate originally foreseen. As a response to the lack of personnel, childcare institutions had to reduce opening hours and, thus, more often failed to comply with the VIF-criteria which requires opening hours of at least 45 hours per week.

The labour shortage in childcare education has been identified also by the social partners as the most important trend which led to a reduction in the VIF-compliant childcare places for 3- to 6-year olds in the year 2021/22. For instance, the Lower Austrian Chamber of Labour (Arbeiterkammer) analysed²⁷ the childcare situation in Lower Austria, which has seen the largest drop in the VIF-compliant childcare ratio across all Länder with a reduction of more than 10 percentage points. The labour shortage is pointed out as the biggest issue facing (Lower) Austrian municipalities. P.33 reads:

Von fast allen [Gemeinden] wurde Personalmangel als große Herausforderung genannt. Es ist laut Angaben der Städte und Gemeinden schwierig, qualifiziertes Personal zu finden, vor allem für den Nachmittag und für Vertretungen bei Krankenständen’.

²⁷ [Analyse_kinderbetreuung_2021-22_V2.pdf \(arbeiterkammer.at\).](#)

Also, the Austrian Trade Union Federation (ÖGB) recently called for new measures to address the shortage of personnel, clearly identifying this issue as the most important to increase the quota of children in VIF-compliant childcare institutions.²⁸

Due to the underlying circumstances and the interruption of the (assumed) linear trend, a 1.56 percentage point increase per year is no longer feasible leading to delays in the achievement of the set target.

Nevertheless, for the near future, an upward trend is again predicted for the childcare quota for children aged three to six years in VIF-compliant institutions as can be seen in table 3. An evolution of the data series has been extrapolated from the updated past data to show a trend for the future (average increase of 1.4PP per year). This extrapolated data shows that for the kindergarten year 2024/25 the 52.8% target will be reached if a linear trend persists. This is the assumption which substantiates a delay until 2025 until the target is reached.

Year	Childcare Quota Age 3-6 (% VIF-compliant)		
	Actual	Proj. 2021	Proj. 2023
2017/18	43.63%		
2018/19	44.34%		
2019/20	46.75%		
2020/21	51.84%	48.32%	
2021/22	49.28%	49.88%	
2022/23		51.44%	50.69%
2023/24		53.01%	52.10%
2024/25		54.57%	53.51%

Table 3: Development of childcare quota for children aged three to six years incl. new projections (target 96)

²⁸ÖGB - Neues Modell zur Aus- und Weiterbildung

Recent projections thus suggest that target 96 will be reached in the kindergarten year 2024/2025 only. In order to correct the misunderstanding in setting the target date during the original plan drafting, it is suggested to shift the target date of Target 96 to Q3/2025 as statistics on the childcare quota for this kindergarten year will be available at the earliest in Q3/2025.

Over the next years, at least a linear increase in the VIF-compliant childcare quota is assumed to be achieved for children aged three to six years old.

Most importantly, the new agreement according to Art. 15a B-VG²⁹ on elementary education for the kindergarten years 2022/23 to 2026/27, which includes the expansion of VIF-compliant childcare education as one of its two main targets, **will make a total of EUR 1 billion available** from the federal government for elementary educational offers. As such, the annual special-purpose grant **increases from previously EUR 142.5 million for kindergarten years 2019/20 to 2021/22 to EUR 200 million per year (plus 40%)**. Out of the EUR 200 million available annually as an earmarked grant, EUR 80 million are for the compulsory visits (compulsory kindergarten year after reaching the age of 5). The remaining EUR 120 million are for early childcare expansion and language support to be used for the following purposes: investments to extend childcare places, to extend opening hours to be VIF-compliant, for childminders, for the compulsory free visit, investments in structural quality (accessibility, quality improvement and improvement of staff-child ratio) and for the early language support.

In addition, there are still funds from the **co-financing of the federal states in the amount of 52.5%** of the special-purpose grant from the federal government with the exception of the compulsory kindergarten years, i.e. co-financing on the annual grant of EUR 120 million. These funds will go towards the expansion of early-childcare places, including the increase of the childcare quota for three- to six-year-olds in VIF-compliant childcare institutions, as well as language support.

Since the agreement has been reached/adopted in the spring of 2022, the **federal states have already started to implement new programmes to accelerate the expansion of elementary education**. For example, Lower Austria amended ([RIS - LGBLA NI 20221230 97 - Landesgesetzblatt authentisch für Niederösterreich \(bka.gv.at\)](#)) the Lower Austrian Kindergarten Act 2006 (*Niederösterreichisches Kindergartengesetz 2006*) and the Lower Austrian Childcare Act 1996 (*Niederösterreichisches Kinderbetreuungsgesetzes 1996*), to **lower the entry age** for children to attend kindergarten from 2.5 to 2 years. Furthermore, **opening hours** of kindergartens in Lower Austria have been **extended** to provide childcare compatible with full-time employment of parents. A recent amendment of the law also creates **new forms of employments for childcare staff**, such as “pedagogical specialists” or “pedagogical-administrative assistance” in order to address bottlenecks in finding the necessary staff

²⁹ RIS - BGBLA 2022 I 148 - Bundesgesetzblatt authentisch ab 2004 (bka.gv.at)

[\(RIS - LGBLA NI 20230612 27 - Landesgesetzblatt authentisch für Niederösterreich \(bka.gv.at\)\)](#).

Carinthia also amended ([RIS - LGBLA_KA_20230221_13 - Landesgesetzblatt authentisch für Kärnten \(bka.gv.at\)](#)) the Carinthian Children Education and Care Act ([RIS - Kärntner Kinderbildungs- und -betreuungsgesetz – K-KBBG - Landesrecht konsolidiert Kärnten, Fassung vom 04.07.2023 \(bka.gv.at\)](#)) to modify their funding model for municipalities **setting financial incentives to expand** opening hours in kindergartens. The same goes for Salzburg ([LGBLA SA 20230324 29.pdf \(salzburg.gv.at\)](#))

Furthermore, pursuant to the agreement of Art. 15a B-VG on elementary education, the federal states are required to draw up plans on resources, targets and performance on annually (*RZL Plan*). These plans function as a planning tool and analysis tool for the implementation of goals. In the plans, measures are formulated, which describe both the expansion and the early language support in elementary educational institutions over a time horizon of 5 years. The targets are typically formulated either in terms of the actual childcare quota to be reached, i.e. an increase of 1 percentage point per year in the childcare quota for under 3-year-olds, or in terms of more concrete targets, i.e. the number of new VIF-compliant kindergarten groups being set up, the number of newly trained kindergarten teachers etc.

Talks are also held annually between the federal government and the federal states about the progress of the implementation of the plans on resources, targets and performance (*RZL Plan*). Unfortunately, reliable forecasts on the evolution of the childcare quota cannot be made from the resource targets set by the Länder due to the wide array of more and less concrete targets, difficult to measure effects, i.e. average effect of one additional child-minder or size of an average new group in kindergartens, as well as uncertainty in meeting the set targets.

On the federal level, with regards to the lack of labour shortages in elementary education, the Ministry for Education, Science and Research in 2022 commissioned a study by the *öibf* (Österreichisches Institut für Bildungsforschung – *Austrian institute for education research*) in cooperation with the University of Klagenfurt. The study aims to determine the motivation of students and graduates of BAfEPs (i.e., educational institutions for elementary education) (5-year) and colleges, their expectations of and experiences with the chosen occupational field and possible reasons for dropping out to analyze the framework conditions of the activities of elementary teachers, to create a demand forecast for 2030 and to develop proposals for measures to make the professional field more attractive.³⁰

Areas of action identified (p. 89 ff.) included for instance an improvement of incentives on the job, i.e. through financial incentives, opportunities for further training etc. In

³⁰[Bildungs- und Berufsverläufe von Absolvent/inn/en der Bildungsanstalten und Kollegs für Elementarpädagogik \(oeibf.at\)](#)

addition, the need to provide more options for lateral entrants as well as diversification of education for kindergarten teachers were amongst the recommendations by *öfib*.

The Ministry for Education, Science and Research has put forward additional offers for education starting from the school year 2021/22 and even expanded upon in the year 2023/24. Since the academic year 2021/22, the university course "Elementarpädagogik" has been available at the 'Pädagogische Hochschule' (, which serves as a lateral entry option into the professional field of elementary education in the sense of qualification as a "group-leading elementary teacher" for groups of persons with relevant prior training.

From the academic year 2023/24 onwards, a new university course "Quereinstieg Elementarpädagogik" (lateral entry elementary education) will be available at the 'Pädagogische Hochschule', which serves as a lateral entry opportunity into the professional field of elementary education in the sense of qualification as a "group-leading elementary teacher" for graduates of non-subject-related studies in the scope of 180 ECTS. Also, from 2023/24, graduates of the Bildungsanstalt für Sozialpädagogik (5-year form or college) who would like to enter the field of elementary education can complete a two-semester course for elementary education at an Bildungsanstalt für Elementarpädagogik (BAfEP).³¹

Also, a new federal initiative 'Elementar+' is being launched at the University of Graz³² in 2023 which is intended to be subsequently rolled out across Austria. The initiative aims to professionalise employees who are already practicing in elementary education and have low qualifications (e.g. assistant carers). This qualification relies on flexibility through a mixture of formats. The participants are accompanied by experts from science and practical work.

Lastly, the Ministry for Education, Science and Research also addressed the circumstances leading to a drop in the childcare quote (2021/22) by applying for support on '*improving staff working conditions for better quality in early childhood education and care in Austria*' via the EU Technical Support Instrument (TSI).³³ The project which lasts until 2024 aims to address the labour shortage by improving framework conditions and developing better education opportunities as well as advocacy campaigns towards the uptake of the Early Childhood Education and Care (ECEC) profession.

Hence, considering recent developments and ongoing efforts, in line with the agreement according to Art. 15a B-VG, as well as further initiatives from the Federal States to expand elementary education, it can be expected that **Target 96 is to be reached in two years** (i.e. by Q3 2025).

³¹ [Berufsfeld Elementarpädagogik/ Sozialpädagogik \(bmbwf.gv.at\)](https://www.bmbwf.gv.at)

³² [Elementar+ \(uni-graz.at\)](https://www.uni-graz.at)

³³ [BMBWF gewinnt EU-weites Projekt für Elementarpädagogik: Bis zu 480.000 Euro für technische Unterstützung und Expertise](https://www.bmbwf.gv.at)

Therefore, we **suggest a postponement of the target date for target 96 to Q3 2025.**

	Current version	Amended version
Component and / or measure description		No changes.
Milestones and targets	<p>T96:</p> <p>The offer of places in early childhood education institutions for children aged three to six years of age shall increase and be compatible with fulltime employment of parents. The increase shall be accompanied by yearly resource targets and performance reviews with the Laender. The data of the increased offer shall be available at Statistik Austria.</p> <p>Indicative timeline for completion: (Q4/2023)</p>	<p>T96:</p> <p>The offer of places in early childhood education institutions for children aged three to six years of age which are compatible with fulltime employment of parents shall increase and be compatible with fulltime employment of parents. The increase shall be accompanied by yearly resource targets and performance reviews with the Laender. The data of the increased offer shall be available at Statistik Austria.</p> <p>Indicative timeline for completion: (Q3/2025)</p>
Estimated cost		No changes.
Green and digital tagging		No changes.
DNSH self-assessment		No changes.

COMPONENT 3: KNOWLEDGE BASED RECOVERY / SUBCOMPONENT 3.D STRATEGIC INNOVATION		
Investment/ reform CID reference	Investment 3.D.2	
Investment/ reform name	IPCEI Hydrogen	
Type of change compared to CID	modified	
Legal base of the change (select at least one)	<input type="checkbox"/> Article 14(2) – loan request <input type="checkbox"/> Article 18(2) – update of the maximum financial contribution <input checked="" type="checkbox"/> Article 21 – amendment due to objective circumstances <input type="checkbox"/> Article 21a – REPowerEU non-repayable financial support (ETS revenue) <input type="checkbox"/> Article 21b (2) – BAR transfers <input type="checkbox"/> None of the above, correction of clerical error	
Elements modified (only for modified measures)	<input type="checkbox"/> Component / Measure description <input checked="" type="checkbox"/> Milestones and targets <input type="checkbox"/> Estimated cost <input type="checkbox"/> Green and digital tagging (potentially relevant, because there is a substantive change to the underlying measure) <input type="checkbox"/> DNSH self-assessment	
Investment: 3.D.2 IPCEI Hydrogen		
<p><u>Initial description</u></p> <p><u>Target 103:</u> The available budget of EUR 125 000 000 has been allocated to the approved projects (including expenses of the implementing agency). At least 80% of the budget has been disbursed to the beneficiary companies.</p> <p><u>Requested amendments and justification of the change</u></p> <p>The final milestones of IPCEI H2 states that EUR 125 000 000 are allocated and at least 80% of the aid has to be disbursed to the projects. This is not expected to be achievable.</p> <p>In IPCEI H2, Austrian projects receive EUR 125 million (including costs for funding agencies). Based on the current estimation and project plans, approx. EUR 54 million will</p>		

be disbursed by Q3/2026. The outstanding and largest share of funding will be disbursed after Q3/2026 based on the costs incurred in the final project year.

Thus, in its current definition the milestone is not achievable. We justify an amendment of the milestone guided by the following reasoning:

Back in April 2021 when the milestone and the RRP was formulated, we based our assessment on the previous experiences with other IPCEIs, namely Microelectronics I (ME I) and EUBatIn. All IPCEI projects are designed to consist of a R&D&I-phase and a first industrial deployment (FID) phase^{34,35}. As the latter is the ramp-up for the mass production phase, it is not unusual in IPCEI projects that the most significant investments tend to be made towards the end of the period. This has turned out to be particularly true for IPCEI Hydrogen projects (Austria is involved in Hy2Tech and Hy2Use); more so than we could expect based on our experiences with ME I and EUBatIn.³⁶

In August 2021, we received the first project portfolios from the companies setting out the work plans for the first time. After an intensive exchange with DG COMP and adaptation to the plans, DG COMP notified and approved the final versions of the project portfolios in July 2022 (for Hy2Tech) and September 2022 (for Hy2Use). The subsequent submission on the exact cost forecasts – submitted by the participating companies in autumn 2022 – showed that the quantitatively most significant investments can only be made in the last year of funding³⁷. Therefore, when the milestones were defined in April 2021, this incompatibility with the final milestone could not have been anticipated.

³⁴ “First industrial deployment (FID) means the upscaling of pilot facilities, demonstration plants or of the first-in-kind equipment and facilities covering the steps subsequent to the pilot line including the testing phase and bringing batch production to scale, but not mass production or commercial activities. The end of first industrial deployment is determined taking into account, inter alia, the relevant R&D&I-related performance indicators pointing at the ability to start mass production. First industrial deployment activities can be financed with State aid as long as the first industrial deployment follows on from an R&D&I activity and itself contains an important R&D&I component which constitutes an integral and necessary element for the successful implementation of the project. The first industrial deployment does not need to be carried out by the same entity that carried out the R&D&I activity, as long as that entity acquires the rights to use the results from the previous R&D&I activity, and the R&D&I activity and the first industrial deployment are both described in the project.” (Communication from the Commission: *Criteria for the analysis of the compatibility with the internal market of State aid to promote the execution of important projects of common European interest* [2021/C 528/02])

³⁵ Additional information on the contents and objectives of the FID phases in IPCEI Hydrogen can be found in “ANNEX 2_further explanation FID”

³⁶ As can be seen by 3.D.1 IPCEI Microelectronics and Connectivity, where the final milestones are expected to be achieved.

³⁷ IPCEI Hydrogen projects often make substantial investments towards the end of the FID phase, for instance, in equipment and instruments like pipes, electrolysers, or spend significantly higher amounts of resources in the process of scaling up the projects. H2 investments are typically low-tech, e.g. pumps, piping, civil engineering and conventional control technology, and are therefore more competitive, may have longer delivery times, and are more likely to become expenditure-effective later in the course of the project.

The milestones indicating the transition from RDI phase to FID phase are described in the respective project portfolios and are approved by DG COMP for each project individually. Taken from the project portfolios, these milestones are aggregated in detail in “ANNEX 1_transition to FID”.

Additional reasoning for the adaption of the RRP is provided by the recent developments on the global markets that put pressure on projects through uncertainties concerning the supply chain. Already in 2021 involved companies described in their project portfolios how the immaturity of the manufacturers’ and suppliers’ markets, implying high costs and risk of equipment supply, as well as the lack of large electrolyser manufacturing capacity in Europe represent significant challenges. In fact, the raw materials needed for the manufacturing of electrolysers are likely to be in tight³⁸ or even endangered³⁹ supply in the coming years. In addition, the supply chain resilience risk (i.e. the risk of inability to switch to other materials or technologies) for H2 infrastructure / electrolysers is rather high⁴⁰⁴¹. Manufactures are already affected by delays in the supply chain⁴².

Hence, we propose a modification of the milestone:

Milestone 103a: All approved projects have entered the first-industrial-deployment-phase.

Milestone 103b: EUR 125 million (including costs for funding agencies) have been committed to the approved projects.

The achievement of milestone 103a can be verified by confirmations of the termination of RDI-phase for each project by the funding agencies based on the notified project portfolios and submitted project reports⁴³.

The achievement of milestone 103b can be verified by the submitted reports as well as by confirmations of payments (disbursed funding) and issuance of the funding contracts provided by the funding agencies.

Finally, the proposed modification is a marginal adjustment and does not change the measure at its core. As such, it continues to represent a comprehensive and adequately

³⁸ Parkes (2022). Biden invokes wartime legislation to ramp up US hydrogen electrolyser production, but what will this mean in practice? Recharge News.

³⁹ [The supply of critical raw materials endangered by Russia’s war on Ukraine \(oecd.org\)](https://www.oecd.org/)

⁴⁰ [IEA \(2023\), Energy Technology Perspectives 2023, IEA, Paris https://www.iea.org/reports/energy-technology-perspectives-2023](https://www.iea.org/reports/energy-technology-perspectives-2023), License: CC BY 4.0

⁴¹ Ansari, Grinschgl, and Pepe (2022). Electrolysers for the Hydrogen Revolution: Challenges, dependencies, and solutions. Retrieved from: <https://www.swp-berlin.org/10.18449/2022C57/>.

⁴² [Akoto \(2022\). Enapter struggles with supplier problems. energate-messenger.com.](https://www.energate-messenger.com/)

⁴³ These reports are obligatory tasks under IPCEI. For such a report, a company registers its eligible costs for the past calendar year and gives information on the progress of the project.

balanced response to the economic and social situation. It also contributes appropriately to all six pillars of Article 3 of the RRF Regulation. Upholding the current formulation of the final milestone would put the success of the measure IPCEI H2 at risk, which in turn would negatively affect the green transition pillar. In addition, adhering to the current formulation of the final milestone would also inhibit the implementation of the fourth recommendation in Austria’s country specific recommendations (CSRs)⁴⁴.

Modified elements	Current version	Amended version
Component and / or measure description		No changes.
Milestones and targets	<p>MS 103: The available budget of EUR 125 000 000 has been allocated to the approved projects (including expenses of the implementing agency). At least 80% of the budget has been disbursed to the beneficiary companies.</p> <p>Q3/2026</p>	<p>MS 103a: All approved projects have entered the first-industrial-deployment-phase</p> <p>Q4/2025</p> <p>MS 103b: EUR 125 million (including costs for funding agencies) have been committed to the approved projects</p> <p>Q3/2026</p>
Estimated cost		No changes.
Green and digital tagging		No changes.
DNSH self-assessment		No changes.

⁴⁴ See Council Recommendation on the 2022 National Reform Programme of Austria and delivering a Council opinion on the 2022 Stability Programme of Austria

COMPONENT 4: JUST RECOVERY / SUBCOMPONENT 4.A HEALTH	
Investment/ reform CID reference	Reform 4.A.1
Investment/ reform name	Enhancing primary health care
Type of change compared to CID	modified
Legal base of the change (select at least one)	<input type="checkbox"/> Article 14(2) – loan request <input type="checkbox"/> Article 18(2) – update of the maximum financial contribution <input type="checkbox"/> Article 21 – amendment due to objective circumstances <input type="checkbox"/> Article 21a – REPowerEU non-repayable financial support (ETS revenue) <input type="checkbox"/> Article 21b (2) – BAR transfers <input checked="" type="checkbox"/> None of the above, correction of clerical error
Elements modified (only for modified measures)	<input checked="" type="checkbox"/> Component / Measure description <input type="checkbox"/> Milestones and targets <input type="checkbox"/> Estimated cost <input type="checkbox"/> Green and digital tagging (potentially relevant, because there is a substantive change to the underlying measure) <input type="checkbox"/> DNSH self-assessment
Reform: 4.A.1 Enhancing primary health care	
<p><u>Initial description</u></p> <p><u>4.A.1 – Measure description:</u></p> <p><i>The Austrian platform for primary health care is intended to serve as an information and communication hub between health professionals, patient organisations, education, science, the public administration of the health care system and other health care stakeholders. It will also promote social innovation within primary health care in Austria.</i></p> <p><i>The overall objectives of the measure is to promote the attractiveness of working conditions for general practitioners and other health and social professions in primary health care, particularly in rural areas. Besides improved health care provisions, the reform aims also at promoting a culture of interprofessional cooperation and mutual understanding of roles and competencies between health care and social professions in the field of primary health care.</i></p> <p><i>The implementation of the measure shall be completed by 31 August 2026.</i></p>	

Requested amendments and justification of the change

Usage of the word “will” in the requirements set out in the Council Implementing Decision creates ambiguity in the understanding of said requirements. The word “will” does not create a clear legal understanding of a requirement as an *obligation* (indicated by the usage of the word “shall”) compared to an *expectation* (indicated by the usage of the phrase “is expected to”).

In order to create legal certainty as well as coherence throughout the CID, the measure description is amended to more clearly reflect the intentions of the original recovery and resilience plan.

Therefore, the following changes are suggested:

Modified elements	Current version	Amended version
<p><i>Component and / or measure description</i></p>	<p>The Austrian platform for primary health care is intended to serve as an information and communication hub between health professionals, patient organisations, education, science, the public administration of the health care system and other health care stakeholders. It will also promote social innovation within primary health care in Austria.</p> <p>The overall objectives of the measure is to promote the attractiveness of working conditions for general practitioners and other health and social professions in primary health care, particularly in rural areas. Besides improved health care provisions, the reform aims also at promoting a culture of interprofessional cooperation and mutual understanding of roles and competencies between health care and social professions in the field of primary health care.</p>	<p>The Austrian platform for primary health care is intended to serve as an information and communication hub between health professionals, patient organisations, education, science, the public administration of the health care system and other health care stakeholders. It will is expected to also promote social innovation within primary health care in Austria.</p> <p>The overall objectives of the measure is to promote the attractiveness of working conditions for general practitioners and other health and social professions in primary health care, particularly in rural areas. Besides improved health care provisions, the reform aims also at promoting a culture of interprofessional cooperation and mutual understanding of roles and</p>

	The implementation of the measure shall be completed by 31 August 2026.	competencies between health care and social professions in the field of primary health care. The implementation of the measure shall be completed by 31 August 2026.
<i>Milestones and targets</i>		No changes.
<i>Estimated cost</i>		No changes.
<i>Green and digital tagging</i>		No changes.
<i>DNSH self-assessment</i>		No changes.

COMPONENT 4: JUST RECOVERY / SUBCOMPONENT 4.A HEALTH	
Investment/ reform CID reference	Investment 4.A.2
Investment/ reform name	Funding of primary health care projects
Type of change compared to CID	modified
Legal base of the change (select at least one)	<input type="checkbox"/> Article 14(2) – loan request <input type="checkbox"/> Article 18(2) – update of the maximum financial contribution <input type="checkbox"/> Article 21 – amendment due to objective circumstances <input type="checkbox"/> Article 21a – REPowerEU non-repayable financial support (ETS revenue) <input type="checkbox"/> Article 21b (2) – BAR transfers <input checked="" type="checkbox"/> None of the above, correction of clerical error
Elements modified (only for modified measures)	<input checked="" type="checkbox"/> Component / Measure description <input type="checkbox"/> Milestones and targets <input type="checkbox"/> Estimated cost <input type="checkbox"/> Green and digital tagging (potentially relevant, because there is a substantive change to the underlying measure) <input type="checkbox"/> DNSH self-assessment
Investment: 4.A.2. Funding of primary health care projects	
<p><u>Initial description</u></p> <p><u>4.A.2 – Measure description:</u> <i>The objectives of the measure are to expand rapidly multi-professional primary health care units in Austria and to ensure low-threshold decentralised access to services for the population, especially in rural areas.</i></p> <p><i>The investment consists of two major funding parts: firstly to invest in at least 60 new primary care units (Primärversorgungseinrichtungen/PVE) compared to January 2021 and secondly to finance different projects in existing primary health care settings with a focus on environmental and social sustainability, digital and spatial infrastructure and training opportunities. Targeted measures will be developed and implemented together with relevant stakeholders, such as the municipal association. When setting up new primary health care units (either in form of centres or networks), environmental aspects shall also be taken into account. A special focus shall be placed on establishing multi-professional primary health care networks in rural areas by closely involving the respective municipalities.</i></p> <p><i>The implementation of the measure shall be completed by 31 August 2026.</i></p>	

Requested amendments and justification of the change

Usage of the word “will” in the requirements set out in the Council Implementing Decision creates ambiguity in the understanding of said requirements. The word “will” does not create a clear legal understanding of a requirement as an *obligation* (indicated by the usage of the word “shall”) compared to an *expectation* (indicated by the usage of the phrase “is expected to”).

In order to create legal certainty as well as coherence throughout the CID, the measure description is amended to more clearly reflect the intentions of the original recovery and resilience plan. Therefore, the following changes are suggested:

Modified elements	Current version	Amended version
<p>Component and / or measure description</p>	<p>The objectives of the measure are to expand rapidly multi-professional primary health care units in Austria and to ensure low-threshold decentralised access to services for the population, especially in rural areas.</p> <p>The investment consists of two major funding parts: firstly to invest in at least 60 new primary care units (Primärversorgungseinrichtungen/ PVE) compared to January 2021 and secondly to finance different projects in existing primary health care settings with a focus on environmental and social sustainability, digital and spatial infrastructure and training opportunities. Targeted measures will be developed and implemented together with relevant stakeholders, such as the municipal association. When setting up new primary health care units (either in form of centres or networks), environmental aspects shall also be taken into account. A special focus shall be placed on establishing multi-professional primary health care networks in</p>	<p>The objectives of the measure are to expand rapidly multi-professional primary health care units in Austria and to ensure low-threshold decentralised access to services for the population, especially in rural areas.</p> <p>The investment consists of two major funding parts: firstly to invest in at least 60 new primary care units (Primärversorgungseinrichtungen/ PVE) compared to January 2021 and secondly to finance different projects in existing primary health care settings with a focus on environmental and social sustainability, digital and spatial infrastructure and training opportunities. Targeted measures will be expected to be developed and implemented together with relevant stakeholders, such as the municipal association. When setting up new primary health care units (either in form of centres or networks), environmental aspects shall also be taken into account. A special focus shall be placed on establishing multi-professional primary health care networks in</p>

	<p>rural areas by closely involving the respective municipalities.</p> <p>The implementation of the measure shall be completed by 31 August 2026.</p>	<p>rural areas by closely involving the respective municipalities.</p> <p>The implementation of the measure shall be completed by 31 August 2026.</p>
<i>Milestones and targets</i>		No changes.
<i>Estimated cost</i>		No changes.
<i>Green and digital tagging</i>		No changes.
<i>DNSH self-assessment</i>		No changes.

COMPONENT 4: JUST RECOVERY / SUBCOMPONENT 4.A HEALTH	
Investment/ reform CID reference	Investment 4.A.2
Investment/ reform name	Funding of primary health care projects
Type of change compared to CID	modified
Legal base of the change (select at least one)	<input type="checkbox"/> Article 14(2) – loan request <input type="checkbox"/> Article 18(2) – update of the maximum financial contribution <input checked="" type="checkbox"/> Article 21 – amendment due to objective circumstances <input type="checkbox"/> Article 21a – REPowerEU non-repayable financial support (ETS revenue) <input type="checkbox"/> Article 21b (2) – BAR transfers <input type="checkbox"/> None of the above, correction of clerical error
Elements modified (only for modified measures)	<input type="checkbox"/> Component / Measure description <input checked="" type="checkbox"/> Milestones and targets <input type="checkbox"/> Estimated cost <input type="checkbox"/> Green and digital tagging (potentially relevant, because there is a substantive change to the underlying measure) <input type="checkbox"/> DNSH self-assessment
Investment: 4.A.2. Funding of primary health care projects	
<p><u>Initial description</u></p> <p><u>Target 108:</u> At least 50 projects related to primary health care shall be funded, out of which at least 20 shall consist in the establishments of new primary health care units (centres and networks – also in rural areas).</p> <p><u>Target 109:</u> At least 100 projects related to primary health care shall be funded, out of which at least 35 shall consist in the establishments of new primary health care units (centres and networks – also in rural areas).</p> <p><u>Target 110:</u> At least 170 projects related to primary health care shall be funded, out of which at least 60 shall consist in the establishments of new primary health care units (centres and networks - also in rural areas)</p>	

Requested amendments and justification of the change

The RRF project 4.A.2 regarding the funding of primary health care projects has two major funding parts: “firstly to invest in at least 60 new primary [health] care units (Primärversorgungseinrichtungen/PVE) compared to January 2021 and secondly to finance different projects in existing primary health care settings with a focus on environmental and social sustainability, digital and spatial infrastructure and training opportunities.”

The establishment of new primary health care units usually requires construction activities for new or in existing buildings or the acquisition of suitable facilities in order to be able to offer the legally required range of multiprofessional primary health care services.

Although substantial funding is provided through the RRF, 50% of the investments must be borne by the founders themselves. In that regard, PVE founders are facing a number of challenges that were not predictable at the time of the RRF application in the beginning of 2021 - first and foremost, high inflation, which primarily affects construction costs and financing:

1. Whilst drafting the plan, a rather stable continuation of the inflation was assumed with the potential of a predictable increase. The inflation was around 1,5 – 2% between 2018 and 2020. In 2021 the inflation reached 2.8%. At the time of the the RRP draft, it was not foreseeable that inflation would reach 8.6% in 2022 and thereby triple or even quadruple compared to the original assumptions.
(For annual inflation statistics in 2022, see: <https://www.statistik.at/fileadmin/announcement/2023/01/20230116VPIJahr2022.pdf>).
2. The construction industry was hit by supply bottlenecks and shortages, especially in 2021, leading to higher prices. In 2022, high energy prices as a result of the war against Ukraine further accelerated construction costs. According to Statistik Austria⁴⁵, construction costs increased by over 10% compared to 2021. This stark increase can also be seen in figure 1 below.

⁴⁵<https://www.statistik.at/fileadmin/announcement/2023/01/20230113BaukostenindexDez2022.pdf>

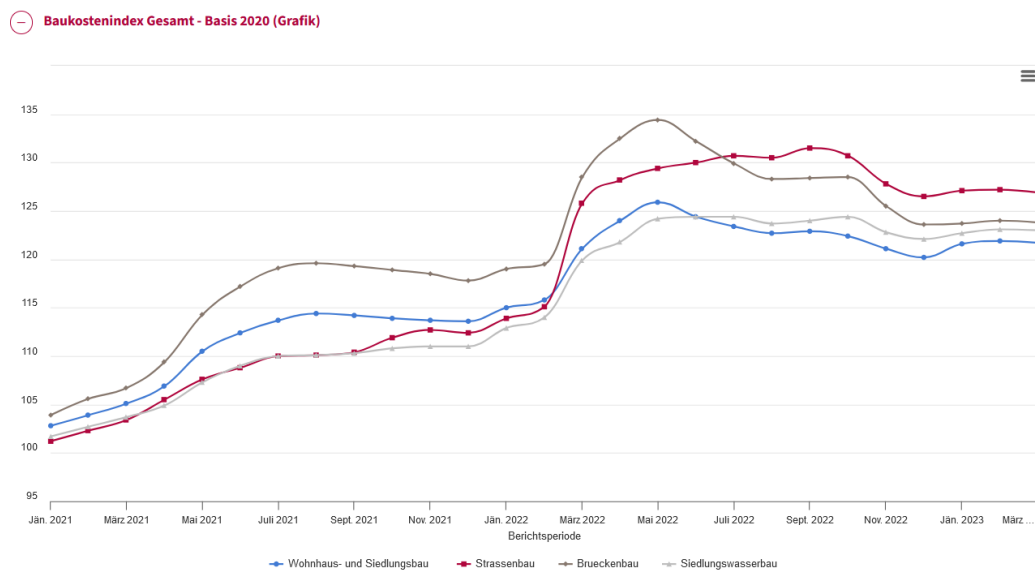


Figure 1: Baukostenindex (*Construction Price Index*) from Jan. 2021 until March 2023. Source: <https://www.statistik.at/statistiken/industrie-bau-handel-und-dienstleistungen/konjunktur/baukostenindex>

3. Furthermore, building and real estate prices rose remarkably, exceeding the already high inflation. Both in 2021 and 2022, prices for houses and apartments increased by over 10%.
4. In order to curb inflation, the European Central Bank decided to raise interest rates resulting in adverse loan conditions. In 2023, further interest rate hikes are expected

The mentioned reasons result in delays of large investments (as necessary for new PHCUs) and higher reluctance of founders to take certain risks due to the economic and financial uncertainties (also in regards to loans and interest rates) and adverse conditions. All these factors make the founding and planning process for Primary Health Care Units more difficult, especially for a target group (doctors) that has little or no entrepreneurial background and therefore has a lower risk tolerance.

The experience of the last year (the funding guidelines for new PVE came into effect by February 2022) has shown that the major economic distortions and uncertainties affect the willingness of health professionals to establish primary health care units.

Therefore, an adaptation of the milestones 108, 109 and 110 for “4.A.2 Funding of primary health care projects” by adjusting the number of projects to be reached, is

proposed – see amended version below. Instead of 170 projects (of which at least 60 should be new PVE), 155 projects (with at least 45 PVE) shall be funded until Q2 2026.

The proposal does not reduce the amount of projects in existing Primary Health Care settings. The reduction only concerns the establishment of new primary health care units due to the factors stated above (i.e. high initial investment costs and therefore higher perceived risk and uncertainty level). The reduction in the total amount of projects is only derived from these cuts (-15 in total until 2026, so 155 instead of 170 projects).

Modified elements	Current version	Amended version
<p>Component and / or measure description</p>	<p>The objectives of the measure are to expand rapidly multi-professional primary health care units in Austria and to ensure low-threshold decentralised access to services for the population, especially in rural areas.</p> <p>The investment consists of two major funding parts: firstly to invest in at least 60 new primary care units (<i>Primärversorgungseinrichtungen/PVE</i>) compared to January 2021 and secondly to finance different projects in existing primary health care settings with a focus on environmental and social sustainability, digital and spatial infrastructure and training opportunities. Targeted measures will be developed and implemented together with relevant stakeholders, such as the municipal association. When setting up new primary health care units (either in form of centres or networks), environmental aspects shall also be taken into account. A special focus shall be placed on establishing multi-professional primary health care networks in rural areas by closely involving the respective municipalities.</p>	<p>The objectives of the measure are to expand rapidly multi-professional primary health care units in Austria and to ensure low-threshold decentralised access to services for the population, especially in rural areas.</p> <p>The investment consists of two major funding parts: firstly to invest in at least 60 45 new primary care units (<i>Primärversorgungseinrichtungen/PVE</i>) compared to January 2021 and secondly to finance different projects in existing primary health care settings with a focus on environmental and social sustainability, digital and spatial infrastructure and training opportunities. Targeted measures will be developed and implemented together with relevant stakeholders, such as the municipal association. When setting up new primary health care units (either in form of centres or networks), environmental aspects shall also be taken into account. A special focus shall be placed on establishing multi-professional primary health care networks in rural areas by closely involving the respective municipalities.</p>

	The implementation of the measure shall be completed by 31 August 2026.	The implementation of the measure shall be completed by 31 August 2026.
Milestones and targets	<p>T108: At least 50 projects related to primary health care shall be funded, out of which at least 20 shall consist in the establishments of new primary health care units (centres and networks – also in rural areas).</p> <p>T109: At least 100 projects related to primary health care shall be funded, out of which at least 35 shall consist in the establishments of new primary health care units (centres and networks – also in rural areas).</p> <p>T110: At least 170 projects related to primary health care shall be funded, out of which at least 60 shall consist in the establishments of new primary health care units (centres and networks - also in rural areas)</p>	<p>T108: At least 50 45 projects related to primary health care shall be funded, out of which at least 20 15 shall consist in the establishments of new primary health care units (centres and networks – also in rural areas).</p> <p>T109: At least 100 90 projects related to primary health care shall be funded, out of which at least 35 25 shall consist in the establishments of new primary health care units (centres and networks – also in rural areas).</p> <p>T110: At least 170 155 projects related to primary health care shall be funded, out of which at least 60 45 shall consist in the establishments of new primary health care units (centres and networks - also in rural areas)</p>
Estimated cost		No changes.
Green and digital tagging		No changes.
DNSH self-assessment		No changes.

COMPONENT 4: JUST RECOVERY / SUBCOMPONENT 4.B RESILIENT MUNICIPALITIES	
Investment/ reform CID reference	Investment 4.B.1
Investment/ reform name	Soil protection strategy
Type of change compared to CID	modified
Legal base of the change (select at least one)	<input type="checkbox"/> Article 14(2) – loan request <input type="checkbox"/> Article 18(2) – update of the maximum financial contribution <input type="checkbox"/> Article 21 – amendment due to objective circumstances <input type="checkbox"/> Article 21a – REPowerEU non-repayable financial support (ETS revenue) <input type="checkbox"/> Article 21b (2) – BAR transfers <input checked="" type="checkbox"/> None of the above, correction of clerical error
Elements modified (only for modified measures)	<input checked="" type="checkbox"/> Component / Measure description <input type="checkbox"/> Milestones and targets <input type="checkbox"/> Estimated cost <input type="checkbox"/> Green and digital tagging (potentially relevant, because there is a substantive change to the underlying measure) <input type="checkbox"/> DNSH self-assessment
Reform: 4.B.1 Soil protection strategy	
<u>Initial description</u>	
<p><u>4.B.1 – Measure description:</u></p> <p><i>The objective of the development of a soil protection strategy is to set up a framework for consensus-finding and coordination processes with all relevant planning bodies (federal level, Laender and municipalities) to agree on a strategic guidance to curb land use. The final aim of the soil protection strategy is to gradually reduce the land use in Austria to net 2.5 hectare per day until 2030.</i></p> <p><i>The first step of the reform is the development of, and the agreement on, the key elements of an Austrian soil protection strategy and a roadmap for its implementation. These shall be developed by all relevant institutional actors (federal level, Laender, municipalities) and shall be agreed upon in the framework of the Austrian Conference on Spatial Planning (Oesterreichische Raumordnungs-konferenz). The main elements for the development of the implementation strategy shall be the definition of concrete milestones and the agreement on an indicator-based monitoring system. Besides the overall objective (reduction of land use to 2.5 hectare per day), additional quantifiable targets and milestones will be determined, based on negotiations between the Laender in the framework of the Austrian Conference on Spatial Planning. At the end of the implementation of the reform, the Austrian quantitative soil protection strategy, including</i></p>	

the overall objective of reducing the land use in Austria to net 2.5 hectare per day until 2030 will be adopted.

The measure shall enter into force by 31 December 2022.

Requested amendments and justification of the change

Usage of the word “will” in the requirements set out in the Council Implementing Decision creates ambiguity in the understanding of said requirements. The word “will” does not create a clear legal understanding of a requirement as an *obligation* (indicated by the usage of the word “shall”) compared to an *expectation* (indicated by the usage of the phrase “is expected to”).

In order to create legal certainty as well as coherence throughout the CID, the measure description is amended to more clearly reflect the intentions of the original recovery and resilience plan.

Therefore, the following changes are suggested:

Modified elements	Current version	Amended version
<p><i>Component and / or measure description</i></p>	<p>The objective of the development of a soil protection strategy is to set up a framework for consensus-finding and coordination processes with all relevant planning bodies (federal level, Laender and municipalities) to agree on a strategic guidance to curb land use. The final aim of the soil protection strategy is to gradually reduce the land use in Austria to net 2.5 hectare per day until 2030.</p> <p>The first step of the reform is the development of, and the agreement on, the key elements of an Austrian soil protection strategy and a roadmap for its implementation. These shall be developed by all relevant institutional actors (federal level, Laender, municipalities) and shall be agreed upon in</p>	<p>The objective of the development of a soil protection strategy is to set up a framework for consensus-finding and coordination processes with all relevant planning bodies (federal level, Laender and municipalities) to agree on a strategic guidance to curb land use. The final aim of the soil protection strategy is to gradually reduce the land use in Austria to net 2.5 hectare per day until 2030.</p> <p>The first step of the reform is the development of, and the agreement on, the key elements of an Austrian soil protection strategy and a roadmap for its implementation. These shall be developed by all relevant institutional actors (federal level, Laender, municipalities) and shall be agreed upon in the</p>

	<p>the framework of the Austrian Conference on Spatial Planning (Oesterreichische Raumordnungs-konferenz). The main elements for the development of the implementation strategy shall be the definition of concrete milestones and the agreement on an indicator-based monitoring system. Besides the overall objective (reduction of land use to 2.5 hectare per day), additional quantifiable targets and milestones will be determined, based on negotiations between the Laender in the framework of the Austrian Conference on Spatial Planning. At the end of the implementation of the reform, the Austrian quantitative soil protection strategy, including the overall objective of reducing the land use in Austria to net 2.5 hectare per day until 2030 will be adopted.</p> <p>The measure shall enter into force by 31 December 2022.</p>	<p>framework of the Austrian Conference on Spatial Planning (Oesterreichische Raumordnungs-konferenz). The main elements for the development of the implementation strategy shall be the definition of concrete milestones and the agreement on an indicator-based monitoring system. Besides the overall objective (reduction of land use to 2.5 hectare per day), additional quantifiable targets and milestones will be determined, based on negotiations between the Laender in the framework of the Austrian Conference on Spatial Planning. At the end of the implementation of the reform, the Austrian quantitative soil protection strategy, including the overall objective of reducing the land use in Austria to net 2.5 hectare per day until 2030 will shall be adopted.</p> <p>The measure shall enter into force by 31 December 2022.</p>
<i>Milestones and targets</i>		No changes.
<i>Estimated cost</i>		No changes.
<i>Green and digital tagging</i>		No changes.
<i>DNSH self-assessment</i>		No changes.

COMPONENT 4: JUST RECOVERY / SUBCOMPONENT 4.B RESILIENT MUNICIPALITIES	
Investment/ reform CID reference	Investment 4.B.3
Investment/ reform name	Investment in climate-friendly town centres
Type of change compared to CID	modified
Legal base of the change (select at least one)	<input type="checkbox"/> Article 14(2) – loan request <input type="checkbox"/> Article 18(2) – update of the maximum financial contribution <input checked="" type="checkbox"/> Article 21 – amendment due to objective circumstances <input type="checkbox"/> Article 21a – REPowerEU non-repayable financial support (ETS revenue) <input type="checkbox"/> Article 21b (2) – BAR transfers <input type="checkbox"/> None of the above, correction of clerical error
Elements modified (only for modified measures)	<input type="checkbox"/> Component / Measure description <input checked="" type="checkbox"/> Milestones and targets <input type="checkbox"/> Estimated cost <input type="checkbox"/> Green and digital tagging (potentially relevant, because there is a substantive change to the underlying measure) <input type="checkbox"/> DNSH self-assessment
Investment: 4.B.3 Investment in climate-friendly town centres	
<p><u>Initial description</u></p> <p><u>Target 123:</u> At least 100 thermal renovation projects of companies and municipalities in town centres are completed.</p> <p><u>Target 124:</u> At least 250 thermal renovation projects of companies and municipalities in town centres are completed.</p> <p><u>Target 125:</u> At least 60 roof and façade greening projects are completed.</p> <p><u>Target 126:</u> At least 100 roof and façade greening projects are completed.</p> <p><u>Target 127:</u> At least 1 150 projects for the connection to high-efficiency district heating are completed.</p> <p><u>Target 128:</u> At least 2 490 projects for the connection to high-efficiency district heating are completed.</p>	

Requested amendments and justification of the change

The funding guidelines for the programmes within this measure were adopted in October 2021 and subsequently the information sheets were published. The funding programmes for

- thermal renovation projects for enterprises,
- roof and façade greening projects for enterprises and
- projects for the connection to high-efficiency district heating in town centres for enterprises

started in October 2021.

Those funding programs, when drafted in the beginning of 2021, were intended to supplement existing national funding programmes in place (“Thermische Gebäudesanierung” and “Raus aus Öl und Gas”, both part of the Programme “Sanierungsoffensive”) with additional financial incentives for projects located in town centres (“klimafitte Ortskerne”). That means additional funding bonuses were provided for thermal renovation projects or for switching from natural gas to district heating in town centres. In addition, funding for roof and facade greening in town centres was provided.

Due to the Russian aggression against Ukraine and the subsequently high energy prices⁴⁶, it became clear that higher subsidy rates for the thermal renovation projects and the exchange of heating systems will be necessary. The Austrian government therefore took additional steps to support and accelerate the energy transition. The package of measures included an increase in the subsidy rates of the national funding programmes “Thermische Gebäudesanierung” and “Raus aus Öl und Gas”. This way the government provides increased funding not only for thermal renovation projects and connection to district heating within town centres - as planned in the Austrian RRP- but across Austria. As a consequence, the funding rate was increased with the “Gas-Bonus” to the same level as the “klimafitte Ortskerne” – up to EUR 9 500 from the federal side. The funding rate in “klimafitte Ortskerne” was already a flat rate of EUR 9 500 and there are additional regional subsidies available (between EUR 3 000 and 6 000 per project, see: <https://www.umweltfoerderung.at/privatpersonen/raus-aus-oel-und-gas#c6404>). The

⁴⁶Increased energy prices for commercial and private use in 2022 are demonstrated in [these graphics](#).

framework of state aid law and the national guidelines made it impossible to increase support for projects in town centres any further (because of a high possibility to transgress the total subsidy rate of 50%) and thus it was rendered impossible to further incentivise the funding scheme “klimafitte Ortskerne”.

Therefore, we have equally high subsidy rates for projects within and outside town centres. Thus, potential recipients of funding avoid applying for the funding for town centres as this would require additional documents from the municipalities as proof of being located in the centre. To receive funding, applicants (in both cases) need the proof of having a gas heating so far (protocol of the energy consultant). In the case of the town centre funding, an additional certification by the municipality is needed which requires extra-effort.

(https://www.umweltfoerderung.at/fileadmin/user_upload/umweltfoerderung/ueberg_eordnete_dokumente/UFI_Bestaetigung_Ortskern.pdf). Subsequently, we face reduced demand and hence fewer project submissions in the 2 different sub-programmes within the measure “climate – friendly town centres”. It is therefore necessary to reduce the targets according to the suggestions in the table below.

The subsidy programme for **green facades** was an attempt to provide an incentive for additional measures. The conventional existing subsidies for thermal insulation of buildings already comprise the possibility for an additional subsidy for green facades when conducting thermal insulation measures. We wanted to extend this possibility to already renovated buildings without the need to conduct thermal insulation measures. Our calculation of the costs of the stand-alone measures was derived from the well-known renovation costs but it turned out, that the specific costs for a stand-alone green facade (without insulation) are much higher than expected. In our calculation we took into account the physical costs of the facades but not the construction. It turned out that the costs of the scaffolding were underestimated. Therefore, fewer buildings than expected applied for this subsidy. Due to these circumstances, we don't expect an increase in the next 2 years. Nevertheless, we will continue our call until 2025 but need a significant reduction of the number of projects for the next milestones.

To date we have

- 34 projects relating to thermal renovation (refurbishment) in the town centres,
- 8 green façade projects,
- 375 projects concerning the connection to high-efficiency district heating in the town centres.

It is planned to close the additional “Ortskern-Bonus” for thermal insulation in town centres and the connection to district heating at the end of September 2023.

Throughout Austria, we have already approved 591 thermal renovation (refurbishment) projects and 74 689 projects in the “Sanierungsoffensive” in total. Since the start of the programme 9 300 projects were connections to high-efficiency district heating, 375 of them were in town centres.

This clearly depicts that the demand in town centres only accounts for a small share of the total demand for subsidies. Since the increase of the subsidies of the Sanierungsoffensive with the “Gas-Bonus”, projects implemented in town centres were simply submitted under the normal “Sanierungsoffensive” scheme. There is no indication of a change in demand in the future, mainly because we will continue with the “Gas-Bonus” in the next years. Actually, we see in the decreasing number of building permits that the inflation and the high prices lead to a stop of thermal insulations of multi-story buildings. Therefore, we expect also a decrease especially in town centres.

The projects already approved are in the construction phase. We assume that the funding figure will remain stable for the projects already approved. However, since the final review of the grants is approved when the final payment is made by KPC, there is also a 5% range of fluctuation here, because the case may arise that applicants do not realise their project as approved.

The new milestones represent the realistically achievable values, derived from the projects already available/submitted. The calculation of the numbers corresponds to the weekly applications in the KPC. As we intend to close the call for thermal insulation in town centres and the connection to district heating at the end of September, we don’t expect many more projects. The call for green facades will stay open. At this stage, these projects are not yet finalised and some of them still have to be approved and there may still be queries or additional demands from the beneficiaries. Consequently, the time of approval cannot be determined yet.

It is important to stress, that this does not mean Austria lags behind in the transition to renewable heating and more energy efficiency in buildings. On the contrary, the national funding programmes “Sanierungsoffensive” and the partly RRF financed “Raus aus Öl und Gas” very successfully reduce Austria’s fossil fuel consumptions and thereby reduce the dependency on Russian gas.

The fourth programme “brownfield recycling” within this measure is expected to reach the targets as indicated and hence no changes are proposed.

Modified elements	Current version	Amended version
Component and / or measure description		No changes.
Milestones and targets	123 (Q4 2023): At least 100 thermal renovation	123 (Q4 2023): At least 34 thermal renovation

	<p>projects of companies and municipalities in town centres are completed.</p> <p>124 (Q2 2026): At least 250 thermal renovation projects of companies and municipalities in town centres are completed.</p> <p>125 (Q4 2023): At least 60 roof and façade greening projects are completed.</p> <p>126 (Q2 2026): At least 100 roof and façade greening projects are completed.</p> <p>127 (Q4 2023): At least 1 150 projects for the connection to high-efficiency district heating are completed.</p> <p>128 (Q2 2026): At least 2 490 projects for the connection to high-efficiency district heating are completed.</p>	<p>projects of companies and municipalities in town centres are completed.</p> <p>124: To be removed</p> <p>125: To be removed</p> <p>126: At least 15 roof and façade greening projects are completed.</p> <p>127: At least 375 projects for the connection to high-efficiency district heating are completed.</p> <p>128: To be removed</p>
Estimated cost		No changes.
Green and digital tagging		No changes.
DNSH self-assessment		No changes.

COMPONENT 4: JUST RECOVERY / SUBCOMPONENT 4.C ARTS AND CULTURE	
Investment/ reform CID reference	Investment 4.C.3
Investment/ reform name	Renovation of Volkskundemuseum Wien and Prater Ateliers
Type of change compared to CID	modified
Legal base of the change (select at least one)	<input type="checkbox"/> Article 14(2) – loan request <input type="checkbox"/> Article 18(2) – update of the maximum financial contribution <input checked="" type="checkbox"/> Article 21 – amendment due to objective circumstances <input type="checkbox"/> Article 21a – REPowerEU non-repayable financial support (ETS revenue) <input type="checkbox"/> Article 21b (2) – BAR transfers <input type="checkbox"/> None of the above, correction of clerical error
Elements modified (only for modified measures)	<input type="checkbox"/> Component / Measure description <input checked="" type="checkbox"/> Milestones and targets <input type="checkbox"/> Estimated cost <input type="checkbox"/> Green and digital tagging (potentially relevant, because there is a substantive change to the underlying measure) <input type="checkbox"/> DNSH self-assessment
Investment: 4.C.3 Renovation of Volkskundemuseum Wien and Prater Ateliers	
<p><u>Initial description</u></p> <p><u>Milestone 138:</u> The renovation of the Prater Ateliers has been completed and artists may use the building.</p> <p><u>Requested amendments and justification of the change</u></p> <p>With regard to the Milestone 138: Reopening of Prater Ateliers the indicative timeline for completion shall be postponed to Q2 2025 due objective circumstances. The proposed change does not decrease the overall ambition of the measure.</p> <p>1) Delay due to an appeal in the tendering procedure</p> <p>The Republic of Austria, represented by the Ministry of Arts, Culture, Public Service and Sport (BMKÖS), and Bundesimmobiliengesellschaft (BIG) concluded an agreement on 13.12.2021 regarding the preparation of planning documents for the renovation of the Prater Ateliers. The call for tender for the selection of the general planner was published</p>	

on 26.1.2022 on the websites of Tenders Electronic Daily and BIG. The deadline of the first stage of the tendering procedure ended on 23.2.2022 and the commission meeting took place on 8.3.2022 with 7 offices invited to the second stage. The initial schedule included another commission meeting on 7.6.2022 and the award of contract until the end of June 2022.

However, one architecture office, which was excluded from further participation in the tendering procedure due to a formal deficiency that could not be remedied, appealed against the exclusion to the Federal Administrative Court on 14.4.2022. Therefore, the tendering procedure had to be stopped, resulting in a delay of several months.

A decision of the Federal Administrative Court was made on 8.8.2022 (reference: W139 2253938-1/22E). The 2nd stage of the tendering procedure could be resumed with a deadline for applications on 22.9.2022. The commission meeting took place on 29.11.2022. On 9.1.2023, the contract was finally awarded to the architectural office DI Guenter Palme zT GmbH.

Next project steps include detailed architectural and technical planning and tenders for the construction services. The winning project now provides two construction phases, with the first, early construction phase comprising the renovation of the building envelope, and the **start of construction in August 2023**. The second construction phase, including the renovation of the interior of the building, will start in February 2024, and the **target completion date for the renovation should be end of December 2024**. The initial schedule foresaw completion in May 2024. Thus, the total delay in the timeline is approximately 8 months.

Since further time delays still cannot be ruled out, a reopening of the Prater Ateliers as well as the occupation by new users and artists seems **realistic in the course of Q2 2025**.

2) Delay due to the current situation in the construction industry

The rough cost estimate based on the feasibility study on the renovation of the Prater Ateliers from **08.10.2021 assumed EUR 11 298 485 net construction costs** with an accuracy of +/- 30%. Currently, the valorised total costs including planning services are **estimated at EUR 15 268 721 net**.

Russia's aggression against Ukraine has drastically affected prices and global supply chains of construction materials. The severity of these developments could not have been anticipated at the time Austria submitted the Recovery and Resilience Plan. This also meant, that there was a fear of a direct impact on the schedule and preparatory measures for the construction work.

The Ministry of Arts, Culture, Public Service and Sport (BMKÖS) analyzed this situation immediately in March 2022 and commissioned a **civil engineer's expert opinion** on

whether the two renovation projects funded by RRF would be feasible under these circumstances in terms of budget and time. These analyses and expert opinions were based on the following parameters and indices:

- The construction cost index for total construction costs (Baukostenindex, BKI) was between 100.4 and 105.1 in spring 2021, and increased to 124 in April 2022.
- The increases of construction costs between the start and completion of the projects were estimated between 30.4% and 60.6%.
- The Austrian National Bank (OeNB) had increased its forecast of the Harmonised Index of Consumer Prices (HICP) inflation rate for 2022 from 5.6% to 7.0% by April 2022. An HICP of 4.2% was forecast for 2023, and an HICP of 3.0% for 2024, but subject to the end of the war in Ukraine by the end of 2022. The BMKÖS therefore assumed an HICP of up to 10% in its analyses.
- There were immediate reactions in the construction industry, e.g. construction companies cancelled existing contracts in April 2022 (to prevent major financial losses on contract fulfilment) and bid only conditionally in tenders.
- The shortage of energy-intensive or petroleum-based construction materials resulted in limited availability (insulation, insulations, cement, and concrete), long delivery times, and sometimes hourly changing market prices (e.g. structural steel mesh).

The civil engineer's report was available in May 2022 and concluded that the projects would still be feasible but that possible effects in terms of time and a significant increase of construction costs are to be expected.

On the one hand, the present schedule assumes that appropriately qualified companies in the construction and ancillary construction trades will participate in the tenders: In the past, this was mainly ensured by the quality and the level of detail of the tendering of the respective construction works. The current situation, however, is now such that if tenders are too specific, there are too few or no firms bidding, while if tenders for construction work are too broad, there is a risk of supplementary bids being submitted by the firms carrying out the work, and this **could result in uncontrollable additional costs**. On the other hand, **delivery times for construction materials have not been guaranteed** by the building materials industry for over a year now, so that **construction delays are occurring**. Current construction schedules must respond to this with appropriate time buffers in order to avoid additional costs for the increased staffing that would otherwise be necessary in advance.

Due to this situation, additional national funds for both RRF renovation projects amounting to EUR 5 million were requested by the Ministry (BMKÖS) and provided in the Federal Finance Act 2023, adopted by the Parliament on 17.11.2022. The budget increase secured the continuation and implementation of the two RRF projects ([website BMKÖS](#)).

Modified elements	Current version	Amended version
<i>Component and / or measure description</i>		No changes.
<i>Milestones and targets</i>	Milestone 138: Target Date: Q2/2024	Milestone 138: Target Date: Q2/2025
<i>Estimated cost</i>		No changes.
<i>Green and digital tagging</i>		No changes.
<i>DNSH self-assessment</i>		No changes.

COMPONENT 4: JUST RECOVERY / SUBCOMPONENT 4.D RESILIENCE THROUGH REFORMS	
Investment/ reform CID reference	Reform 4.D.1
Investment/ reform name	Spending review focusing on green and digital transformation
Type of change compared to CID	modified
Legal base of the change (select at least one)	<input type="checkbox"/> Article 14(2) – loan request <input type="checkbox"/> Article 18(2) – update of the maximum financial contribution <input type="checkbox"/> Article 21 – amendment due to objective circumstances <input type="checkbox"/> Article 21a – REPowerEU non-repayable financial support (ETS revenue) <input type="checkbox"/> Article 21b (2) – BAR transfers <input checked="" type="checkbox"/> None of the above, correction of clerical error
Elements modified (only for modified measures)	<input type="checkbox"/> Component / Measure description <input checked="" type="checkbox"/> Milestones and targets <input type="checkbox"/> Estimated cost <input type="checkbox"/> Green and digital tagging (potentially relevant, because there is a substantive change to the underlying measure) <input type="checkbox"/> DNSH self-assessment
Reform: 4.D.1 Spending review focusing on green and digital transformation	
<p><u>Initial description</u></p> <p><u>Milestone description – M146:</u></p> <p><i>The report shall be internally disseminated. This report shall focus on the analysis of the climate and energy policy support and incentive landscape. Based on this, examination of further funding and incentives related to their impact on climate and energy policy may take place. It will include climate responsibility mechanisms for Ministries and the setting of specific greenhouse gas reduction targets with given budget ceilings.</i></p> <p><u>Requested amendments and justification of the change</u></p> <p>Usage of the word “will” in the requirements set out in the Council Implementing Decision creates ambiguity in the understanding of said requirements. The word “will” does not create a clear legal understanding of a requirement as an <i>obligation</i> (indicated by the usage of the word “shall”) compared to an <i>expectation</i> (indicated by the usage of the phrase “is expected to”).</p>	

In order to create legal certainty as well as coherence throughout the CID, the milestone description is amended to more clearly reflect the intentions of the original recovery and resilience plan.

Therefore, the following changes are suggested:

Modified elements	Current version	Amended version
Component and / or measure description		No changes.
Milestones and targets	M146: The report shall be internally disseminated. This report shall focus on the analysis of the climate and energy policy support and incentive landscape. Based on this, examination of further funding and incentives related to their impact on climate and energy policy may take place. It will include climate responsibility mechanisms for Ministries and the setting of specific greenhouse gas reduction targets with given budget ceilings.	M146: The report shall be internally disseminated. This report shall focus on the analysis of the climate and energy policy support and incentive landscape. Based on this, examination of further funding and incentives related to their impact on climate and energy policy may take place. It will is expected to include climate responsibility mechanisms for Ministries and the setting of specific greenhouse gas reduction targets with given budget ceilings.
Estimated cost		No changes.
Green and digital tagging		No changes.
DNSH self-assessment		No changes.

COMPONENT 4: JUST RECOVERY / SUBCOMPONENT 4.D RESILIENCE THROUGH REFORMS	
Investment/ reform CID reference	Reform 4.D.5
Investment/ reform name	Eco-social tax reform
Type of change compared to CID	modified
Legal base of the change (select at least one)	<input type="checkbox"/> Article 14(2) – loan request <input type="checkbox"/> Article 18(2) – update of the maximum financial contribution <input type="checkbox"/> Article 21 – amendment due to objective circumstances <input type="checkbox"/> Article 21a – REPowerEU non-repayable financial support (ETS revenue) <input type="checkbox"/> Article 21b (2) – BAR transfers <input checked="" type="checkbox"/> None of the above, correction of clerical error
Elements modified (only for modified measures)	<input type="checkbox"/> Component / Measure description <input checked="" type="checkbox"/> Milestones and targets <input type="checkbox"/> Estimated cost <input type="checkbox"/> Green and digital tagging (potentially relevant, because there is a substantive change to the underlying measure) <input type="checkbox"/> DNSH self-assessment
Reform: 4.D.5 Eco-social tax reform	
<p><u>Initial description</u></p> <p><u>Milestone description – M159:</u></p> <p><i>Entry into force of the eco - social tax reform, including a price for CO₂ emissions, which will reduce annual CO₂ emissions by at least 2.6 million tonnes by 2030 (compared to 2019).</i></p> <p><u>Requested amendments and justification of the change</u></p> <p>Usage of the word “will” in the requirements set out in the Council Implementing Decision creates ambiguity in the understanding of said requirements. The word “will” does not create a clear legal understanding of a requirement as an <i>obligation</i> (indicated by the usage of the word “shall”) compared to an <i>expectation</i> (indicated by the usage of the phrase “is expected to”).</p>	

In order to create legal certainty as well as coherence throughout the CID, the milestone description is amended to more clearly reflect the intentions of the original recovery and resilience plan.

Therefore, the following changes are suggested:

Modified elements	Current version	Amended version
<i>Component and / or measure description</i>		No changes.
<i>Milestones and targets</i>	M159: Entry into force of the eco - social tax reform, including a price for CO ₂ emissions, which will reduce annual CO ₂ emissions by at least 2.6 million tonnes by 2030 (compared to 2019).	M159: Entry into force of the eco - social tax reform, including a price for CO ₂ emissions, which will is expected to reduce annual CO ₂ emissions by at least 2.6 million tonnes by 2030 (compared to 2019).
<i>Estimated cost</i>		No changes.
<i>Green and digital tagging</i>		No changes.
<i>DNSH self-assessment</i>		No changes.

PART 3: COMPLEMENTARITY AND IMPLEMENTATION OF THE PLAN

1. Consistency with other initiatives

The AT RRP continues to be consistent with other initiatives, notably the National Reform Programme under the European Semester and the National Energy and Climate Plan.

2. Complementarity of funding

The previous indications regarding complementarity of funding remain unchanged, two new investments under the REPowerEU chapter are complemented by national financing.

3. Effective implementation

The previous indications remain unchanged.

4. Consultation process of stakeholders

The amendment of the AT RRP was preceded by a stakeholder consultation, details of which can be found in the REPowerEU chapter.

5. Control and audit

The previous indications remain unchanged.

6. Communication

The previous indications remain unchanged.

PART 4: OVERALL COHERENCE AND IMPACT OF THE PLAN

1. Coherence

The plan's measures continue to be coherent, with the new measures under the REPowerEU chapter in particular reinforcing the measures under component 1 (“Sustainable Recovery”).

2. Gender equality and equal opportunities for all

The changes are not expected to affect this section.

3. Strengthening economic, social and institutional resilience

Since modifications to the RRP are not significant in substance and size compared to the previously adopted RRP, the previous indications remain unchanged.

4. Comparison with the investment baseline

An update of this section is not warranted to the extent that the present addendum is not of a significant size. The previous indications thus remain unchanged.

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