

# National Reform Programme 2023

Austria

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# 1 Introduction

The economic and employment policy-related coordination as part of the European Semester for 2023 has been introduced with the submission of the European Commission (EC)'s Annual Sustainable Growth Survey. The implementation of the recovery and resilience plans will be the centrepiece of the European Semester in the coming years, as it focuses entirely on the EU goal of achieving competitive sustainability.

The priorities set out in the EC's Annual Sustainable Growth Survey 2023 in the field of competitive sustainability consistent with the European Green Deal with the four dimensions of environmental sustainability, productivity, fairness and macroeconomic stability take on an important role in the implementation of the European Semester process. They provide guidance for structural reforms, investments and responsible fiscal policy in the member states (MS), they are closely linked to one another and strengthen one another and they are consistent with the priorities for the Recovery and Resilience Facility and the sustainable development goals in Agenda 2030. The European Council approved the priorities set out in the Annual Sustainable Growth Survey 2023 on 23/24 March 2023.

The country-specific recommendations (CSRs) for 2022 already state the following: Russia's war of aggression against Ukraine immediately after the global COVID pandemic changed the geopolitical and economic context significantly. It also affected the economies of the MS by increasing the prices of energy, food and raw materials, and worsening growth prospects. The Union is also experiencing an unparalleled flow of refugees from Ukraine.

These challenges, which were addressed in the CSRs for 2022, intensified in the second half of 2022. The current political environment could hardly be more challenging: unexpected geopolitical tensions in Europe and loss of prosperity due to the highest price rises in decades. Measures to manage the crisis therefore shape the 2023 reporting period of the National Reform Programme (NRP).

Against the background of the significant rise in energy prices and uncertainties in terms of security of energy supply, the main areas of focus for the Federal Government in 2022 and 2023 were rapidly effective crisis management measures such as relief measures for households and companies. Security of energy supply and the dependence on fossil fuels have

brought the achievement of the climate objectives and the need to drive forwards a transition to renewable energy to the fore. Another focus is on the implementation of the National Recovery and Resilience Plan (NRRP) and the measures agreed in the government programme.

As part of the NRP 2023, selected reforms and investments are addressed that Austria used to tackle the challenges described in the CSRs for 2022 and as part of the NRRP. The basis for this is the databases of the European Commission (EC), which were set up to monitor the progress of the member states in the implementation of the recovery and resilience plans (FENIX extract, see Appendix 1) and the country-specific recommendations (CeSaR extract<sup>1</sup>). Appendix 2 includes the joint statement from the social partners from 22 March 2023 in which the Austrian Federal Chamber of Labour (BAK), the Austrian Trade Union Federation (ÖGB), the Austrian Federal Economic Chamber (WKÖ) and the Austrian Chamber of Agriculture (LKÖ) set out their activities for 2022/2023.

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<sup>1</sup> Link to the CeSaR database: [https://www.bundeskanzleramt.gv.at/dam/jcr:ee1753a5-1b2f-46bd-9ff0-d06f0bdb8b04/CeSaR\\_datenbank\\_februar\\_2023.pdf](https://www.bundeskanzleramt.gv.at/dam/jcr:ee1753a5-1b2f-46bd-9ff0-d06f0bdb8b04/CeSaR_datenbank_februar_2023.pdf)

## 2 Macroeconomic context and effects of the structural reforms

The robust GDP growth from 2021 continued in the subsequent year. According to the WIFO economic forecast from 30 March 2023, the GDP has **increased by 5% in 2022 over 2021**. However, the international economic weakening in light of the war in Europe, the unparalleled increase in energy prices and the delivery chain problems that plagued 2022 affected Austria too. **A further stagnation of the GDP is expected in 2023**, with a rise of 0.3% compared to 2022. An increase of 1.8% is predicted for 2024. The start of the relaxation on the energy markets in autumn 2022 was able to cushion inflation over the course of the year and ensure a better economic mood in the country (WIFO, 2023).

The **national registered unemployment rate dropped by 8% in 2022 compared to the previous year, to 6.3%**. While the situation on the employment market thus remains favourable, the rise in consumer prices in 2022 hit the highest level seen in decades at 8.6%. While the previous years were characterised by measures to cushion the economic consequences of the COVID-19 pandemic, the **high energy prices** and the **inflation** they have caused meant the Federal Government had to implement a **series of relief measures** to combat the high cost of living.

In addition to measures to reduce prices such as the energy cost subsidy and the reduction in energy taxes and network loss charges, these included one-off payments, the elimination of cold progression and the valorisation of social services that were not previously indexed (see also Chapter 3.1). The Austrian Parliament's budget service analysed the **distribution effects of the measures passed by Parliament in July and October for the years 2022 and 2023**. According to this analysis, the relative overall relief is highest in the lower income brackets. In 2022, the percentage of relief measures on the average income in the lowest decile was 10.2% (5.1% in 2023), while in the highest decile it was 1.3% (1.5% in 2023). The elimination of the cold progression had a greater effect in the upper income bracket, while the automatic indexing of social services had a greater impact in the lower income bracket. The distribution of the absolute total volume is relatively evenly distributed across all income brackets. This is in particular to do with the relief from the one-off payments made to the majority of the population and the relief measures in the field of transport, which af-

affected higher income groups more. The group receiving the greatest relative relief was single parent families, followed by couples with children, single-person households and couples without children. No significant difference is able to be identified on average when considering the distribution effect between genders. While the elimination of the cold progression benefitted men more due to their higher average incomes, some (newly inflation-adjusted) social and family benefits such as family allowance and childcare allowance were received more often by women than by men (Austrian Parliament, 2022a).

Two selected measures and their predicted effects are set out in more detail below: The planned **Energy Efficiency Reform Act 2023** (“EEff-RefG 2023”) aims to form the basis for an 18% reduction in energy consumption by 2030 (see also Chapter 3.4). The Act fixes a figure of EUR 190 million for energy saving measures and a binding energy saving of 3% for federal buildings by 2030. The funds for energy saving measures are meant to benefit households with low income and the renovation of Austrian building stock in particular (BMK, 2022a). The goal is an overall more resilient energy system and a reduction in the dependence on fossil imports. The added value is predicted to grow by EUR 640 million per year until 2030, and an additional 5,780 full-time equivalent jobs are expected to be created. The government revenue is also forecast to grow by EUR 522 million per year, and the economic growth in the first year of implementation will increase by 0.2%. The direct effect on the environment is estimated as a reduction in greenhouse gas emissions of 1,217 kt CO<sub>2</sub> equivalent per year for the period from 2023-2030 (BMK, 2022b).

The **Framework Plan of the Austrian Federal Railways for the period from 2023-2028**, which is to be updated on an annual basis, was passed in November 2022. The volume of investment that would result in expenses being incurred, which totals EUR 19 billion, follows an increase in investment of 5% per year already planned in 2021. The plan contains a depiction of the planned projects, investment amounts and maintenance costs set out for implementation within a six-year period. Driving forward the expansion strategy “Target Network 2025+” for the development of the railway infrastructure was essential for the creation of the plan. On the basis of the “Traffic Forecast 2040”, the “Target Network 2040+” should be completed by the end of 2023. The value creation effect in the period from 2023 to 2026 is around EUR 4 to 5 billion per year. An additional 277,732 jobs by 2028 is also assumed. The measures in the framework plan ensure a cumulative reduction in CO<sub>2</sub> equivalent of 46.53 million tonnes by 2058 (BMK, 2023a).

# 3 Implementation of the country-specific recommendations (CSRs) and the National Recovery and Resilience Plan (NRRP)

## 3.1 CSR 1 – Fiscal Sustainability

*CSR 1 (2022): The Council advises that Austria ensures that the rise in the nationally funded ongoing primary spending in 2023 is consistent with a broadly neutral fiscal policy course taking into account the continued temporary and targeted support for the households and companies particularly affected by the energy price rise and for those fleeing Ukraine; stays ready to adapt the ongoing expenditure to the changing situation; expands public investment in green and digital transitions and energy security taking into account the REPowerEU Initiative, among other things by using the Recovery and Resilience Facility and other EU funds; follows a budgetary policy for the period after 2023 that aims to achieve a cautious budget situation in the medium term; ensures the suitability and financial sustainability of the long-term care system; simplifies and rationalises the financial relationships and responsibilities of the various state levels and aligns the funding and expenditure responsibilities; makes the tax mix more supportive of inclusive and sustainable growth.*

The challenges addressed in CSR 1 2022 intensified in the second half of 2022. Households and companies are facing **extremely high levels of strain** as a result of the significant rise in energy prices and the uncertainties with respect to energy supply security. In accordance with the EU requirements, the budgetary policy aspects of Austria's fiscal policy course are set out in the Austrian Stability Programme 2022-2026 (BMF, 2023). The measures for CSR 1 are listed in the extract from the CeSaR database.



## Support for households and companies that are particularly affected

Against the background of the highest price rises and significant economic downside risks, **temporary packages of measures to combat the rising cost of living** were passed in 2022 to, on the one hand, ensure rapidly effective easing of the strain on as many people as possible while also providing targeted support for the households that are the most affected. A further instrument to cushion the high energy costs was created in the form of the **electricity cost subsidy**. Energy Cost Subsidy 1 for companies was designed with this goal and with the aim of strengthening Austria as a business location. In principle, some of the additional costs of electricity, natural gas and fuels are covered for energy-intensive companies. Due to the persistently high energy prices, the federal government decided to extend Energy Cost Subsidy 1 to the fourth quarter of 2022, thereby further strengthening the competitiveness of domestic businesses. In addition to this, the Austrian federal government decided to reissue Energy Cost Subsidy 1 in 2023 as Energy Cost Subsidy 2 and to introduce a flat-rate energy allowance to help micro and small enterprises deal with the high energy costs (BMAW, 2023b). The guideline for the flat-rate funding model and the Energy Cost Subsidy 2 are currently under discussion. The **structural relief measures** include the elimination of cold progression and the valorisation of social services, which were already agreed in the government programme. The **budgetary effects of the relief measures are shown in the Austrian Stability Programme 2022-2026** (BMF, 2023).

The **cost of living relief package** from July 2022 includes a series of **one-off payments and tax measures** that aim to benefit socially vulnerable groups in particular. This includes, for example, a one-off payment of EUR 300 for people who receive compensatory or supplementary allowance, the unemployed or those who receive social welfare benefits. Each and every adult also received EUR 500, which was made up of a climate bonus and an anti-inflation bonus, and EUR 180 additional family allowance per child as a one-off payment in August 2022. In addition to this, a one-off cost of living tax deduction of EUR 500 was granted to low earners. The increase in the family bonus from EUR 1,500 to EUR 2,000 a year, which was already planned in the government programme, was moved back from 1 July to 1 January 2022 retroactively as a special source of support for families. A total of EUR 5 billion was paid out as targeted and fixed-term support for the households that were most affected (Austrian Parliament, 2023a).

The **second cost of living relief package** includes the reduction in the employer's contribution to the Family Burdens Equalisation Fund and the increase in the tax brackets in agriculture and forestry. Additional relief was granted for commuters and a reduction in the tax

on natural gas and electricity. Additional funds for public transport, renewable energies and the switch to decarbonised modes of transport were also passed.

The **third cost of living relief package** sets out the elimination of cold progression and an annual **valorisation** of a series of social and family benefits that have as yet not **been adjusted for inflation**. This includes family allowance, childcare allowance, child tax credit, education allowance, school start allowance, family time bonus (“paternity month”) and sickness, rehabilitation, reintegration and retraining benefits. The annual inflation adjustment factor to be offset was fixed as the average consumer price increase from August of the previous year to July of the current year (adjustment at 1 January 2023: 5.8%) (Austrian Parliament, 2022b).

The federal government has agreed on a model in which, from 1 January 2023, two thirds of the progression effect will automatically be offset using the tariff benchmarks and a third using discretionary measures particularly in the Income Tax Act (to be passed as a Council of Ministers Resolution no later than 15 September of each year) (Austrian Parliament, 2022b). The necessary basis for the data is developed annually by WIFO and IHS in the progress report. For 2023, both economic research institutes established an inflation rate to be offset of 5.2%. In total, the effect of cold progression in 2023 is EUR 1.851 billion (IHS, WIFO, 2022). By 2026, it is assumed that there will be an increase in GDP growth of 1 percentage point, a rise in the number of people in employment of 36,700 people, an increase in private consumption of 2.5 percentage points and a total of 7.5 million people affected (BMF, 2022). The economic research institute ECO-Austria predicts that the elimination of the progression effect will result in a reduction of unemployment of 20,000 people in 2026 (ECO-Austria, 2022).

## **Support for people displaced from Ukraine – migrants**

Austria traditionally makes a **significant contribution to international refugee protection**. In the years from 2015 to 2022, just under 349,000 asylum applications were submitted in Austria, and more than 166,000 people were granted international protection status in this period.<sup>2</sup>

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<sup>2</sup> [https://www.bmi.gv.at/301/Statistiken/files/Jahresstatistiken/Asylstatistik\\_Jahresstatistik\\_2022.pdf](https://www.bmi.gv.at/301/Statistiken/files/Jahresstatistiken/Asylstatistik_Jahresstatistik_2022.pdf) (page I and IV)

In addition to this, people forced to flee Ukraine have been coming and continue to come to Austria. They are granted **support without bureaucratic obstacles**. In Austria, people displaced from Ukraine get a “blue card” (“ID for displaced persons”), which guarantees them basic care and access to the employment market and opens up self-employment. Access to family allowance and childcare allowance is also ensured for those displaced from Ukraine.

The Austrian Integration Fund provides extensive integration services specifically for those displaced from Ukraine. In spring 2022, the Austrian Integration Fund established a comprehensive advice and information service. In collaboration with other organisations, ServicePoints for those displaced from Ukraine were set up across Austria offering information about life in Austria, learning German and integration into the employment market. The aim of the ServicePoints is to bring together all of the relevant bodies for the first steps in the integration process in Austria in one place.

Across Austria, there are spaces available on German language courses for levels A1 to C1. Online learning courses are also available. Job-specific German courses for the food trade, catering and hotel industries are also being offered in collaboration with the Vienna Economic Chamber.

In January 2023 the **right of residence for those who have been displaced was extended by a year** and will now apply until March 2024. Since the start of the war, **the total number of people who had arrived up to the end of March 2023** was approximately **464,600**, with more than 95,000 people being granted temporary protection in Austria as part of the Austrian Regulation on a Temporary Right of Residence for People Displaced from Ukraine. This puts Austria in the top 10 EU member states who have taken in the most displaced persons from Ukraine.<sup>3</sup>

Austria has also agreed to resettle 2,000 displaced persons from Ukraine from Moldova to Austria. As part of this programme, 575<sup>4</sup> transfers had been carried out up to the end of March 2023. Austria has also offered to transfer up to 100 badly injured people from Ukraine for treatment in Austrian hospitals. Thus far, this programme has resulted in the

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<sup>3</sup> Blueprint report on migratory implications of the Russian invasion of Ukraine and EU Member States and Schengen Associated States' preparedness (page 6, 28 March 2023)

<sup>4</sup> Blueprint report on migratory implications of the Russian invasion of Ukraine and EU Member States and Schengen Associated States' preparedness (page 13, 28 March 2023)

transfer of 36 patients and 29 people accompanying them. The option to claim family allowance and childcare allowance was created for displaced persons from Ukraine with children in 2022.

## **Sustainability of the long-term care system**

The Austrian federal government already committed to take responsibility for the complex need for reform in care in coordination with the relevant federal states and established central measures in the Government Programme.

In Austria, there is a general social consensus that **people who need nursing and care should receive this care properly and in line with their specific needs**. As a result of the demographic change in the population in Austria and the changing clinical pictures, the significance of the care sector continues to increase. At the same time, these developments will lead to major challenges in the coming years. The **“Nursing Staff Demand Forecast for Austria”** from 2019 includes an assumption that an additional around **76,000 nursing staff will be needed by 2030**. Even before the COVID-19 pandemic, nursing staff were working at (and often beyond) their limits and in difficult working conditions. Since the pandemic, the situation has become increasingly strained and the staff shortage has become more acute. The situation for those affected and for caring relatives is also a growing challenge.

The **Care Reform 2022** includes twenty measures to address the challenges in the care sector. The measures aim in particular to counteract the staff shortage and ensure **nursing care provision in the long term**. The reforms therefore address the needs-based care of people with care needs and the acute but also long-term need for staff. The measures to make the caring professions more attractive include, for example, the **Salary Increase Special Purpose Grant Act** (federal supplement for employed persons), an additional **week of leave** and an exemption from working night shifts. In the field of nursing training, among other things **training contributions for nursing training (Nursing Training Special Purpose Grant Act)** and a nursing stipend. For persons with care needs and caring relatives, among other things a hardship supplement for those with serious mental and/or psychological impairments were introduced, the **therapy sessions for relatives** expanded and the crediting of the increased family allowance to the care allowance scrapped. This resulted in significant improvements in the fields of caring professions and nursing training and for those affected and their relatives.

## 3.2 CSR 2 - Implementation of the NRRP

*CSR 2 (2022): the recovery and resilience plan is continued according to the stage goals and targets set out in the Implementation Resolution of the Council of 13 July 2021; the negotiations with the Commission on the programme documents for the cohesion policy for 2021–2027 finish quickly so its implementation can start*

### Operational Arrangement and first request for payment

The NRRP was passed by ECOFIN in July 2021. The NRRP comprises **investments totalling around EUR 4.5 billion, EUR 3.75 billion of which can be accessed from the Recovery and Resilience Facility (RRF)** in the form of subsidies. This final allocation of the subsidies has been fixed since the end of June 2022, the Austrian allocation was corrected upwards by EUR 300 million as the distribution key on which it is based was adapted to the actual economic growth in 2020/2021. Back in September 2021 Austria received **preliminary funding totalling EUR 450 million** (Federal Chancellery, 2021).

In November 2022, the **Operational Arrangement (OA)** with the EC was finalised. The OA is a bilateral agreement between the EC and Austria that contains details about the regulations for the monitoring of the achievement of milestones and targets. It also sets out the preliminary timetable for the requests for payment and the type of documents or data that are needed to certify that the individual milestones have been reached. The conclusion of the OA is a requirement to make the first request for payment (EC, 2022).

Austria made **the first request for payment**, which requires the achievement of the first 44 out of a total of 171 milestones and targets of the Recovery and Resilience Plan, on 22 December 2022. Following a positive assessment of the request for payment by the EC and an opinion from the Economic and Financial Committee, Austria received a **payment of EUR 700 million** in the second quarter of 2023. Five further requests for payment will be made by 2026.

At the end of February 2022, the amended Recovery and Resilience Plan Regulation entered into force, which, among other things, provides an additional chapter in the National Recovery and Resilience Plan (NRRP) as a contribution to the goals of **REPowerEU**, in particular in the fields of energy independence and acceleration of renewable energies. This will help

to strengthen Austria as an economic location and contribute to the creation of high quality jobs and economic value. Austria will receive an additional EUR 210.6 million by submitting additional reforms and investments. The milestones and goals of the REPowerEU-NRRP chapter will be integrated into the regular requests for payment (Official Journal of the EU, 2023).

## Implemented reforms and investments

The reforms and investments in the NRRP cover the CSRs for Austria in the years 2019 and 2020. A total of 42% of the 171 milestones and goals derived from this have already been completed (as of March 2023). Here is an overview of the most important milestones that have been met using the four components of the Austrian Recovery and Resilience Plan:

### Component 1: sustainable recovery

The reforms and investments in green transitions to reduce dependence on imported fossil energy carriers that are harmful to the climate are critical. Lots of important projects have already been launched as part of the NRRP.

In terms of the **Renovation Wave**, more than 31,800 **oil and gas heating systems have been replaced with climate-friendly heating systems** using funds from the Recovery and Resilience Facility, reaching a target that was only scheduled for 2026. The first steps towards **reducing energy poverty** have been taken as a framework for funding to reduce energy costs for low-income households has been passed. The first tenders for thermal rehabilitation of buildings and the installation of climate-friendly heating systems in buildings for low-income persons and those in need of protection have also begun, as well as training sessions for energy consultants to advise low-income and low-energy households.

One measure that has been implemented in the field of **environmentally friendly mobility** is the introduction of the **ClimateTicket** (KlimaTicket). For the first time, it is possible to use all public transport run by the participating transport companies (e.g. bus, tram, underground, train) across Austria for just EUR 3 per day. Since it was introduced in October 2021, a total of 220,000 tickets have been sold (as of January 2023). More than 13% of those living in Austria now have an annual ticket for public transport if you include regional tickets. The **“Emission-free buses and infrastructure” funding programme**, which aims to increase the number of electric buses approved in Austria by 2026, has also already started. As part of

the “e-mobility offensive 2022” support programme for companies, the “**e-commercial vehicles and infrastructure**” NRRP measure has also launched in the field of emission-free commercial vehicles. The aim of the programme is to increase the percentage of emission-free commercial vehicles significantly (BMK, 2023b).

In terms of **biodiversity and a circular economy**, statutory framework conditions have been created through amendments to the Environmental Aid Act and the Waste Management Act 2002. The new Waste Management Act standardises binding reusable quotas and the introduction of a deposit system for disposable bottles and cans to **increase the number of reusable containers in food retailing and increase the collection rate for plastic drinks packaging**. In 2021, the **Biodiversity Fund** started its work. Since 2022, **its legal basis has been in the Environmental Federation Act**. It now carries out annual calls. The funded projects aim to maintain biological diversity, restore ecosystems and contribute to awareness-raising activities and the implementation of biodiversity monitoring (Ministry of Climate Action, Environment, Energy, Mobility, Innovation and Technology, 2023c). The **repair bonus** was also introduced in early 2022. By April 2023, over 550,000 vouchers had been redeemed across Austria, so the target of 400,000 in 2026 was met ahead of schedule. More than 3,000 partner companies are involved in the “repair bonus”, for example repair shops for household devices such as washing machines and refrigerators, sewing machines, mobile phone and computer shops, electronics shops and bike workshops. Each repair voucher covers 50 percent of the repair costs of electrical and electronic devices and is worth up to EUR 200 (BMK, 2023d).

As a contribution to the **transition to climate neutrality**, the **Renewable Expansion Law** was passed in 2021 and provides for a fundamental modernisation of the funding system for green electricity. Through this Act, the plan is for 100% (national balance sheet) of the electricity consumption to be covered by renewable energies by 2030. To drive forward a **transformation of industry to climate neutrality**, regulatory requirements and guidelines for funding have been developed and the first tender has already been completed successfully. The second tender was launched on 28 February 2023 and is open until 28 June 2023. The switch to renewable energies, energy efficiency measures and other measures to reduce greenhouse gas emissions such as energy storage systems or hydrogen storage systems are being funded. The producing economy and energy supply companies are permitted to submit requests.

## Component 2: digital recovery

The Austrian federal government has the goal of implementing the nationwide **expansion of broadband** and high performance gigabit-capable communication infrastructure in all regions, particularly for the digital inclusion of rural regions. Successful broadband expansion is characterised by a large number of actors at a local, regional and national level operating in a coordinated way. The **Platform Internet Infrastructure Austria 2030** (PIA 2030) was created for this purpose. The coordination of all stakeholders will lead to a significant reduction in bureaucracy and a simplification of the procedures involved in the broadband expansion.

In the field of **digitalisation of schools**, the School Lesson Digitalisation Act was passed and **160,000 digital terminal devices have been provided for pupils**. The provision of terminal devices is accompanied by the initiative **“Digital School – 8-Point Plan for Digital Learning”<sup>5</sup>**, which, among other things, includes further training offensives for educators and the expansion of the basic IT Infrastructure in schools. This ensures equality of opportunity in education and in increasingly digital learning (Digital School, 2023).

Regarding the **digitalisation of public administration**, **Digitalisation Funds** have been introduced that aim to accelerate digitalisation in federal administration by funding projects with cross-departmental effects.

Just under 24,000 companies have made digitalisation investments as part of the **digitalisation and greening of companies**. This means the target of 7,000 companies has been exceeded several times over. A total of 10,800 companies made investments in solar energy with the help of NRRP funding. As a result, this milestone was able to be achieved earlier than expected. Green investments in companies are also supporting the acquisition of emission-free vehicles and charging stations and thermal rehabilitation.

## Component 3: knowledge-based recovery

In **research**, the **Quantum Austria Funding Initiative** has been supporting projects in the field of quantum research and quantum technology in the years 2021-2026. The aim is to be one of the EU countries supporting fundamental research in quantum physics, quantum computing and next generation, high performance computing and successfully using this

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<sup>5</sup> <https://digitaleschule.gv.at/>



for innovative products and services, thereby helping Europe to ensure technology sovereignty in this area. The majority of the projects have already started. A further investment in the field of science and research is the Center for Precision Medicine. The construction phase of the **“Eric Kandel Institute – Center for Precision Medicine”** began on 27 January 2023. The Institute will create space for this future research in Austria and offers the researchers the latest infrastructure. To **build up digital research infrastructures for the sustainable development of universities** in the context of digitalisation, a tender was carried out in 2022 to which 21 public universities applied with 69 projects for the expansion, modernisation and/or new acquisition of high quality (digital) research infrastructure. A selection committee then chose 28 projects from a wide range of academic disciplines, such as modern data infrastructure, robotics, artificial intelligence, cognitive neuroscience, digital humanities, cultural heritage, construction, climate research and image processing in medicine.

In the field of **retraining and further education**, a total of 74,740 people benefitted from an education bonus to improve the opportunities on the employment market and basic competencies of those with low levels of qualification in particular. In a preliminary impact analysis, it was possible to confirm that the education bonus tended to extend the planned measure durations and decrease the participation drop-outs (BMAW, 2022a). In the **funding of retraining and further education measures**, the measures aim to continuously improve the competencies and skills of unemployed people. The goal of supporting the retraining and further qualification of 94,000 people, among other things in the fields of environment/sustainability, nursing, social and care professions and electronics/digital technology was able to be achieved early in the first quarter of 2022. The first implementation report was published in March 2022. This comes to the conclusion that the extensive implementation of retraining and further training measures since October 2020 has been very successful (BMAW, 2022b).

In order to achieve **equality of opportunity in education**, a **remedial lessons package** was rolled out that aimed to compensate for delays in learning and loss of education as a result of the COVID-19 crisis in a targeted manner. Children and adolescents benefited from additional support services at schools, including during the holidays, to close the gaps caused by the pandemic. According to the evaluation report, these goals were able to be achieved (BMBWF, 2022a).

**Expanding the education available at primary level** improves access to inclusive, high quality early years care and education. This is funded on the basis of the agreement pursuant to

Article 15a of the Constitution on early childhood education. To do this, Austria uses some of the subsidies from the Recovery and Resilience Facility. This means some of the funding is provided as part of the European Union Agreement – NextGenerationEU. The Agreement pursuant to Article 15a of the Constitution was most recently extended from 2022/23 to 2026/27 for the nursery years.

Austria's involvement in the **Important Projects of Common European Interest (IPCEI)** in the fields of microelectronics and hydrogen is in the form of important investments in the field of **strategic innovation**. Six companies in Austria are taking part in the IPCEI "Hy2Tech" and "Hy2Use". These were approved by the EC in July and September 2022 respectively. Approval from the EC for the IPCEI on microelectronics and communication technologies is expected in the second quarter of 2023. Six Austrian companies have already announced their participation.

#### **Component 4: just recovery**

The project "**increasing the attractiveness of and supporting primary care**" (made up of a reform part and an investment part) in the field of **health** aims to strengthen primary care significantly, thereby enabling lower thresholds to access healthcare services and relieving the strain on hospital capacities. The **Austrian Platform on Primary Care** has been established to ensure a continuous, structured and Austria-wide exchange of experience and knowledge transfer. The investment part of the project is supporting the founding of primary care units (PCUs) and projects in the field of primary care. The **Mother Child Pass scheme**, a medical record book which has thus far been in paper form, will change to the **electronic Parent Child Pass scheme**. This development aims to further improve the health of pregnant women and children in their first years of life. The goal, among other things, is to further improve the ability to reach mothers and the take-up of examinations, particularly for disadvantaged groups. The planned electronic Parent Child Pass will also present an opportunity to assess the examination data for health policy purposes, improving the data on paediatric and adolescent health. The **national roll-out of "Frühe Hilfen"**, an early childhood interventions programme, is also being implemented, and suitable implementation sites have been identified and entrusted with this task. The next step is now a presence in all districts. The goal is to improve and expand the support measures for all pregnant women, breastfeeding mothers, their children and families with challenging life circumstances that have a detrimental effect on their health and social opportunities.

The pilot project **“Community Nursing”** has been launched to create **more resilient municipalities as part of the further development of nursing care**. Community nurses are higher-level healthcare and nursing staff with at least two years of professional experience. In their professional role, they work based on need close to where they live in the community or a surgery and visit people who currently have or may potentially develop nursing or care needs at home. Community nurses are the central point of contact for questions and activities related to nursing and health. Networking and coordination with other nursing and healthcare service providers and consultation and surveying are also part of the role profile. The aim of the overall Community Nursing project is to improve both the health competence of the population and their well-being. The new care concept also aims to ensure that elderly people can remain in their homes for as long as possible. The focus of the pilot projects is on the communal setting, so municipalities, cities, neighbourhoods and regions. Community nursing strengthens both informal and professional nurses and carers with pressure being taken off caring relatives as needed and the nursing profession made more attractive. Since 73% of caring relatives are female and caring is predominantly undertaken by women at a professional level too, women are supported in particular by this measure. As of March 2023, there are 111 projects ongoing. According to the funding requests, these projects cover approximately 170 full-time equivalents and approximately 255 people.

The **green and digital transitions in art and culture** is being supported with two new funding programmes that were launched in October 2022. **“Digital cultural heritage”** supports access to and the presentation and dissemination of cultural heritage using digital technologies. **“Climate-fit cultural businesses”**, meanwhile, enables cultural institutions to make green investments in, for example, renewable energy carriers, heating and lighting optimisation and creating vegetation on roofs and facades.

The field of **resilience through reforms** comprises reforms such as **spending reviews with a focus on green and digital transitions**. The first spending review on the climate and energy policy funding and stimulus landscape by the federal government has already been published. In this context, a nationwide **green budgeting method** has been developed on the basis of the methodological work done by the OECD and the European Commission. The idea is for this to be gradually rolled out to the federal budget. Five further spending review modules are to follow in the coming months and years, among other things on the topics of sustainability in public procurement, the implementation of EU taxonomy and potential synergies with the funding landscape in the federal states. The aim is a more efficient and more effective use of the levers available in the public sector to achieve environmental and climate objectives. The replacement of the early old-age pension without any deductions

with what is known as the “early starter bonus” (FrühstarterInnenbonus) has been in force since 1 January 2022. This **increases the effective pensionable age**, reduces the pension gap, relieves the burden on public finances and makes an effective step towards the reduction of old-age poverty. The Act on the eco-social tax reform was passed in February 2022. The main goal of the **eco-social tax reform**, which entered into force in October 2022, is to reduce CO<sub>2</sub> emissions through CO<sub>2</sub> pricing. The project to develop the **National Financial Education Strategy** for Austria was passed by the Council of Ministers in late September 2021 and presented. The implementation of the strategy has been ongoing since then.

For the milestones and goals up to 2023 see the attached Fenix extract. For more information on cohesion policy, see Chapter 5 “EU funds”.

### 3.3 CSR 3 - Employment market

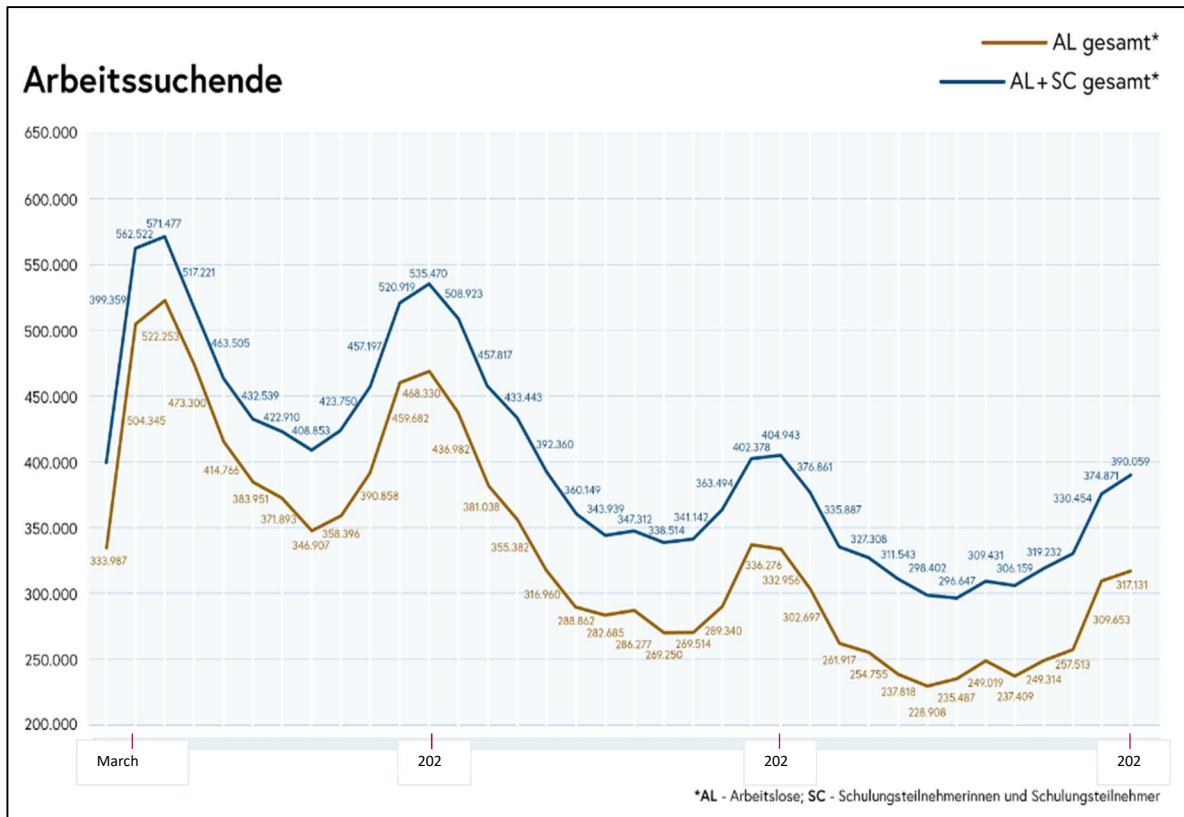
*CSR 3 (2022): supports the employment market participation of women by offering, among other things, more high quality childcare and improves the employment market outcomes of disadvantaged groups.*

The year 2022 brought positive surprises for the employment market in the form of **rising employment and less unemployment**. Unemployment continued to drop in early 2023, albeit at a significantly slowed speed.

Neither the remnants of the pandemic nor the war in Ukraine and the energy crisis were able to break the positive trend. Robust economic growth led to a significant expansion in the demand for employees, a high number of vacancies and falling unemployment. In 2022, the number of people registered as unemployed with the Employment Market Service (AMS) was at its lowest absolute level since 2012 (so for 10 years), at 263,121. This statement is also true if the registered unemployed figure is added to the number of people in employment training at the AMS. The percentage of people registering as unemployed with the AMS in 2022 is also at its lowest level since 2008 at 6.3%, and this is also due to the significant rise in employment. Self-employment is at a record level as an annual average for 2022, at over 3.9 million.

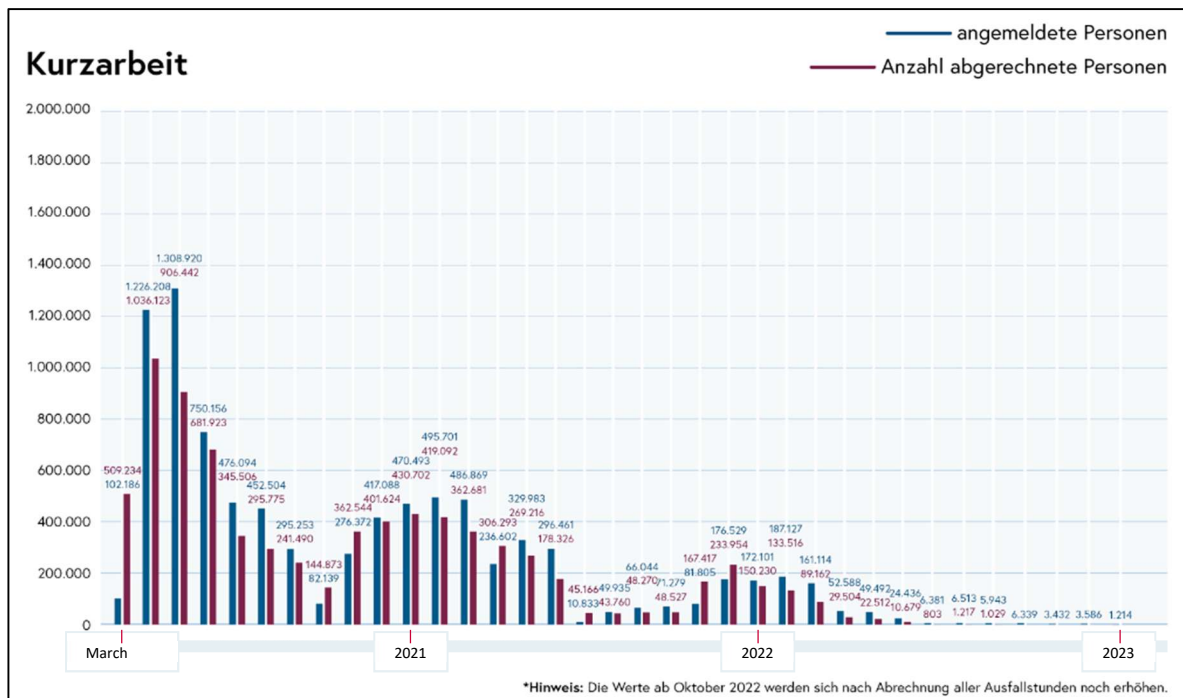
Both of the figures below show the long-term **trends (since March 2020) in unemployment, participation in training and reduced working hours**:

Figure 1: Trend in jobseekers



Source: BMAW (Federal Ministry of Labour and Economy), current employment market and economic figures (continuously updated on <https://www.bmaw.gv.at/Presse/Aktuelles/Aktuelle-Arbeitsmarktzahlen.html>)

Figure 2: Trend in reduced working hours



Source: BMAW, current employment market and economic figures (continuously updated on <https://www.bmaw.gv.at/Presse/Aktuelles/Aktuelle-Arbeitsmarktzahlen.html>)

## Employment market participation of women, balancing of family and career, availability of early childhood education

Women in the world of work continue to face numerous barriers: they earn significantly less and the employment rate for women is lower than that for men. Therefore, as part of the active employment market policy, comprehensive measures have been put in place to counteract these disadvantages. **Women are supported to an above-average extent in the employment market funding budget** relative to the share of women in the unemployed population. This extra support was increased from 2022, and is an important part of actively supporting women, including through managing the budget. This funding meant that in 2022 around 239,000 women were able to be supported with active employment market policy funding, 137,000 of whom received qualifications<sup>6</sup>. The tried and tested Women in Trades and Technology programme (FIT) aims to get more women working in fields where

<sup>6</sup> Data from: 20 January 2023

the percentage of women is low and where there are high income opportunities. In 2022, there were 9,582 women in the programme.

To further enhance the balancing of family and career, the federal government is providing **additional funds for each nursery year** for the nursery years 2022/23 to 2026/27 for the non-contributory compulsory nursery years, the expansion of the early child education and childcare services and for early language development. The measures are jointly financed by the government and the states. The main aim is to further expand the places in childcare (particularly for children under three), extend the opening hours (particularly for children aged between three and six) and make them more flexible, improve the care ratio and increase the intensity of language support.

Since the federal government started to cover some of the cost of childcare in 2008, the **percentage of children under three in childcare has been able to be increased from 14% to 29.1% (or 31.2% if childminders are included)** by 2021, so more than doubled (2021: 0 years: 2.1%, 1 year 26.4%, 2 years: 57.9%). In the age group of three to six, the Barcelona Target of 90% was able to be achieved back in 2009. The group made up of five-year-old children reached a care rate of 97.3% in 2021 (Statistics Austria, 2022).

The **non-contributory, compulsory nursery year for five-year-olds** makes a significant contribution to equality of opportunity and a positive educational career. The compulsory nursery year, which was introduced in the 2010/11 academic year, should therefore be continued.

Since around one third of children have a first language that is not German, **intensive early language support** at this age aims to help children to have the language skills they need to follow lessons by the time they start school. The success of this measure will be monitored over the coming years.

## **Employment market outcomes of disadvantaged groups**

The **Springboard (Sprungbrett) Programme** was launched in July 2021 with the aim of **reducing long-term employment** from its peak in April 2021 (at that time 148,436 people were long-term unemployed) to the pre-crisis level by the end of 2022, so by around 50,000 (the number of long-term unemployed people at the end of 2022 was 82,622, so this goal was achieved and even exceeded). Overall, from July 2021 to December 2022, around

47,250 people took up employment supported by the programme. A total of 64% of those who participated in the programme were supported by means of wage subsidies for returners. Additional funding instruments that were made available as part of the Springboard Programme were combination wage assistance and integration into charitable employment projects and socioeconomic enterprises. The plan is to continue the content of the Springboard Programme under the preliminary working title of “2023 Stability Package” (Stabilitätspaket), including specialist qualification and employment support for those in long-term unemployment, among other things.

To reintegrate **unemployed people over the age of 50** into the employment market, the Employment Market Service (AMS) uses all of the services it provides including its funding instruments, particularly future-oriented qualification and grants. Around a quarter of all funding expenditure was used for this, for integration assistance, employment projects and consultancy projects, among other things. In total, 112,240 people over the age of 50 were supported (not including reduced working hours) in 2022, so 25% of all of the people supported.

The **fit2work Prevention Programme** for people and companies developed jointly with the social partners offers instruments to support and improve the individual health situation on the one hand, and supports companies dealing with (long-term) sick leave and questions about reintegration into the company (with a focus on the part-time working model during reintegration) on the other. As an information hub and a navigation aid for older people and companies with an ageing workforce in particular, the programme provides a useful service in the social security system. Initial strategic measures were taken in the first six months of this year in light of the forthcoming re-tendering of the fit2work Programme for the period from 2025 to 2029.

The **national strategy “Health at Work”** (Gesundheit im Betrieb) has also been accelerated, with companies and employees in occupational health management benefitting from coordinated support services from the fields of employee protection, occupational health promotion and company integration management. A free self-test for companies called the BGM Check was launched in December 2022 on the website [www.gesundheit-im-betrieb.at](http://www.gesundheit-im-betrieb.at).

In Austria, **people displaced from Ukraine get an “ID for displaced persons”**, which guarantees them basic care and access to the employment market and opens up self-employment. All holders of an ID for displaced persons who want to start work can also register



with the AMS. At the end of January 2023, a total of 7,565 people were registered and a further around 12,600 people have been granted work permits with the resident status “displaced person”. The integration of the displaced persons into the employment market is supported, among other things, with information, consultation, development in competencies, language support, qualifications and advice on qualification recognition. Work permits are granted without employment market examination.

**Migrants** that enjoy the free movement of labour in Austria can use all of the services and support offered by the AMS. They are equivalent to clients without a migration background in the entire support process. The employment market policy also helps people with a migration background with specific support services such as language support, post-qualifications or target group-specific consultations. The AMS plays a key role in the placement of migrants in the employment market. In 2022, a total of 324,000 people with a migration background were supported through AMS support measures (including reduced working hours); more than 50% of these (around 167,000) were women. The Austrian Integration Fund (ÖIF) also provides targeted services through its online language portal that help users to gain a professional foothold in specific areas. The "Mentoring for Migrants"<sup>7</sup> Programme created by the Economic Chambers, the ÖIF and the AMS helps qualified people with a migration or refugee background to enter the Austrian employment market, and is considered to be international best practice<sup>8</sup>.

Since April 2022, the **Umweltstiftung**<sup>9</sup> (Environment Foundation) launched by the social partners has been supporting further training in green jobs **for those with low levels of qualification** and/or those who completed an apprenticeship that can no longer be used. Participants are supposed to complete further training courses and apprenticeships initiated, but not completed, at an earlier date within a maximum of 24 months that satisfy the environmental goals agreed in the government programme for 2022-2024.

Professional participation is an element, if not the most central one, of participation in society as a whole for persons with disabilities and for an inclusive society.

A diversified funding instrument of various project and individual grants or a combination of the two has been offered for years to improve the professional participation of persons

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7 Mentoring for Migrants - best practice report from Austria | European Economic and Social Committee (europa.eu)

8 Mentoring for Migrants - WKO.at

9 UMWELTSTIFTUNG - Aufleb

with disabilities, the cornerstone of which is the services provided by the Professional Assistance Network (NEBA). A further focus is prevention as part of the professional integration of persons with disabilities, which aims to maintain their ability to work for as long as possible. As a support structure in day-to-day professional life, these services have played a central role in the equality of persons with disabilities and in the battle against poverty and exclusion.

In order to improve the professional participation of persons with disabilities, in addition to the funds set out by the Disability Equality Act, in each of 2023 and 2024 EUR 30 million will be provided, among other things to cushion the consequences of the COVID-19 pandemic and the current high cost of living situation.

The aim of this is to ensure that the services are provided in a needs-based manner and additional focuses can be set, for example in the field of women with disabilities.

To strengthen the rights of disabled people and implement the UN Convention on the Rights of Persons with Disabilities, the government passed the **National Action Plan on Disability 2022–2030** in the Council of Ministers on 6 July 2022 on the basis of 26 cross-departmental contributions. The plan, which was created with the involvement of civil society, is being implemented by all federal ministries and the nine states, and contains 288 objectives and 375 measures.

## **Measures to deal with a shortage of staff and specialists**

To counteract the shortage of staff and specialists, the federal government has launched a series of measures to integrate different target groups in the employment market through qualifications and placements and to integrate international specialists in the employment market by ensuring simpler and faster access to the employment market through the “Red-White-Red Card”. Additional measures are also being implemented.

Thanks to the **Corona job offensive**, around 204,000 people qualified or took part in AMS employment projects in 2020 and 2021. According to the targets of the Ministry of Labour, among other things, the Corona job offensive **focused on the field of information technology and electronics**. In total (from October 2020 to the end of 2022), around 18,600 people were supported with digitalisation qualifications over the course of this project.

Since the **introduction of the education bonus in October 2020**, a total (up to the end of December 2022) of 74,440 people have benefitted from it<sup>10</sup>. The current data show that, in 2022 alone, 51,986 people received an education bonus (+13.8% compared to 2021). The employment market policy objective of the education bonus is to set effective incentives to participate in longer qualification measures and to help increase the staying power of those participating in the measure by enabling them to earn a better living during their training. These assessments of the funding data also show that this has been successful. The calculated average time that people spent participating in the courses commissioned by the AMS in 2022 was around a quarter higher than in 2019 (approximately 118 days compared to 92 days). This effect is particularly significant in light of the employment market policy challenge of a rising shortage of staff and specialists that needs to be overcome. In this sense, the number of people taking part in “classic” AMS training sessions (apprenticeship training and higher formal types of training) was able to be increased in 2022 by around 11% to 57,170 compared to the pre-corona year of 2019. The **education bonus has been extended for 2023 and, from 2024, the training supplement and education bonus will be re-regulated in three levels**. This extension and increase, annual valorisation and expansion means that trainees enjoy much better social protection and their chances of completing the training successfully rise significantly. The education bonus now contributes significantly to combatting the shortage of staff.

In an effort to motivate those who are unemployed or on leave to change their professional orientation to nursing, the **nursing stipend** was introduced at the start of 2023. Training is available in nursing assistant professions and specialist nursing assistant professions, along with school-level training in healthcare and nursing (admissions will be permitted until December 2023; after this, the training will only be offered at a university level across Austria). The nursing stipend can be granted for a maximum of two different training courses per person, up to a maximum of four years of funding.

With the reform of the “**Red-White-Red Card**”, specific measures are being implemented to standardise the minimum wage for other key workers (50% of the maximum contribution basis set out in the General Social Security Act), to remove the minimum wage for graduates, to facilitate the allocation of points for qualifications (no distinction for training in understaffed professions), professional experience (points for every six months), language certificates (valid for five years) and age (points up to the age of 50 for specialists), and to

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<sup>10</sup> The target of 40,000 education bonuses has therefore been far exceeded

introduce work permits for specialists as part of projects (maximum of six months). Further new developments comprise the inclusion of core employees (in each case, at least seven months of employment as a core seasonal worker in the past two calendar years, A2-level knowledge of German and a permanent contract are requirements for this) in the Red-White-Red Card system, the creation of the “Work in Austria” Austrian Business Agency unit as a service centre for the Red-White-Red Card, the facilitation of a change of employer and the improvement in mobility for holders of the EU Blue Card.

The European Union Technical Support Instrument (TSI) has been requested to counteract the shortage of specialists in the field of **early childhood education**. The two-year project, which was launched in December 2022, aims to work together with the states with the input of other relevant stakeholders on an improvement in the framework conditions in this professional field and, consequently, to increase the quality of early childhood education in Austria. In addition to this, the aim is also to enhance the appeal of this professional group by developing an information and image campaign.

A **teachers’ offensive** in the form of the “Great Job” departmental strategy was launched in summer 2022 to counteract the shortage of teachers and help cover the shortage of teachers in the long term. There were three action areas as part of the offensive. On the one hand, the plan is to give a positive account of the school system and thus create a new image of a teacher that will flow into future developments and reforms. A further goal is to win over as many suitable and motivated young people to the profession as possible, including new target groups such as those changing professions. More than 1,000 interested parties have applied for a job in a new professional field for the coming academic year 2023/24. Both the structure and the content of teacher training will also be developed. Another action area supports the professionalisation of the application and employment process and of data (demand figures) and HR management.

In January 2023, as part of a Council of Ministers Resolution, the Austrian federal government decided to gradually phase out the block on partial retirement and to discuss the following **measures to counteract the staff shortage** (“package of services”):

- Making employment in parallel to collecting a private pension from the state pension age more attractive
- Increasing incentives to remain in work beyond the state pension age
- Measures to increase the effective pension age through positive incentives

- Fixed-term increase in the number and the allowance for tax exemption on overtime bonuses
- Evaluation of other existing tax exemptions on wage and salary bonuses
- Stipend for those entering the field of early childhood education based on the model of the nursing stipend

The measures for CSR 3 are listed in the extract from the CeSaR database.

### 3.4 CSR 4 – Increasing energy independence and accelerating the green transition

*CSR 4 (2022): The Council recommends that Austria decrease its overall dependence on fossil fuels in 2022 and 2023 and diversifies the imports of fossil fuels by accelerating the use of renewable energies and the expansion of the necessary infrastructure, in particular by simplifying planning and other streamlined approval processes to increase energy efficiency, particularly in industry and the construction sector, to diversity the energy supply and to increase the flexibility and the capacities of connection cables for reverse flow.*

The Russian invasion of Ukraine in February 2022 in breach of international law, the war and its effects on energy supply give the energy policy transformation a new level of urgency. In the NRRP, Austria had already committed to **prioritising the green transition**, pledging 46% of NRRP funds to climate protection.

The **acceleration of the green transition is therefore paramount** to the Austrian measures to ensure energy supply and the transition to renewable energy. Energy independence and the promotion of renewable energies are therefore also the focus of the additional chapter in the NRRP as a contribution to the REPowerEU targets. In addition to statutory implementation measures to accelerate the green transition, Austria is striving to initiate holistic, coordinated concepts and processes, particularly in the field of promoting renewable energy at both a national and a state level. Through these efforts, the goal is to take into account the in some cases different areas of competence between the regions and authorities at different levels and to ensure the sustainable national implementation of the REPowerEU targets. The measures for CSR 4 are listed in the extract from the CeSaR database.

## Accelerated expansion of renewable energy

The amendment to the **Environmental Impact Assessment Act 2000** (UVP-G 2000) contains simplifications of approval procedures for energy transition projects and measures to ensure more efficient environmental impact assessments. High public interest in energy transition projects is expected and the suspensive effect of insufficiently substantiated complaints is limited. Effects on the landscape at a location that has already been tested in the form of a strategic environmental assessment should no longer be relevant to the decision and, under certain conditions, wind farms that are subject to environmental impact assessments should be able to be approved without the corresponding spatial energy planning or zoning. A better structuring of the process is also planned through the setting of deadlines and the option to conduct online or hybrid negotiations. Better coordination between project applicants and the authorities on the framework of assessments and the priority/non-priority effects and facilitation of changes to approval in the event of further technological developments or changes that are neutral in terms of emissions are also planned. The government bill was passed in the National Council on 1 March 2023 and entered into force on 23 March 2023.

The aim of the **Renewable Expansion Acceleration Act** (EABG) is also to create a “fast track” and a “one-stop shop” for approval processes, including for those projects that are below the limit of the requirement to carry out an environmental impact assessment. The key points were passed in the Council of Ministers in January 2023 (Federal Chancellery, 2023).

The Renewable Gas Act (EGG) also aims to fix the expansion of biogas production by 2030. The plan is for a total of at least 7.5 terawatt-hours of green gas to be fed into the gas network annually in Austria by this point. This gas can replace direct fossil fuel natural gas, which has to be imported from countries such as Russia. This is how renewable gases make an important contribution to the independence of our energy system.

In addition to this, the Renewable Heat Act (EWG) aims to decarbonise room heating and, by 2040, all fossil heating systems should have been replaced by climate-friendly heating systems. The act bans the use of fossil fuel natural gas heating in new builds, provides for a gradual phasing out of oil heating by 2035 and the introduction of a renewable requirement in existing buildings. There has been a ban on installing coal and oil heating systems in new builds since 2020. As a result, the EWG is making a key contribution to the achievement of climate neutrality by 2040. The Renewable Heat Act was passed on 2

November 2022 in the Council of Ministers and is currently being considered by Parliament. A resolution has yet to be passed by the legislator.

The federal government is providing a total of EUR 1 billion for 2023 and 2024 as part of a new local community investment programme for 2023 (2023 Local Communities Investments Act). Of this, at least half (EUR 500 million) is earmarked for energy efficiency measures and for switching to renewable energy carriers or expanding and decarbonising district heating and cooling systems.

## **Reliability and independence of energy supply and national strategic reserves**

With the amendment to the **Natural Gas Act (GWG)**, all storage facilities in Austria are obliged to connect to the Austrian pipeline network, including those in Haidach that were previously only physically connected to the German gas network. Unused storage capacity must also be offered directly by the storage user or returned. If storage capacity systematically remains unused, it must be removed by the storage company following prior written notification (“use it or lose it” principle). On the basis of this act, the capacity in the Haidach storage facility has been disconnected from Gazprom and, from 1 August 2022, filling has been transferred to RAG Austria AG as the technical operator (Austrian Parliament, 2023c).

On the basis of the **Energy Steering Act**, in emergency situations, the state can access gas stored in Austria and distribute it based on urgency. However, in order not to prevent the industrial bulk purchasers and consumers from storing reserves, the amendment to the Energy Steering Act excludes stored gas that makes up 50% of the annual consumption from any steering measures. The measure is fixed for three years and is set to expire on 31 May 2025. A further amendment to the National Gas Act enables the creation of a **national strategic gas reserve** of 20 TWh for winter 2022/23 (Austrian Parliament, 2022c).

The **Gas Diversification Act** provides funds for natural gas diversification and for the conversion of plants to alternative operations using other energy carriers in the years 2022 to 2025. The conversion of energy generation systems in industry and the energy sector is also to be funded (Austrian Parliament, 2022d).

The goal of the **Electricity Consumption Reduction Act** is to reduce electricity consumption during “peak times” by an average of **at least 5%**. This should minimise the consumption of

fossil fuels and reduce the risk of supply bottlenecks. The savings should primarily be achieved through voluntary measures: on the one hand, targeted calls for the general population to save energy and, on the other hand, energy saving and energy efficiency measures. If this is insufficient, weekly market-based tenders for electricity consumption reduction in companies will be employed as an additional measure. Approval under state aid laws was granted by the EC on 19 January 2023 (Austrian Parliament, 2022e).

## Energy efficiency and transformation of industry

Energy saving measures are essential for Austria to meet current European and national climate and energy policy targets by 2030. **The Energy Efficiency Reform Act 2023 (EEff-RefG 2023)**, for the period from 2021 to 2030, aims not to exceed a final energy consumption based on a standard year of 920 petajoules for the calendar year 2030, and to achieve the annual cumulative final energy savings of a minimum of 650 petajoules by 31 December 2030. The objective of helping households and companies to set energy efficiency measures is to reduce energy costs for households and companies and to lessen energy poverty (Austrian Parliament, 2022f; oesterreich.gv.at, 2023).

To make the switch to sustainable production processes in Austria's industry possible, in addition to the measures that have already been passed, a **funding package for sustainable and independent industry** is being introduced with the climate and transformation offensive. The climate and transformation offensive aims to help Austrian industrial companies to make their production processes sustainable and climate-friendly and become more energy efficient. On the one hand, this strengthens value creation in Austria and safeguards it as a business and employment market hub, and on the other hand, it leads to more independence from fossil energy imports from Russia. Funding totalling **EUR 5.7 billion will be provided** by 2030, EUR 2.975 billion of which is for a new transformation vehicle for industry. The new transformation vehicle for climate-friendly industry focuses on switching from industrial processes and building up the corresponding factory infrastructure. The climate and transformation offensive also supports energy savings, climate protection and energy efficiency measures in companies and the expansion of semiconductor production as a key technology (BMK, 2022c; BKA, 2022a). As part of the 2023-2026 transformation offensive, around EUR 600 million is available for research and technology development, location and investment promotion and qualification measures. This will improve Austria as a business, research and production hub and strengthen the domestic employment market (BMAW, 2022c).





# 4 UN Sustainable Development Goals (SDGs)

To **implement the 17 Sustainable Development Goals (SDGs)**, in the past few years in Austria, the general government coordination of the 2030 Agenda has been redrafted, with a mainstreaming approach and interwoven strategic collaboration with all stakeholders remaining the focus of the work. The NRRP 2020-2026 creates a connection to the SDGs in the measures as part of its central storylines.

The **clear commitment by Austria to the global sustainability goals** is affirmed in the government programme for 2020-2024. It contains multiple references to the significance of the 2030 Agenda and its principles and to Austria's first Voluntary National Review on the Implementation of the Sustainable Development Goals (VNR), which was presented as part of the High-Level Political Forum (HLPF) on Sustainable Development at the United Nations on 15 July 2020. The review received both national and international praise and generated a dynamic about the further implementation. On 12 October 2022, the federal government passed a resolution stating that Austria would present its second Voluntary National Review (VNR) to the HLPF in July 2024. The VNR will in turn be developed as part of a participative and transparent stakeholder process.

Specific trend statements on the implementation of the SDGs in Austria enables an updated SDG indicator set, which is constantly being developed by the federal institute Statistics Austria and was most recently updated in early 2023. It shows that **Austria is making great strides with many of the targets**. Examples include:

- Austria is the leader in the EU in terms of the percentage of land that is growing organic crops
- Austria is well above the EU average for lifelong learning
- Premature death caused by non-communicable diseases has been able to be reduced significantly since 2010
- The majority of Austria's bodies of water are in a good to very good condition
- The percentage of forest cover in Austria is rising

The developments shown are also confirmed by international rankings: in the Sustainable Development Report by the Bertelsmann Stiftung and the Sustainable Development Solutions Network (SDSN), Austria has consistently been in the leading group internationally for several years. According to the European SDG Index (Europe Sustainable Development Report), Austria is currently in fourth place (as it has been in previous years) out of a total of 34 countries.

As part of the implementation at a national level, Austria is currently focusing on further strengthening the targeted coordination of SDG implementation with the systematic inclusion of stakeholders, particularly in civil society, science and the private sector. The “Implementation of the 2030 Agenda for Sustainable Development” inter-ministerial working group (IMAG 2030) has been strengthened as a mechanism for exchange with the inclusion of representatives of the federal states and other stakeholders, and a steering group to coordinate the activities has been set up. An “SDG Dialogue Forum” organised jointly by the federal administration and civil society took place in both September 2021 and early October 2022 with significant political presence. A third dialogue forum is planned for autumn 2023.

Austria will publish a **“Review on the Implementation of the 2030 Agenda in and by Austria 2020-2022”** in the first six months of 2023. This review will serve as an overview of the progress that Austria has made since it presented its first VNR in 2020. The review picks up on key recommendation from the latest audit report issued by the Austrian Court of Audit (“United Nations Sustainable Development Goals, Implementation of the 2030 Agenda in Austria; Follow-up Review”, Vienna, February 2022) in terms of the submission of regular progress reports and a systematic gap analysis. It aims to inform all of the institutions and stakeholders (politics, administration, economy, civil society, and science and industry) involved in the implementation of the 2030 Agenda in a transparent manner about the ongoing measures and the status of goal attainment.

### **Selected examples of implementation of the SDGs**

New funding has been provided as part of the “WOHNSCHIRM” programme to support the people who fell into arrears on their rent as a result of the effects of the COVID-19 pandemic or the rising cost of living and, as a result, are at risk of eviction or are no longer able to cover their energy costs. Additional direct help has been provided through the granting of further child benefits and in the form of energy cost subsidies for households receiving wel-

fare payments or minimum income. Furthermore, as a result of the persistently rising inflation, the Standard of Living and Residential Cost Adjustment Act was passed in June 2022 which, in addition to reinforcing and extending the “WOHNSCHIRM” programme, also provides for support services for households with acute needs in the form of one-off payments to welfare payment and minimum income recipients. This makes an additional contribution to **SDG 1** (no poverty) (BMSGPK, 2023).

In the field of education, the **expansion of early childhood education** in the sense of an improvement in the educational opportunities afforded to children regardless of their socio-economic background, the strengthening of early childhood education facilities and the improvement in finding a balance between family and career, but also in terms of the **8-Point Plan for Digital Learning** in Austrian schools and making “Basic Digital Education” a compulsory subject from the 2022/23 academic year with at least one hour of study a week in years 5 to 8 are making significant contributions to the implementation of **SDG 4** (quality education). To also meet the requirements for modern job descriptions and take into account the leaving no-one behind approach, the educational regulations are being modernised in a competence-based and practice-oriented manner as part of the support for apprenticeship posts (BMBWF, 2022b). Additional future competencies in the fields of digitalisation, climate protection, sustainability, energy and resource management, and business foreign languages are being supported effectively as part of the so-called “Digi-Scheck” initiative. Another contribution to leaving no-one behind in universities is the “GESTU” (Successful Deaf Studies) project, in which obstacles to access to study are removed for students who are deaf or hard of hearing, and they are offered support to help them study successfully. After Vienna, a second service point has been established in Graz as the project resonated so well. Another example of the efforts to implement SDG 4 is the Umweltstiftung (Environment Foundation), with the help of which targeted training measures are being used to contribute to covering the need for specialists in the environmental sector, thereby making better use of the employment potential (BMK, 2023e).

As a contribution to **SDG 5** (gender equality), the expansion of the violence protection centres and the intervention sites for those affected by the trafficking of women **strengthen violence prevention and the protection of women and girls considerably** and adapt to the current requirements. A gap in the area of cyberviolence has been able to be closed by taking this into account to a greater extent.

Work is currently being done to set up outpatient clinics for those affected by violence. In procedures relating in particular to violence against women and violence in the social environment, an objective assessment of the injuries that is as early and precise as possible is a core element of proof. The medical documentation created by doctors providing care and medical facilities naturally focuses on the treatment of the victims of violence and can only take into account forensic aspects to a limited extent. A study aimed at recording the status quo in the field of legal medicine and creating a concept for setting up outpatient clinics for those affected by violence was commissioned in summer 2022.

The “**LEA – Let’s empower Austria**” Austrian Fund for the Support of Women and Girls was set up in March 2022. It implements a wide range of initiatives and helps to counteract gender stereotypes and promote the economic independence of women. The “2022 call for funding to submit project proposals to support women and girls in the digital world and diversity their training and choice of profession with a focus on STEM” was able to support a total of 17 projects, the aim of which, among other things, was to reduce gender-specific inequalities on the employment market and thus increase the involvement of women in STEM professions. The **Toolbox** for the creation, analysis and use of meaningful income reports was published in a revised and updated form in order to further assist companies and social partners in developing and implementing measures to break down internal, gender-specific income differences and create the income reports that they are required to produce by law. The “**Girls in Politics**” **pilot project**, which was launched in 2022 together with the association of municipalities and the Federal Chancellery/Division for Women and Equity, makes a further contribution to SDG 5 in terms of strengthening the political representation of women (BKA, 2022b; BKA, 2022c; BKA 2022d).

Further measures that contribute to the achievement of SDG 5 (gender equality): the Austria-wide “Boys’ Day” now helps over 7,000 young males to question outdated gender roles and engage with the idea of a more nurturing form of masculinity. The funding of projects involving gender-sensitive work with young men has enabled violence prevention workshops to be carried out across Austria, allowing harmful stereotypes to be counteracted and young boys sensitised to the topic of violence against girls and women. The Austria-wide expansion of men’s counselling services and the funding of the Männerinfo crisis telephone line also aim to prevent violence. The “Mann spricht’s an” (“Men talk about it”) media campaign focuses on a low-level sensitisation to the topic of male violence among the general public. The wide roll-out of the “StoP – Neighborhoods without partner violence” project is

another measure that aims to increase moral courage. The “PERSPEKTIVE:ARBEIT” (Perspective Work) project helps women affected by violence to (re)integrate into the employment market.

To support **SDG 8** (decent work and economic growth), the “**Plan-T – Master Plan for Tourism**” is continuing to be implemented. It sets out the framework conditions for the future-oriented further development of tourism in Austria and, among other things, focuses on digitalisation and sustainability as well as awareness-raising. The Action Plan for 2023–2024 was presented in January 2023 (BMAW, 2023a).

In terms of **SDG 9** (industry, innovation and infrastructure), important steps have also been taken as part of NRRP to decarbonise industry on the path to achieving climate neutrality by 2040 (e.g. rehabilitation offensive, measures to support the transformation of the economy, measures to combat energy poverty, and investments and reforms for the gradual decarbonisation of public transport). In addition to measures for digitalisation, the field of “research, technology and innovation” is an important pillar of the science-based expansion of the economy. A Digital Action Plan and an Austrian research, technology and innovation strategy focusing on 2030 have therefore been developed and are currently being implemented.

The **Circular Economy Strategy passed** on 7 December 2022 contributes in particular to **SDG 12**. The vision of this strategy is the transformation of the Austrian economy and society into a climate-neutral, sustainable circular economy by 2050. An important goal of the strategy is to close resource flows within manufacturing, distribution and consumption processes, thereby reducing the consumption of raw materials and materials and the generation of waste and environmental harm considerably (BMK, 2022e).

As part of the **eco-social tax reform**, national CO<sub>2</sub> pricing was introduced in 2022 along with a regional climate bonus to cushion this. The replacement of oil and gas heating, partially financed with funds from the Recovery and Resilience Facility, will help households to switch to climate-friendly heating by 2026, thus making a significant contribution to the implementation of **SDG 13** (climate action) and **SDG 7** (affordable and clean energy) (BMK, 2022d).

Finally, **SDG 16** (peace, justice and strong institutions) in the NRRP is strengthened by component 4 for just recovery. The further development of the healthcare system and nursing

care will increase social cohesion and promote opportunities for women on the employment market. Ongoing measures are also being implemented for displaced persons from Ukraine as part of SDG 16. Using the “**Blue Card**”, displaced persons from Ukraine can access basic care and the employment market and can make use of the opportunity to engage in self-employment. The “Office Ukraine – Shelter for Ukrainian Artists” has also been available since the beginning of March 2022 to support Ukrainians in need from a cultural background both online and in person as an exchange and coordination centre.

## 5 EU funds

The following chapter focuses on the EU funds used in Austria, with a particular emphasis on the complementary effect and the differentiation of these instruments during implementation. The main focuses will be on partnership agreement funds.

According to Article 10 of the “Common Provisions Regulation” (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021, each member state must write a **Partnership Agreement (PA)** as a strategic and summary document for the period 2021-2027. The content of the PA is regulated in detail in Article 11 of this “Common Provisions Regulation”. The main objective of this document is, in any case, to provide an overview of the “shared management” EU funds programme between the programme authorities and the EC covered by this.

The Partnership Agreement for Austria for 2021-2027 (PA AT) essentially comprises the programmes co-financed by the ERDF (European Regional Development Fund), the ESF+ (European Social Fund Plus), the EMFAF (European Maritime, Fisheries and Aquaculture Fund) and the JTF (Just Transition Fund). **The PA sets out the strategic direction for the programmes to ensure an effective and efficient use of EU funds.** The PA also includes information about funding and the coordination, differentiation and complementarities of the funds and programmes. It also describes the coordination with other Union instruments such as the EAFRD, the RRF and Home Funds and Horizon Europe programmes.

**The PA AT was the fourth PA across the EU to be approved by the EC on 2 May 2022.**

The table below provides an overview of the relevant **four Austrian EU funds programmes** that are at the core of the PA AT, the headquarters of the respective administrative authority and the respective date on which the programme was approved by the EC:



Table 1: Overview of the four Austrian EU funds programmes that are at the core of the PA AT

Four programmes (two of which are multiple sources of funding programmes)	EU funds	Administrative authority	Date of approval by the EC
IBW/ERDF & JTF 2021-2027: Investments in employment, growth and the transition to a low-CO <sub>2</sub> economy in Austria	ERDF & JTF	Austrian Conference on Spatial Planning Office	3 August 2022
ESF+ programme for employment in Austria & JTF 2021-2027	ESF+ & JTF	Federal Ministry of Labour and Economy (BMAW)	7 November 2022
ESF+ programme to combat material deprivation 2021-2027	ESF+	Federal Ministry of Social Affairs, Health, Care and Consumer Protection (BMSGPK)	2 August 2022
EMFAF programme in Austria 2021- 2027	EMFAF	Federal Ministry of Agriculture, Regions and Tourism (BML)	20 July 2022

Source: Information from the bodies responsible for the funds

A total of **approximately EUR 1.07 billion of EU funds is available for these four programmes for the period from 2021-2027**. The programmes will be co-financed with national public funds (from the federal government and the federal states) up to a planned total of around EUR 899 million and, where appropriate, with private national funds totalling around EUR 921 million.

Table 2: EU funds 2021-2027 for the funds included in the PA AT finance tables (figures in euros at current prices)

EU funds	EU funds 2021-2027
ERDF	521,395,768
ESF+	409,668,103
EMFAF	6,718,094
JTF	135,769,268
<b>Total</b>	<b>1,073,551,233</b>

Source: Information from the bodies responsible for the funds

The content of the programmes is generally consistent with the following four (out of a total of five) cohesion policy **objectives**:

- A smarter Europe – to promote competitiveness, digital transformation, entrepreneurship and innovation
- A greener, CO<sub>2</sub>-free Europe
- A more social Europe – implementation of the principles of the European pillars of social rights
- A more people-oriented Europe – sustainable and integrated development.

The JTF supports the specific goal of “putting regions and people in a position to have a social, economic and ecological impact on the transition to a climate-neutral economy”.

Part of the PA AT addresses the complementarities and synergies with so-called “Home Funds”<sup>11</sup>, the EAFRD (European Agricultural Fund for Rural Development) and other Union instruments such as the NRRP or the Horizon Europe research programme.

In general, **both the federal government and the states are responsible** for coordinating the EU cohesion and fisheries policies and the relevant national, sectoral and regional policies based on the Constitution in Austria, and coordination activities with the relevant bodies are ongoing. The main goal of these is to ensure that the support activities complement one another. Austria is concentrating the fund interventions on the respective target group-oriented and spatial areas of focus, meaning that there is only overlap in a few areas from the outset.

The **Austrian Rural Development Programme 2014-2020 (LE 14-20)**, which was extended for two years, and the national CAP Strategic Plan for Austria 2023 – 2027 (CSP 23-27) are being co-financed by the European Agricultural Fund for Rural Development (EAFRD). The **Austrian CAP Strategic Plan 2023-2027** covers the essential features of the Common Agricultural Policy in Austria, including rural development, and was approved by the EC on 13 September 2022. The interventions in rural development make an essential contribution to the vitality of rural areas and cover both agricultural and, to a lesser extent, non-agricultural areas. The CLLD approach (LEADER) supports cross-sectoral strategies at a local level. The

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<sup>11</sup> This includes the Asylum, Migration and Integration Fund (AMIF), the Border Management and Visa Instrument (BMVI) and the Internal Security Fund (ISF)

differentiation of the potential areas of overlap between the EU funds and synergies are set out in the PA AT and other documents.

There are **complementarities and potential overlaps** on the topics of the **digitalisation and greening** of companies between the NRRP 2020-2026 and the IBW/ERDF & JTF programme. Any differentiation at a project level is carried out by the funding bodies involved. The low-threshold approach to digitalisation funding for SMEs provided for in the NRRP can be seen as preparation for ERDF projects. The “transformation for climate neutrality” NRRP measure supports major transformation projects by companies (including large companies and ETS companies) as part of environmental support. The JTF focuses on green innovations and diversification and helps companies with investments that are embedded in longer-term transition strategies to cushion the negative consequences of the transformation in a proactive way. The “retraining and further education” NRRP measure focuses on increasing the employment market opportunities for unemployed people, particularly in promising areas such as IT, nursing and the environment. The complementarity of content with the ESF+ has been ensured through coordination on the creation of the programmes within BMAW. ESF+ measures in similar areas address a broader target group and are more open in terms of topics. There are also complementarities with the EAFRD in relation to the measures for the greening and digitalisation of companies and on the use of renewable energy carriers planned for the rural area. Here, too, there is a differentiation from the NRRP (and thus also from the ERDF), therefore ensuring the prevention of double funding at the level of the funding bodies involved.

A continuous, general content and strategy exchange about the EU funds that are used as part of the shared fund management and the links with other relevant instruments is covered, among other things, as part of the **Austrian Conference on Spatial Planning** by the technically competent ACSP subcommittee on the regional economy.

In terms of the recommendations addressed to Austria as part of the European Semester for 2022, contributions, particularly in the form of the following planned measures, can be expected from the EU funds as part of the PA AT, based on the programme and donations: under the ESF+ in relation to the funding for balanced employment market participation between men and women (including innovative childcare services) and the improvement in professional participation; under the ERDF in terms of the increase in energy efficiency and the reduction in greenhouse gases.

In terms of the EU funds, reference should also be made to the **EU innovation funds**, where projects and companies in Austria are supported during the submission process with the aim of decarbonisation. The measure on transformation to climate neutrality as part of the NRRP aims to draw resources from the fund to Austria through national co-financing.

Last but not least, we also have the **Technical Support Instrument (TSI)**, which helps the member states to develop and implement structural reforms and to implement the NRRPs. In Austria, it is primarily being used to support the digital transition and to boost competitiveness and economical and social resilience.

## 6 Institutional aspects

The **NRP 2022** was passed by the Council of Ministers on 27 April 2022 and sent to the Austrian Parliament for a discussion on the rules of procedure. The budget committee started discussions on the NRP during a public session held on 8 June 2022 and noted it with a majority of the votes.

The states and municipalities contribute to the implementation of the CSRs in their respective areas of competence. In early childhood education and healthcare, collaboration between regional authorities is regulated by special agreements (Article 15a of the Constitution enables agreements between the federal government and provinces on matters in the respective field of action). In early childhood education, there is also collaboration as part of the Advisory Council on Early Childhood Education, in which core needs and solutions are regularly discussed. A core aspect of the health policy is, among other things, increasing the **sustainability of the healthcare system** consistently through target control. In line with this control model, nursing reform is also being gradually implemented. By expanding **high quality early childhood education**, the federal states and municipalities are aiming to improve the employment market participation of women and overcome educational disadvantages. With regard to the interests of the states, numerous measures are implemented in the NRRP, in particular related to supporting investments and education and thus in particular to improve social and territorial cohesion.

The **social partners, states and non-governmental organisations were invited to provide an opinion** while the NRP was being drafted. The contribution of the Austrian social partners is reflected in various initiatives at the national and federal state level. Employment market-related measures supported by the social partners are part of the NRRP. Communication of the opportunities and impacts connected to the NRRP should help to increase the visibility of EU funds in Austria and improve trust in the EU's actions among citizens.

A key element of the communication strategy is the website designed by the Federal Chancellery **[www.eu-aufbauplan.at](http://www.eu-aufbauplan.at)**, which is the official **single web space** for the NRRP. The website has been expanded and updated on an ongoing basis since it was launched on 24

September 2021. It features the tagline “Wir bauen auf Europa” (“We are building on Europe”). The website menu item “Aktuelles” (“Latest news”)<sup>12</sup> constantly provides information for an interested (media) audience about relevant activities related to the NRRP and also references the communication measures implemented by the federal ministries, such as specific project websites or tenders. The menu item “Projekte” (“Projects”)<sup>13</sup> presents reforms and investments that are part of the NRRP that are particularly effective with the public (“lighthouse projects”). In terms of topics, the focus is on the four components of the NRRP that have a wide range of beneficiaries (private households, companies, rural regions), for example in the form of testimonial videos.

Further communication measures are being coordinated and implemented by the federal ministries, the contact and implementation bodies, and other regional authorities and organisations/institutions and/or the EC (representation in Austria) (according to Article 34 of Regulation (EU) 2021/241). For example, this relates to communication via social media channels or the (joint) creation of communication material (videos, brochures). Media meetings and initiatives are also taking place at specific events, for example press conferences, press foyers after the Council of Ministers and on-site visits to projects that are part of the NRRP. Examples of this are the press releases issued for the **submission of the first request for payment and the preliminary positive assessment by the Commission** (22 December 2022<sup>14</sup> and 10 March 2023<sup>15</sup>), which were able to generate the appropriate resonance in the media reporting.

As agreed in the OA, the EC and the Republic of Austria organise an **annual event once a year**. As a key communication moment of the NRRP, this jointly designed event aims to discuss the current status of the implementation of the NRRP across different institutions and departments together with various stakeholders (in particular representatives of the social partnership and civil society) and beneficiaries. **This year’s annual event took place<sup>16</sup> on 23/24 March 2023** and was broken down into two parts: a symposium that took place in the House of the European Union in Vienna on 23 March 2023 highlighted the **progress that had been made as a result of the NRRP**. After a welcome talk from Federal Minister

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<sup>12</sup> <https://www.bundeskanzleramt.gv.at/eu-aufbauplan/aktuelles.html>

<sup>13</sup> <https://www.bundeskanzleramt.gv.at/eu-aufbauplan/projekte.html>

<sup>14</sup> <https://www.bundeskanzleramt.gv.at/eu-aufbauplan/aktuelles/eu-aufbauplan-kommission-genehmigt-ersten-zahlungsantrag-oesterreichs.html>

<sup>15</sup> <https://www.bundeskanzleramt.gv.at/eu-aufbauplan/aktuelles/eu-wiederaufbauplan-oesterreich-stellt-ersten-zahlungsantrag-in-hoehe-von-700-millionen-euro.html>

<sup>16</sup> <https://www.bundeskanzleramt.gv.at/annual-event>

Karoline Edtstadler, a keynote speech by Federal Minister Magnus Brunner and a video message from Commissioner Paolo Gentiloni, two panel discussions focused on the two main areas of the NRRP – sustainability and digitalisation. To highlight specific projects that are part of the NRRP (and thus the added value of the EU using practical examples at a local and regional level), on 24 March 2023 Commissioner Johannes Hahn, Federal Minister Karoline Edtstadler, Federal Minister Leonore Gewessler, Governor Christopher Drexler and representatives from the media visited two projects in Styria that are receiving NRRP funding: the Austrian Railways Koralm railway route/construction site near the airport in Feldkirchen bei Graz and the “repair bonus” company Hirschmann Service GmbH electronic devices in Graz.

All recipients of Union funding are required to disclose the origin of these funds through coherent, effective and relatively targeted information (according to Article 34 of (EU) 2021/241). For NRRP projects, the publicity requirements include the use of the relevant logo and the wording “Funded by the European Union – NextGenerationEU” on communication materials such as project websites, information folders and the like.

The Austrian federal government strives to ensure the **full involvement of all relevant stakeholders in the European Semester process**, and is in regular exchange with representatives of the regional authorities, social partners and civil society to this end.

Civil society is also involved in the area of responsibility of the respective department. In accordance with the Austrian standards for public participation, efforts are made to start the **involvement process as early as possible** so that the existing scope in terms of design can be used accordingly. Progressive digitalisation is opening up significant opportunities to promote objective-specific and target group-specific involvement. As a corresponding guide to promoting public participation and open government, a green book has been created that forms the basis for the participatory creation of a practical guide (BMKOES, 2020). A practical guide is currently being drafted that implements the contextual incorporation of participation processes along the policy cycle set out in the green book in a user-friendly handbook. The practical guide is intended to help managers and employees in administration to implement participation projects using methodological access, guiding principles and decision trees. The idea is to create the framework conditions to integrate participative processes in a structural manner through the various phases of policy design.

Collaboration between public administration and experts from various fields is essential to solve the major social challenges of our time. Accordingly, innovative administration is also

needed and plays a key role in the implementation of the NRRP. The topic of **public sector innovation** is promoted by numerous initiatives and projects within public administration at all levels. These include GovLabAustria as a network hub in the national and international context, the intersectoral conference “Innovate”, which takes place annually, and the Austrian Administration Prize, which is awarded every two years. The quality management instrument the Common Assessment Framework (CAF) and the accompanying guidelines help administrative organisations to address many of the topics discussed in the country report (ecological sustainability, inclusion, digitalisation, etc.) in an efficient and effective manner. The “Digital Administration and Ethics” development project develops framework information that comments on and provides support for the design task of the public service in the digital transformation that is occurring.

The **Austrian School of Government** project was created to continue to ensure the stability and professionalism of public administration at the highest level in the future too. Its aim is to form the foundations for ensuring professional, active and transparent administration. The focus of the exploration of organisational opportunities, the existing need and the collaborations that should be sought is on tertiary education, with the options of the newly created university education (BA Professional and BA Continuing Education) being used in particular.



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## Abbreviations

AMIF	Asylum, Migration and Integration Fund
AMS	Arbeitsmarktservice (employment market service)
BKA	Bundeskanzleramt (Federal Chancellery)
BMAW	Bundesministerium für Arbeit und Wirtschaft (Federal Ministry of Labour and Economy)
BMBWF	Bundesministerium für Bildung, Wissenschaft und Forschung (Federal Ministry of Education, Science and Research)
BMF	Bundesministerium für Finanzen (Federal Ministry of Finance)
BMK	Bundesministerium für Klimaschutz, Umwelt, Energie, Mobilität, Innovation und Technologie (Federal Ministry of Climate Action, Environment, Energy, Mobility, Innovation and Technology)
BMKOE	Bundesministerium für Kunst, Kultur, öffentlichen Dienst und Sport (Federal Ministry of Arts, Culture, the Civil Service and Sport)
BML	Bundesministerium für Land- und Forstwirtschaft, Regionen und Wasserwirtschaft (Federal Ministry of Agriculture, Regions and Tourism)
BMSGKP	Bundesministerium für Soziales, Gesundheit, Pflege und Konsumentenschutz (Federal Ministry of Social Affairs, Health, Care and Consumer Protection)
BMVI	Border Management and Visa Instrument
CAF	Common Assessment Framework
CAP	Common Agricultural Policy
CeSar	Country-Specific-Recommendations Database
CLLD	Community-Led Local Development
CO <sub>2</sub>	Carbon dioxide
CSR	Country-Specific Recommendations
e.g.	exempli gratia (for example)
EABG	Erneuerbaren-Ausbau-Beschleunigungsgesetz (Renewable Expansion Acceleration Act)
EAFRD	European Agricultural Fund for Rural Development
EC	European Commission
EEff-RefG	Energieeffizienz-Reformgesetz (Energy Efficiency Reform Act)
EMFAF	European Maritime, Fisheries and Aquaculture Fund

ERDF	European Regional Development Fund
ESF+	European Social Fund Plus
etc.	et cetera
EU	European Union
FIT	Frauen in Handwerk und Technik (Women in Trades and Technology)
FTI	Forschung, Technologie und Innovation (Research, Technology and Innovation)
GDP	Gross Domestic Product
GWG	Gaswirtschaftsgesetz (Gas Sector Act)
HLPF	High Level Political Forum
IPCEI	Important Projects of Common European Interest
JTF	Just Transition Fund
MRV	Ministerratsvortrag (bill of law submitted to the Council of Ministers)
NRP	National Reform Programme
NRRP	National Recovery and Resilience Plan
OA	Operational Arrangement
PA	Partnership Agreement
PA AT	Partnership Agreement for Austria
PIA	Platform Internet infrastructure, Austria
RRF	Recovery and Resilience Facility
SDGs	Sustainable Development Goals from Agenda 2030
SDSN	Sustainable Development Solutions Networks
STEM	Science, Technology, Engineering and Mathematics
TSI	Technical Support Instrument
TWh	Terawatt hours
UN	United Nations
VNR	Voluntary National Review
WIFO	Österreichisches Institut für Wirtschaftsforschung (Austrian Institute of Economic Research)
WKÖ	Wirtschaftskammer Österreich (Austrian Economic Chamber)



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