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COMMISSION STAFF WORKING DOCUMENT

Analysis of the recovery and resilience plan of Austria

Accompanying the document

Proposal for a COUNCIL IMPLEMENTING DECISION

amending Implementing Decision (EU) (ST 10159/21; ST 10159/21 ADD 1; ST 10159/21 COR 1) of 13 July 2021 on the approval of the assessment of the recovery and resilience plan for Austria

{COM(2023) 674 final}

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1. EXECUTIVE SUMMARY

The Austrian economy has recovered strongly from the COVID-19 pandemic, but is now facing headwinds. In 2022, Russia's war of aggression against Ukraine and subsequent spikes in energy prices fueled inflation and suppressed growth. In light of these challenges, Austria submitted to the Commission a modified recovery and resilience plan (RRP) including a REPowerEU chapter on 14 July 2023. For the requested modifications of its RRP, Austria has relied on the following legal bases: Article 21(1) of Regulation (EU) 2021/241 (the "RRF Regulation") requesting the Commission to make a proposal to amend the Council implementing decision considering that its RRP is partially no longer achievable because of objective circumstances and Article 21c requesting the allocation of the amount available from the Emissions Trading System (ETS) revenues for the REPowerEU chapter. The modifications submitted by Austria under Article 21(1) affect 14 measures of the initial plan.

The REPowerEU chapter submitted by Austria contains measures to help address the key energy challenges that Austria is currently facing. The four proposed measures contain two new reforms, one new investment as well as one scaled-up investment as follows:

- Reform 5.A.1 (Acceleration of permitting procedures for renewables) amends the national environmental impact assessment law, streamlining permitting procedures for renewable energy projects, in particular wind farms.
- Reform 5.A.2 (Hydrogen as key technology to climate neutrality) concerns the national Hydrogen Strategy. The Hydrogen Strategy provides for a new policy and regulatory framework aimed at ramping up the production and use of hydrogen in Austria, setting a clear focus on renewable hydrogen and specific measures to be implemented.
- Investment 5.B.1 (Photovoltaic systems) is a subsidy scheme for private individuals and non-profit organisations supporting the installation and expansion of "rooftop" photovoltaic and electricity storage systems.
- Investment 5.B.2 (Scaled-up measure: Funding zero-emission commercial vehicles and infrastructure) scales up investment 1.B.4 (Zero-emission utility vehicles) of the initial plan and concerns a new funding scheme that targets heavy-duty zero-emission commercial vehicles and related charging infrastructure, supporting the reduction of emissions in road transport.

The outlined measures contribute to the REPowerEU objectives of increasing the share and accelerating the deployment of renewable energy, of increasing the production of renewable hydrogen and the uptake of hydrogen in hard-to-decarbonise sectors, of accelerating the integration of renewable energy sources, and of supporting zero-emission transport and its infrastructure. Overall, the implementation of the envisaged measures is expected to contribute to reducing dependency on fossil fuels in line with the country-specific recommendation on energy (CSR 4 in 2022 and 2023). The new measures in the REPowerEU chapter have a cross-border effect that is described further below.

Based on the assessment of the submitted modification and the REPowerEU chapter, the Austrian modified plan receives an A-rating on all criteria (including the two additional criteria for the REPowerEU chapter), except for costing, where the plan receives a B-rating (unchanged from the original plan assessment).

(1) Balanced Response	(2) CSRs	(3) Growth, jobs	(4) DNSH	(5) Green target	(6) Digital target	(7) Lasting impact	(8) M & T	(9) Costing	(10) Control Systems	(11) Coherence	(12) REPowerEU	(13) Cross-border
A	A	A	A	A (56%)	A (36%)	A	A	B	A	A	A	A

2. OBJECTIVES OF THE MODIFICATION OF THE PLAN

The modification to the Austrian RRP comes in response to the challenges that emerged since the original plan was formulated. In particular, Russia's actions following its full-scale invasion of Ukraine on 24 February 2022 led to a surge in energy and commodity prices as well as overall inflation in Austria and the EU as a whole. Shortages of workers across skill levels and global supply chain disruptions compounded challenges to the implementation of the original plan. In the context of Austria's current challenges, the proposed revision of its RRP is twofold: including a new REPowerEU chapter to the original plan and modifying existing measures in line with the provisions of the RRF Regulation.

The Austrian modified RRP adds a new REPowerEU chapter pursuant to Article 21c of the RRF Regulation. To deliver on the REPowerEU objectives, it includes two new reforms (on accelerating permitting procedures for renewables and on promoting hydrogen as a technology key to climate neutrality), one new investment (photovoltaic systems) as well as a scale-up of one existing investment related to zero-emission commercial vehicles. The REPowerEU chapter will further support Austria's green transition and help address the current challenges, in particular those identified and recommended in the field of energy to Austria in 2022 and 2023 in the framework of the European Semester.

Pursuant to Article 21(1) of the RRF Regulation, based on objective circumstances Austria requested to modify existing measures of the plan considering that they were no longer achievable. These modifications address the need to factor in the high inflation experienced in 2022 and supply chain disruptions. Austria proposed to modify four measures because they would otherwise not be achievable within the original timeline. Austria proposed to modify two measures in order to implement better alternatives to achieve their original ambition. Austria proposed to modify four measures due to increased construction costs, high inflation or disruption of supply chains. Austria proposed to modify three measures due to lack of demand from potential final recipients. Furthermore, Austria proposed to modify one measure due to delays in public procurement and one measure due to the effects of influx of refugees from Ukraine.

The main elements of the amended RRP and REPowerEU chapter are listed below:

Component 1 (Sustainable Recovery)

Austria proposed to modify ten milestones and targets in five measures on the basis of Article 21 of the RRF Regulation.

First, the achievement of the intermediary and final targets 4 and 5 related to the investment in exchange of oil and gas heating systems (1.A.2), originally planned for Q4 2023 and Q2 2026, has been frontloaded and the two targets have been merged to reflect the faster-than-expected progress in the implementation of the investment.

Second, the description of the investment aimed at combating energy poverty (1.A.3) as well as its targets 7 and 8 have been amended in order to support Non-Profit Organisations' buildings sheltering vulnerable people instead of private family houses. This allows Austria to pursue a more effective measure to reach the desired policy objective, by exclusively targeting people at risk of energy poverty and more in need of protection.

Third, targets 15 and 16 capturing the investment in zero-emission buses (1.B.3) have been decreased to adjust for higher-than-estimated costs, by proportionally reducing the number of buses and charging infrastructure granted to the final recipients.

Austria also proposed to modify targets related to the reform of the renewable expansion law (1.D.1) to adjust for disruptions in supply chains. As a result, a 110 MW reduction in new renewable hydrogen production capacity in target 40 has been compensated by a 200 MW increase in additional generation capacity from renewable energy sources in target 39, while also slightly adjusting the timeline to account for the time needed to collect the data.

Due to supply chain disruptions, the new energy policy context and uncertainty triggered by Russia's war of aggression against Ukraine, Austria proposed to modify the investment in transforming industry towards climate neutrality (1.D.2). The modified measure focuses on accelerating the decarbonisation of industry, switching to renewable energies, energy efficiency as well as other actions leading to a reduction in greenhouse gas emissions. Resource efficiency as well as hazardous waste treatment are removed as an explicit objective from the measure description. It also adapts the intermediary target 42 from completion of projects to approval for funding, while keeping the final target 43 unchanged.

Component 2 (Digital Recovery)

Austria proposed to modify eleven milestones and targets in five measures on the basis of Article 21 of the RRF Regulation.

First, Austria proposed to amend targets 46, 47 and 48 of the investment into the deployment of the Gigabit-capable networks (2.A.2), turning the first two targets into milestones and reducing the number of households in the final target, since the original one was no longer achievable in full in the context of increased costs.

Second, targets 54 and 55 of the investment into digital devices for pupils (2.B.2) have been amended, merged and postponed to take into account delays in public procurement. The final target for the digital devices remains the same.

Third, milestone 60 regarding the selection of projects under the Digitalisation Fund for public administration (investment 2.C.2) has been amended and expressed in terms of number of selected projects to reflect the lack of demand, since the submitted project proposals involved a lower amount of funds than specified in the original milestone.

Fourth, the achievement of the intermediary and final targets 66 and 67 concerning the investment in support to companies for their digital investments (2.D.2), originally planned for Q1 2023 and Q1 2025, has been frontloaded and these two targets have been merged to reflect the faster-than-expected progress in the implementation of the investment.

Finally, Austria proposed to modify targets 70, 71 and 72, tracking green investment by enterprises (2.D.3) to address higher construction costs and a subsequent lack of demand for funding under the national investment premium scheme. The reduction of targets 70 and 72 with regard to the number of companies supported by investments in thermal renovation and in energy savings has been proportionately compensated by an increase in target 71 on investments in solar energy and electricity storage.

Component 3 (Knowledge Based Recovery)

Austria proposed to modify six milestones and targets in four measures on the basis of Article 21 of the RRF Regulation.

First, target 89 concerning the re-skilling and up-skilling of unemployed people (3.B.2.) has been achieved earlier than its indicative timeline of Q4 2024 and can therefore be frontloaded to Q4 2022.

Second and third, target 90 regarding pupils eligible for promotion from 5th school year and target 91 on pupils from migration background having achieved secondary level II degree (3.C.1) are no longer achievable in the given implementation timeline due to the influx of displaced people provoked by Russia's war of aggression against Ukraine. Target 90 is replaced by new milestones 90a and 90b aiming at fully implementing the national standardised assessments of the "Individual Competence Assessment PLUS" (iKMPLUS) and its extension with additional modules so that pupils have access to a standardised assessment providing them with feedback on their learning progress. Target 91 is replaced by the new milestone 91a on establishing criteria for the specification of the socio-economic baseline of schools which is based on the socio-economic background of pupils and includes having a migration background by pupils, and guiding the allocation of human resources to schools. The new milestones replacing targets 90 and 91 support the initial objective.

Fourth and fifth, Austria proposed to postpone the implementation of target 95 on the increase in childcare quota for under 3-year-olds as well as of target 96 on the increase in offer of places in early childhood education institutions for children aged three to six years (3.C.3) by two years due to labour shortages, changes in working patterns of parents as well as to temporary closures of

kindergartens linked to the impact of the COVID-19 crisis as well as to remove the reference to 1 percentage point increase per Land per year to focus the efforts on those Länder which are lagging behind in target 95.

Finally, for the investment under the IPCEI Hydrogen (3.D.2), Austria proposed to replace target 103 by targets 103a and 103b, in order to reflect the stage the IPCEI projects would reach and the increased investment uncertainties and disruptions in supply chains. Target 103a ensures that the available funding will have been fully committed for the approved projects, while the final target 103b requires that all approved projects will have entered the first-industrial-deployment phase.

Component 4 (Just Recovery)

Austria proposed to modify ten milestones and targets in three measures on the basis of Article 21 of the RRF Regulation.

First, regarding the investment concerning funding of primary health care projects (4.A.2), the number of 'new' primary health care projects was lowered in each of the three associated targets (targets 108, 109 and 110) due to an increase in construction cost and resulting uncertainty for project owners.

Second, the number of projects under the investment in climate-friendly town centres (4.B.3) is substantially adjusted, with targets 123, 126 and 127 lowered, and targets 124, 125 and 128 removed due to lack of demand in the funding scheme by municipalities.

Third, milestone 138 under the measure on the completion of the Renovation of Volkskundemuseum Wien and Prater Ateliers (4.C.3) was postponed by one year given an increase in construction costs.

Component 5 (REPowerEU)

Under the REPowerEU chapter and based on Article 21c of the RRF Regulation, Austria proposed measures amounting to EUR 210.3 million in total estimated costs for one new investment and a scale-up of an existing investment as well as two additional reforms that are not associated with any costs under the RRP.

New reforms:

- Acceleration of permitting procedures for renewables (5.A.1)

The reform of the national environmental impact assessment law aims at streamlining the permitting process and thus at facilitating the implementation of renewable energy projects in Austria. It introduces several key procedural simplifications, it deems investments in renewable energy as projects of particularly high public interest, it reduces the length of appeals and increases the use of electronic tools.

- Hydrogen as key technology to climate neutrality (5.A.2)

The national Hydrogen Strategy provides for a new policy and regulatory framework aimed at ramping up the production and use of renewable hydrogen and contributes to developing hydrogen-ready infrastructure in Austria, with a view to also enabling future hydrogen imports. It

outlines specific actions and measures to be adopted in eight policy areas and sets the objective to install 1 GW electrolyser capacity by 2030.

New investment:

- Photovoltaic systems (5.B.1)

The subsidy scheme supports investments in photovoltaic systems on buildings and electricity storage. It aims to accelerate the expansion of renewable energy, and thus contributes to reducing greenhouse gas emissions. It helps meeting the high demand for support in the segment and promotes energy independence by targeting small-capacity plants. The investment also contributes to other environmental objectives by supporting installations exclusively on buildings to avoid land use and by relying on equipment and components with high durability and recyclability.

Scaled-up investment:

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

The funding scheme supports investments in heavy-duty zero-emission commercial vehicles and charging infrastructure. It represents a scale-up of the existing investment in zero-emission light commercial vehicles (1.B.4), effectively increasing the level of its ambition. The investment aims to contribute to decarbonising the road transport, the sector in which it is most difficult to abate greenhouse gas emissions in Austria.

Table of new and modified components and associated costs:

Component	Status	Costs (EUR million)
1: Sustainable Recovery	Modified	1 507.525
2: Digital Recovery	Modified	1 339.884
3: Knowledge based Recovery	Modified	868.320
4: Just Recovery	Modified	261.379
5: REPowerEU	New	210.305

Other elements not covered by assessment criteria

The description of aspects related to administrative organisation, gender equality and equal opportunities for all, consultation process, security self-assessment for digital investments and the planned communication strategy as reflected in the previous Staff Working Document (2021) 160 final remains relevant.

State aid and competition rules fully apply to the measures funded by the Recovery and Resilience Facility. Union funds channelled through the authorities of Member States, like the RRF funds, become State resources and can constitute State aid. When this is the case and State aid is present, these measures must be notified and approved by the Commission before Member States can grant the aid, unless those measures are covered by an existing aid scheme or comply with the applicable conditions of a block exemption regulation, in particular the General Block Exemption Regulation

(GBER) declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 TFEU[1]. When State aid is present and it requires notification, it is the duty of the Member State to notify State aid measures to the Commission before granting them, in compliance with Article 108(3) TFEU. In this respect, the State aid analysis carried out by Austria in the recovery and resilience plan cannot be deemed a State aid notification. In as far as Austria considers that a specific measure contained in the recovery and resilience plan entails de minimis aid or aid exempted from the notification requirement, it is the responsibility of Austria to ensure full compliance with the applicable rules.

3. SUMMARY OF THE ASSESSMENT OF THE PLAN

3.1. Comprehensive and adequately balanced response to the economic and social situation

The modified RRP including the REPowerEU chapter covers in a comprehensive manner the six pillars structuring the scope of application of the Facility (Article 3): (i) green transition, (ii) digital transformation, (iii) smart, sustainable and inclusive growth, (iv) social and territorial cohesion, (v) health and economic, social and institutional resilience, and (vi) policies for the next generation. The coverage of the Austrian plans' components toward the six pillars is summarised in the Table below. All pillars are covered by at least one component, while a component may contribute to several pillars.

Table of Coverage of the six pillars of the Facility by the new or modified RRP components:

	Green transition	Digital transforma-tion	Smart, sustainable & inclusive growth	Social and territorial cohesion	Health, and economic, social and institutional resilience	Po licies for the next genera-tion
Component 1 Sustainable recovery						
1.A Renovation wave	●			●		
1.B Eco-friendly mobility	●		●			
1.C Biodiversity and circular economy	●		●			
1.D Transformation towards climate neutrality	●		●			
Component 2 Digital recovery						

[1] Annex to the Communication to the Commission of 9 March 2023 on the Approval of the content of a draft for a Commission Regulation amending Regulation (EU) No 651/2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty and Regulation (EU) 2022/2473 declaring certain categories of aid to undertakings active in the production, processing and marketing of fishery and aquaculture products compatible with the internal market in application of Articles 107 and 108 of the Treaty; available at: https://competition-policy.ec.europa.eu/system/files/2023-03/GBER_amendment_2023_EC_communication_annex_0.pdf

	Green transition	Digital transforma-tion	Smart, sustainable & inclusive growth	Social and territorial cohesion	Health, and economic, social and institutional resilience	Po licies for the next genera-tion
2.A Broadband expansion		●				
2.B Digitalisation of schools		●				●
2.C Digitalisation of the public administration		●				
2.D Digital and ecological transformation of enterprises	●	●	●			
Component 3 Knowledge-based recovery						
3.A Research		●	●			
3.B Re-skilling and up-skilling		●	●	●		●
3.C Education				●		●
3.D Strategic innovation	●	●	●			
Component 4 Just recovery						
4.A Health care		●		●	●	
4.B Resilient municipalities	●			●	●	
4.C Art and culture	●	●	●	●		
4.D Resilience through reforms	●	●	●	●	●	●
Component 5 REPowerEU						
5.A Reforms	●		●			
5.B Investments	●		●			

Green transition

Austria's modified plan - including the REPowerEU chapter - focuses significantly on supporting the green transition, with 9 sub-components dedicated to this pillar. Modifications of measures slightly affected the contribution of the revised plan to this pillar. It now stands at 56%, still well above the minimum threshold of 37%.

The REPowerEU chapter includes reforms and investments that will help Austria to (i) increase the share and accelerate the deployment of renewable energy, (ii) ramp up the production of renewable hydrogen and the uptake of hydrogen in sectors which are otherwise difficult to decarbonise, (iii) expand and accelerate the integration of renewable energy sources in its energy system as well as (iv) support zero-emission transport and its infrastructure. In addition, some of the REPowerEU measures also support other environmental objectives, for instance, by limiting land use and by relying on solar energy equipment that is easy to dismantle and to refurbish.

Digital transformation

The digital transformation still represents a significant part of Austria's modified plan. The modified RRP continues to significantly contribute to promoting digital transformation in a variety of areas, including connectivity, public administration and public services, private sector, education, research and innovation, health, and culture. Modifications of measures have reduced the contribution of the modified plan to this pillar. The main impact of the revision concerns the investment into the deployment of the Gigabit-capable networks (2.A.2) and investment into the Digitalisation Fund for public administration (2.C.2), with a decrease in the contribution to the digital target of EUR 488 million. However, the digital contribution of the modified plan remains well-above the minimum threshold of 20% (i.e., 36%), testifying to the important contribution the implementation of the RRP will provide to the digital transformation.

Policies for the next generation

The sixth pillar remains covered by the measures and investments proposed mainly under sub-components 2.B, 3.B, 3.C, 4.A and 4.D. The main impact of the revision is that some targets are replaced with new milestones either because the original target is no longer achievable within the indicative timeline or due to the influx of displaced Ukrainian people. These concern measures on the provision of digital devices to pupils (2.B.2), improving access to education (3.C.1.) and expansion of elementary education (3.C.3). Modifications of these measures did not change the contribution of the modified plan to this pillar.

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Taking into consideration all reforms and investments envisaged by Austria, its modified recovery and resilience plan continues to represent, to a large extent, a comprehensive and adequately balanced response to the economic and social situation, thereby contributing appropriately to all six pillars referred to in Article 3 of the RRF Regulation, taking the specific challenges and the financial allocation of Austria into account. This would warrant a rating of A under criterion 2.1 in Annex V to the RRF Regulation.

3.2. Link with country-specific recommendations and the European Semester

The modified plan continues to effectively address all, or a significant subset, of the challenges identified in the relevant country-specific recommendations (CSRs). As the maximum financial contribution for Austria has been adjusted upwards, all 2022 and 2023 structural recommendations are considered in the overall assessment.

In the modified plan, the changes in the measure 'Combating energy poverty' (1.A.3) redesigned the target and the nature of the recipient pool. However, the new measure ensures that the final recipients are the most vulnerable. Moreover, the overall goal of component 1.A. of promoting the green transition, including through the transition to more sustainable heating (CSRs 2019.3.3, 2020.3.7., 2022.4.3., 2023.4.4.), remains sufficiently addressed through the front-loading of two targets on the exchange of oil and gas heating systems (1.A.2.). The modification of investment 1.B.3. (Zero-emission buses), which reduces the number of buses received by the final recipients

due to cost increases, is counterbalanced by an additional project on zero-emission commercial vehicles under the REPowerEU chapter, thereby preserving the initial ambition and effectively contributing to CSRs 2019.3.3. and 2020.3.6. Similarly, the reduction of the target on installation of renewable hydrogen production capacity (target 40, reform 1.D.1. (Renewables Expansion Law)) is compensated by the increase in the target on additional capacity from renewable sources (target 39), thereby preserving the overall ambition on expanding renewable energy production (CSRs 2019.3.3., 2020.3.7., 2022.4.1., 2022.4.2., 2023.4.1., 2023.4.2. and 2023.4.3.). Modifications and delays concerning investment 1.D.2 (Transforming industry towards climate neutrality) reflect the prioritisation of dealing with the current energy crisis provoked by Russia's war of aggression against Ukraine, thereby better targeting the most recent set of energy CSRs (2022.4.1., 2022.4.2., 2023.4.1., 2023.4.2. and 2023.4.3.), while preserving the initial ambition of the targets.

With regard to addressing investments in the digital transition and CSRs 2019.3.2., 2020.3.5. and 2020.2.2., the modifications of investment 2.A.2. (Widespread availability of Gigabit capable access networks and creation of new symmetric Gigabit connections) concerning the amendment of the targets on the number of households with access to broadband, preserve the ambition to address the digital transition since the amount of investment in the digital transition in the Austrian RRP (which is well above the 20% target) remains comparatively high. When it comes to investment 2.D.3 (Green investments in enterprises), the reduced targets for the number of companies that have been granted support for energy savings (target 72) and thermal renovation (target 70) will be offset by the increased target 71 for companies that have been granted support for solar energy and electricity storage, thereby preserving the ambition of the plan vis-à-vis CSRs related to investment in the green transition (CSRs 2019.3.3., 2020.3.7., 2022.4.1., 2022.4.2. and 2023.4.3.).

Furthermore, the modified plan preserves the ambition on improved access to education and basic skills (CSRs 2019.2.4., 2020.2.1., 2020.2.2., 2023.3.2.) through replacing the target of pupils that have been promoted to the next grade or completed a school type, as well as the target of pupils from migration background having achieved secondary level II degree under reform 3.C.1 (Improved access to education) with three new milestones improving the quality and accessibility of school education in Austria. Regarding the modifications of targets related to increasing the quota of Austrian children in early childhood care towards the Barcelona target of 33% (investment 3.C.3. related to CSRs 2019.2.2., 2019.2.3., 2020.2.1., 2020.2.2., 2022.3.1., 2023.3.1.), the postponement of the targets does not reduce the overall ambition of the plan in addressing these challenges, in particular due to the fact that some regions in Austria have already overachieved the Barcelona target. Similarly, the modifications with regard to investment 3.D.2 (IPCEI hydrogen) does not reduce the overall ambition of the plan to increase the production and use of renewable energy in Austria and to reduce reliance on fossil fuels (CSRs 2019.3.1., 2019.3.3., 2020.3.5., 2020.3.7., 2022.4.2., 2023.4.3.) and is also compensated by frontloading other milestones related to renewables expansion.

On health and long-term care, the plan continues to help address some of the challenges identified regarding the adequacy and fiscal sustainability of the long-term care system and the fiscal

sustainability of the health care system (2019.1.1., 2020.1.2., 2023.1.2.). Investment 4.A.2 concerning funding of primary health care projects was adjusted to include a lower number of 'new' primary health care projects due to the objective circumstance of increased construction cost and resulting uncertainty for project owners. While this lower availability of primary care services may diminish the impact of the measure to promote primary health care projects, the broader impact of the subcomponent 4A on health is safeguarded both in maintaining the number of existing projects less affected by construction cost as well as the other measures included, notably the reform to promote primary health care projects (4.A.1). Concerning the modification of the targets under investment 4.B.3. (Climate-friendly town centres), Austria upgraded and simplified a national funding scheme due to the urgency related to the Russian war of aggression against Ukraine. Given the significant success of the national scheme, the original ambition of the measure in the plan and the CSRs related to reducing greenhouse gas emissions (2019.3.3, 2020.3.7.) remains intact.

The addition of the REPowerEU chapter will contribute to reinforcing the ambition of the plan as regards the relevant CSRs related to the energy transition. Notably, efforts to accelerate the expansion of renewable energy and reducing reliance on fossil fuels (CSRs 2019.3.3., 2020.3.7., 2022.4.1., 2022.4.2., 2023.4.1., 2023.4.2. and 2023.4.3.) include the reform of the national environmental impact assessment law (reform 5.A.1), aimed at streamlining the permitting process and thus facilitating the implementation of renewable energy projects. The investment into the subsidy scheme for installing and expanding "rooftop" photovoltaic systems (investment 5.B.1), incentivising the uptake of solar energy, are expected to also contribute to the expansion of renewable energy and investment in the green transition (CSRs 2019.3.3., 2020.3.7., 2022.4.2., 2023.4.3.). Similarly, the national Hydrogen Strategy (reform 5.A.2) will contribute to increasing the production of renewable energy in Austria and reducing reliance on fossil fuels (CSRs 2019.3.1., 2019.3.3., 2020.3.5., 2020.3.7., 2022.4.2., 2023.4.1., 2023.4.2. and 2023.4.3.). Lastly, the funding scheme for heavy-duty zero-emission commercial vehicles and charging infrastructure (investment 5.B.2), aimed at reducing emissions in the road transport, will effectively address a number of challenges related to investment in the green transition and sustainable mobility as well as the reduction of emissions in the transport sector (CSRs 2019.3.3., 2020.3.6.).

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Taking into consideration the reforms and investments envisaged by Austria, its modified recovery and resilience plan is expected to contribute to effectively addressing all or a significant subset of challenges identified in the country-specific recommendations, or challenges in other relevant documents officially adopted by the Commission under the European Semester, and the modified recovery and resilience plan represents an adequate response to the economic and social situation of Austria. This would warrant a rating of A under criterion 2.2 in Annex V to the RRF Regulation.

3.3. Growth potential, job creation, economic, institutional and social resilience, European Pillar of Social Rights, mitigating the impact of the crisis, and social territorial cohesion and convergence

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The nature and extent of the proposed modifications to the Austrian RRP do not have an impact on the previous assessment (rating of A) of the plan's impact on the growth potential, job creation, and economic, social and institutional resilience of the Member State, on contributing to the implementation of the European Pillar of Social Rights, including through the promotion of policies for children and youth, and on mitigating the economic and social impact of the COVID-19 crisis, thereby enhancing the economic, social and territorial cohesion and convergence within the Union, as reflected in the previous assessment (rating of A) of the plan and detailed in the previous SWD (2021) 160 final under criterion 2.3 of Annex V to the RRF Regulation.

3.4. The principle of 'do no significant harm'

In accordance with Article 19(3), point (d), of and Annex V, criterion 2.4, to the RRF Regulation the modified RRP including the REPowerEU chapter is expected to ensure that the measures for the implementation of reforms and investments projects included in this RRP do no significant harm to environmental objectives (Rating A) within the meaning of Article 17 of Regulation (EU) 2020/852 (hereinafter the "Taxonomy Regulation") of the European Parliament and of the Council 5 (the principle of 'do no significant harm').

Changes introduced by the modified RRP do not affect the assessment on the compliance with the principle of 'do no significant harm' carried out for the original RRP.

As concerns the measures introduced by the REPowerEU chapter, Austria provided a systematic assessment of each measure in line with the Do No Significant Harm Technical Guidance (2021/C58/01). For instance, the reform of the national environmental impact assessment law (reform 5.A.1), while introducing procedural simplifications streamlining permitting procedure for renewable energy projects, also contains provisions against climate change, in particular aimed at strengthening soil protection and at avoiding excessive land use. The Austrian Hydrogen Strategy (reform 5.A.2) supports the decarbonisation of the energy system and aims at reducing Austrian dependency on fossil fuels imports. While setting a clear focus on renewable hydrogen and excluding hydrogen produced with nuclear energy, it contains also measures aimed at the use of low-carbon hydrogen (produced through pyrolysis) under strict conditions ensuring that greenhouse gas emissions are separated and fully captured. Whilst the investment (5.B.1) in the expansion of electricity production through photovoltaic systems reduces greenhouse gas emissions, it contributes also to other environmental objectives by supporting installations exclusively on buildings to avoid any additional land use and by relying on equipment and components with high durability and recyclability that are easy to dismantle and to refurbish. The investment supporting the expansion of zero-emission commercial vehicles and the related infrastructure (investment 5.B.2), besides contributing to the decarbonisation of the transport

sector, will require recipients to comply with the Taxonomy Regulation and respect ambitious standards with respect to reusability and recyclability. Given that this investment represents a scale-up of the existing investment in zero-emission light commercial vehicles (investment 1.B.4), the original DNSH assessment still holds.

The information provided allows to conclude that the modified RRP is expected to ensure that no measure does significant harm.

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Taking into consideration the assessment of all the measures envisaged, no measure for the implementation of reforms and investments projects included in Austria's modified recovery and resilience plan, including its REPowerEU chapter, is expected to do a significant harm to environmental objectives within the meaning of Article 17 of Regulation (EU) No 2020/852 (the principle of 'do no significant harm'). This would warrant a rating of A under criterion 2.4 of Annex V to the RRF Regulation.

3.5. Green transition

The modified RRP continues to significantly contribute to the green transition by supporting investment in sustainable mobility, renewable energy, renovation of buildings and energy efficiency, decarbonisation of industry as well as measures promoting biodiversity, circular economy, and climate adaptation. The investment in sustainable mobility continues providing the largest contribution to the green transition objective.

The main impact of revisions in the modified RRP related to the green transition concerns the following measures: investment 1.A.3 (Combating energy poverty), investment 1.B.3 (Zero-emission buses), investment 1.D.2 (Transforming industry towards climate neutrality), investment 2.D.3 (Green investments in enterprises), investment 3.D.2 (IPCEI Hydrogen), investment 4.B.3 (Investment in climate-friendly town centres) and investment 4.C.3 (Renovation of Volkskundemuseum Wien and Prater Ateliers).

Climate target

The modification of these measures results in a decrease in the contribution of the revised RRP (without the REPowerEU chapter) to the green transition by EUR 34 million in total. Despite this decrease, the revised RRP maintains a strong ambition in terms of its contribution to the green transition, which is significantly above the minimum target of 37% set in Article 19(3)(e) of the RRF Regulation and stands at 53% of the revised RRP's total allocation of EUR 3 750 853 030 (without the REPowerEU chapter).

The climate contribution of the REPowerEU chapter is of 100% of the total estimated cost of measures in the REPowerEU chapter of EUR 210 304 520, which is well above the 37% target set out in the RRF Regulation.

In total, the climate contribution of the revised Austrian RRP (including the REPowerEU chapter) stands at 56% (EUR 2 208 118 488) of Austria's total allocation (including the REPowerEU chapter) of EUR 3 961 157 550, which is also well above the target of 37% required by the RRF Regulation.

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Taking into consideration the assessment of all the measures envisaged, the modified recovery and resilience plan, including its REPowerEU chapter, is expected, to a large extent, to make a significant contribution to the green transition or to address the challenges resulting from it and ensures that at least 37% of its total allocation contributes to the climate target. At least 37% of the total estimated costs of the REPowerEU chapter contribute to the climate target. This would warrant a rating of A under criterion 2.5 of Annex V to the RRF Regulation.

3.6. Digital transition

The modified RRP continues to significantly contribute to the digital transition by supporting the deployment of Gigabit-capable networks, digitalisation of businesses and public administration, provision of digital devices and digital skills, and development of advanced digital technologies, such as quantum computing and microelectronics.

The main impact of revisions in the modified RRP concerns two measures relating to the digital transition: investment 2.A.2 (Widespread availability of Gigabit capable access networks and creation of new symmetric Gigabit connections) and investment 2.C.2 (Digitalisation fund - public administration). The modification of these two measures results in a decrease in the estimated costs of the investments and their contribution to the digital transition by EUR 435 million and EUR 53 million, respectively. Despite this decrease, the revised RRP maintains a strong ambition in terms of its contribution to the digital transition, which is significantly above the minimum target of 20% set in Article 19(3)(f) of the RRF Regulation and stands at 36% of Austria's total allocation or EUR 1 339 754 242. None of the measures included in the REPowerEU chapter were identified as contributing to the digital transition.

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Taking into consideration the assessment of all the measures envisaged, the modified recovery and resilience plan is expected, to a large extent, to make a significant contribution to the digital transition or to address the challenges resulting from it and ensures that at least 20% of its total allocation (excluding the measures in the REPowerEU chapter) contributes to supporting digital objectives. This would warrant a rating of A under criterion 2.6 of Annex V to the RRF Regulation.

3.7. Lasting impact of the plan

The modified RRP does not reduce the ambition of the initial plan as a whole. It takes into account the unexpected strong increase of inflation, as well as the prolonged impact of the

COVID-19 crisis. It also includes a new REPowerEU chapter which, in addition to the existing measures, is also expected to have lasting positive effects on the Austrian economy and further boost its green transition. In particular, the REPowerEU measures are expected to contribute to the green transition by reducing Austrian dependence on fossil fuels, expanding and accelerating the deployment of renewable energies and necessary infrastructure, and decarbonising the transport sector. The reforms in the REPowerEU chapter are also expected to have a long-lasting impact on Austria by simplifying and streamlining permitting procedures for renewables and increasing the production and uptake of renewable hydrogen. The investments will support the expansion of renewable energy and support zero-emission transport and its related infrastructure.

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Taking into consideration all reforms and investments envisaged by Austria in its modified recovery and resilience plan, their implementation is expected, to a large extent to bring about a structural change in the administration or in relevant institutions and in relevant policies and to have a lasting impact. This would warrant a rating of A under criterion 2.7 of Annex V to the RRF Regulation.

3.8. Milestones, targets, monitoring and implementation

The milestones and targets of the modified Austrian RRP enable an adequate monitoring of the plan's implementation. The new REPowerEU chapter includes two additional reforms, one new investment and a scale-up of an existing investment.

The performance of the investments included in the new REPowerEU chapter will be assessed by each public entity in charge of implementing the measures. The impact of the reform of the national environmental impact assessment law, which was adopted on 2 March 2023 and entered into force on 23 March 2023, will be evaluated in a report to the Austrian Parliament, with recommendations on how to further speed up permitting of projects relevant for Austria's green transformation. For the national Hydrogen Strategy, a monitoring scheme by four working groups and a supervisory board is in place to ensure adequate governance.

The adjustments made to the plan's 59 original measures (27 reforms and 32 investments) and the additional 4 measures introduced under the REPowerEU chapter do not affect the plan's overall level of ambition. On the contrary, in some cases they help making the achievement criteria more concrete and therefore improve monitoring and assessment procedures.

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The arrangements proposed by Austria in its modified recovery and resilience plan are expected to be adequate to ensure effective monitoring and implementation of the recovery and resilience plan, including the envisaged timetable, milestones and targets, and the related indicators. This would warrant a rating of A under the assessment criterion 2.8 of Annex V to the RRF Regulation.

3.9. Costing

Austria has provided detailed information on the estimated costs for the revised RRP, including the investments in the REPowerEU chapter. Austria has also submitted individual justifications for all the measures whose modifications entailed a change in the cost estimates.

The estimated costs of the measures included in the REPowerEU chapter are reasonable and in line with the nature and type of the envisaged reforms and investments. For both the new and the scaled-up investment, Austria has supported the analysis with scientific studies as well as references to actual tender data, when available. All costs of the REPowerEU chapter will be incurred after February 2022.

Most of the changes in the cost estimates for amended measures are well justified and proportional. Most of the calculations are clearly explained and well substantiated by supporting documents, allowing to identify the methodology used. When the amendments to the measures were not fully proportional to the cost increases or the link was less clear, Austria provided detailed explanations to substantiate their proposal. In a few instances, complementary targets have been made more demanding to maintain the overall level of ambition of the Plan.

Reasonable costs

In most cases, Austria accompanied their claims with actual data and supporting evidence for unit cost estimates, together with adequate explanations of the calculation methodology. Overall, the assumptions used by Austria to estimate the costs of the new and modified measures provide a reasonable explanation of the key cost drivers of the measures. The calculations are generally clearly spelled out allowing to identify the methodology used, even if for a limited number of measures the information provided is more limited or less clear.

The measures outlined in the REPowerEU chapter comply with the eligibility criteria set out in the RRF Regulation. No recurrent costs are included, and all costs will be incurred after February 2022. Value-added tax (VAT) is not included in any of the cost estimates.

The costs of the amended measures appear reasonable and well justified. In the case of measures being amended under Article 21(1) of the RRF Regulation, sufficient information has been provided to justify the objective circumstances and the proportionality of the changes in the cost estimates or related target. Any changes in unit costs due to inflation were justified and the underlining calculations appear clear. Whenever possible, these were supported by evidence from the ongoing projects. When the amendment was not clearly linked to the change in costs, for instance when the higher costs caused a lack of demand from final recipients, further explanations were provided.

Plausible costs

Most of the estimated costs of the new and modified measures are in line with the nature and type of the envisaged reforms and investments. For new and modified measures, actual data was provided, whenever available. This includes data from past and ongoing tenders, individual or

aggregated data from the implemented projects, data from national statistics and scientific reports complementing the proposals. In a limited number of instances, the comparability of past projects to the ones proposed in the plan could not be fully established, partially due to the novelty of the measures. Overall, the cost estimates of the new and modified measures of the RRP are assessed as plausible.

No double Union financing

Austria has indicated that the costs to be financed by the RRF will not be funded by other Union funding sources. More specifically, Austria committed to ensure that no double funding with other funding instruments will occur in the case that any complementary actions are undertaken under other Funds.

Commensurate and cost-efficient costs

The estimated total cost of the modified RRP is in line with the principle of cost-efficiency and commensurate to the expected national economic and social impact. The revised RRP, including the REPowerEU chapter, is expected to effectively address a significant subset of challenges identified in the country-specific recommendations (CSRs). In particular, the new measures in the REPowerEU chapter are expected to address challenges identified in CSRs in the field of energy and green transition, notably 2019.3.1., 2019.3.3., 2020.3.5., 2020.3.6., 2020.3.7., 2022.4.1., and 2022.4.2., 2023.4.1. and 2023.4.2.).

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The justification provided by Austria on the amount of the estimated total costs of the modified recovery and resilience plan is to a medium extent reasonable, plausible, in line with the principle of cost-efficiency and is commensurate to the expected national economic and social impact.

Austria provided sufficient information and evidence that the amount of the estimated cost of the reforms and investments of the modified recovery and resilience plan to be financed under the Facility is not covered by existing or planned Union financing.

This would warrant a rating of B under criterion 2.9 of Annex V to the RRF Regulation.

3.10. Controls and audit

The previous assessment on the adequacy of the control and audit arrangements presented by Austria in the RRP to prevent, detect and correct corruption, fraud and conflicts of interest when using the funds provided under the Facility, including the arrangements aimed to avoid double funding from the Facility and other Union programmes, had concluded that these arrangements are adequate. This warranted a rating of A under the assessment criterion 2.10 of Annex V to the RRF Regulation.

The modifications to the original plan and the introduction of the REPowerEU chapter as such do not affect the original assessment. However, in the context of the modification of the Austrian

RRP, its audit and control system needs to be reassessed on the basis of criteria 2.10 of Annex V of the RRF Regulation. Since the original assessment, the Commission has had access to information on its actual implementation. This includes the preliminary findings of the audit on the protection of the financial interests of the Union (PFIU) performed by the Commission in Austria.

In light of this information, the Commission considers that the internal control system of the Austrian RRP is overall adequate, but it has some deficiencies that must be addressed through a dedicated audit and control milestone. This relates to a weakness in the recording of data required by Art. 22 (2) (d) (i) – (iii) RRF, the checks for double-funding, also against other EU funding sources, and the documentation of these checks.

Adequacy of control systems and other relevant arrangements

While the original assessment regarding the adequacy of the control systems and other relevant arrangements remains mostly the same, in its audit on the protection of the financial interests of the Union (PFIU) the Commission found a weakness regarding the recording of the data required by Art. 22 (2) (d) (i) – (iii) of the RRF Regulation. Austria uses a central database called the Transparency Database (TDB) for the recording of grants and the data required by Art. 22 (2) d of the RRF Regulation. This database is also used in their double-funding checks. However, the Commission found that there is only a legal obligation (legal base) to record the data required by the RRF Regulation for the federal governmental bodies. The federal government does cascade this obligation by means of legal agreements to their subordinated implementing bodies. However, there is no such legal obligation for the federal states and the implementing bodies subordinated to them. The latter two currently only do this recording into the database voluntarily. This finding was confirmed by Austria. As some milestones and targets of the Austrian RRP are partially implemented by the federal states and their subordinate bodies, it is hence not possible to legally ensure that the data recording obligations of Art. 22 (2) (d) (i) – (iii) of the RRF Regulation are fully respected. Hence, a milestone on audit and control needs to be introduced in order to remedy the weakness.

Adequacy of arrangements to avoid double EU funding

A very similar issue is true for the checks for double-funding. The Commission found in its PFIU audit and the subsequent consultations with Austria, that information on EU funding sources is only partially available in the Austria's TDB. Moreover, while there is a legal obligation to perform double-funding checks for the federal government and its subordinated bodies, there is no such legal obligation for the federal states and their subordinate bodies. The latter perform such checks voluntarily, however there is no legal base that obliges them to do so. This creates the risk that double-funding checks are not taking place and that coordinating bodies cannot enforce them. Hence, a milestone on audit and control needs to be introduced in order to remedy the weakness.

Conclusion

The chapter on audit and control and the additional information provided gives a rather complete description of the arrangements for the implementation and control of the Plan in Austria. The

chapter provides the details for all the entities and gives reasonable assurance that there is a sound structure in place to monitor, implement and control the allocated funds from the RRF.

However, one new milestone will be introduced to address the missing elements. This milestone reads as follows:

"Legally binding agreements shall be signed between the responsible bodies at federal level and the implementing bodies which are fully or partially responsible for the RRF implementation. Such agreements shall set out an obligation for these implementing bodies to (a) collect and ensure access to the data required by Article 22 (2) (d) (i) - (iii) of the RRF Regulation and (b) conduct appropriate controls of double funding between the RRF and other Union programmes and document these controls.

Where the aforementioned obligations are already legal requirements no legally binding agreement shall be necessary."

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The arrangements proposed by Austria in the modified RRP to prevent, detect and correct corruption, fraud and conflicts of interest when using the funds provided under the Facility, including the arrangements aimed to avoid double funding from the Facility and other Union programmes, are assessed to be adequate. This would warrant a rating of A under the assessment criterion 2.10 of Annex V to the RRF Regulation.

3.11. Coherence

The modified RRP presented by Austria is structured along four coherent components, which support the common objectives of stimulating the recovery of the Austrian economy, addressing long-lasting structural challenges – that have become more acute during the crisis. Furthermore, the investments and reforms are embedded in a coherent framework to make the Austrian economy fit for the future, particularly as regards the green and digital transition, innovation, competitiveness, and social cohesion. The modification of the RRP regards the four existing components, and brings an additional (5th) component, the REPowerEU chapter.

Each component is built around consistent packages of both reforms and investments, with mutually reinforcing or complementary measures as explained hereafter.

Mutually reinforcing measures

The modifications to the RRP do not negatively affect the components' coherence, nor the coherence of the plan as a whole. They do not alter the way they are mutually-reinforcing. The additional REPowerEU chapter is fully in line with the measures deployed under the initial RRP to support the green transition and further reinforces the ambition of some of them, in particular with the scale-up of the investment in zero-emission commercial vehicles and charging infrastructure. The modifications do not have contradictory aims or possible negative effects on one another.

Complementarity of measures

The modifications made to the existing four components of the RRP do not negatively alter the complementarity of the components. The additional component addressing the REPowerEU objectives brings a new complementarity layer as it includes measures that aims at reinforcing the reduction of greenhouse gas emissions further in addition to promoting renewable energy. At the level of the modified plan, all components pursue complementary aims – with no contradictory aims.

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Taking into consideration the qualitative assessment of all components of Austria's modified recovery and resilience plan, their individual weight (importance, relevance, financial allocation) and their interactions, the plan contains measures for the implementation of reforms and public investments which, to a high extent, represent coherent actions. This would warrant a rating of A under the assessment criterion 2.11 of Annex V to the RRF Regulation.

3.12. REPowerEU

Austria's REPowerEU chapter contributes to the objective of increasing the share and accelerating the deployment of renewable energy in line with Article 21c (3), point (b) of the RRF Regulation.

Lengthy permitting procedures remain an important challenge for the implementation of renewable energy projects in Austria. The reform of the national environmental impact assessment law aims to streamline the permitting process by (i) introducing several procedural simplifications, such as less restrictive planning requirements by the *Länder* and designation by municipalities, and facilitated changes to the permit in case of technological development, (ii) deeming investments in renewable energy as projects of particularly high public interest, (iii) reducing the length of appeals by setting concrete deadlines for objections at the beginning of the procedure and removing the suspensive effect of the appeal in case of insufficiently substantiated complaints and (iv) by an increased use of digitalisation through electronic proceedings and online or hybrid hearings. For wind power plants, the reform allows to issue permits also in the absence of energy area planning by regional and/or municipal authorities. The reform is expected to increase the share of renewables in Austria's energy mix, thus contributing to the REPowerEU objective of accelerating the deployment of renewable energy, in accordance with Article 21c (3), point (b) of the RRF Regulation. In 2024, the impact of the reform will be evaluated in a report to the Austrian Parliament, with recommendations on how to further speed up permitting of projects relevant for Austria's green transformation. All these measures are expected to have a long-lasting impact.

Austria's REPowerEU chapter also contributes to the objective of increasing the production and uptake of renewable hydrogen and of increasing the share and accelerating the integration of renewable energy sources in line with Article 21c (3), point (b) and (e) of the RRF Regulation. The national Hydrogen Strategy, published on 2 June 2022, provides for a new policy and regulatory framework aimed at ramping up the production of renewable hydrogen, and also contributes to developing hydrogen-ready infrastructure in Austria with a view to enabling imports and transport of hydrogen. It outlines specific actions and measures to be adopted in eight policy areas (flagship projects, funding for production, incentives for hydrogen-enabled business models, infrastructure, green mobility, R&D, stakeholder dialogue, and EU and international

collaboration). It also sets the objective to install 1 GW electrolysis capacity by 2030 and lays down a plan aimed at reducing reliance on fossil fuels in sectors which are otherwise hard to decarbonise. The implementation of the strategy will be coordinated by four working groups and monitored by a supervisory board. To facilitate the implementation process, a national hydrogen platform will be established, allowing for a structured dialogue with research, energy, and industry stakeholders. Other key deliverables comprise the publication of an integrated national energy infrastructure plan and the adoption of a regulatory framework for a national hydrogen certification scheme. In 2024, a first evaluation report on the implementation of the Hydrogen Strategy will have to be provided. Furthermore, the subsidy scheme supporting investment in photovoltaic systems on buildings and electricity storage is expected to increase the uptake of solar energy in buildings among private individuals and non-profit organisations, thus also contributing to the REPowerEU objective of accelerating the deployment of renewable energy in line with Article 21c (3), point (b) of the Regulation.

Austria's REPowerEU chapter also contributes to the objective of supporting zero-emission transport and its infrastructure in line with Article 21c (3), point (e) of the RRF Regulation. The funding scheme supporting investment in heavy-duty zero-emission commercial vehicles and charging infrastructure aims to accelerate the decarbonisation of the road transport, which is the sector most difficult to abate, accounting for 28% of total national greenhouse gas emissions in Austria.

Furthermore, the REPowerEU chapter is coherent with Austria's original RRP and helps to extend the plan's ambitions in terms of green transition. In addition to the two reforms, the two investments of accelerating the deployment of renewables, and zero-emission commercial vehicles and infrastructure complement measures in the original plan, namely sub-component 1.B. Eco-friendly mobility and sub-component 1.D. Transformation to climate-neutrality. By adding a reform aimed at accelerating the permitting procedures for the deployment of renewables, Austria addresses an aspect of energy policy that was not touched upon in the original RRP.

The REPowerEU chapter was prepared after an official consultation process that took place from 2 to 31 March 2023. That consultation was publicly advertised on the website dedicated to the Austrian RRP, with the social partners, stakeholders of civil society and youth organisations as well as representatives of regional and local authorities specifically invited to submit proposals. Following this consultation, the authorities integrated the feedback from the consultation process. Several suggestions were taken up, for instance regarding zero-emission commercial vehicles. Overall, the investments and reforms of the REPowerEU chapter largely reflect the results of the public consultation.

Finally, the proposed measures within the REPowerEU chapter supporting climate objectives account for 100% of the chapter's total estimated costs (i.e., more than the 37% required), based on the methodology for climate tracking set out in Annex VI.

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Taking into consideration the assessment of all the measures envisaged in the REPowerEU chapter, the chapter is expected, to a large extent, to contribute effectively to energy security, the

diversification of the Union's energy supply, an increase in the uptake of renewables and in energy efficiency, an increase of energy storage capacities or the necessary reduction of dependence on fossil fuels before 2030. This would warrant a rating of A under criterion 2.12 of Annex V to the RRF Regulation.

3.13. Cross-border or multi-country dimension or effect

All the measures included in Austria's REPowerEU chapter have a multi-country or cross-border dimension or effect, except for the scaled-up investment providing funding for zero-emission vehicles and charging infrastructure.

The reform of the national environmental impact assessment law to accelerate the permitting of renewable energy projects, the national Hydrogen Strategy aimed at ramping up the production and use of renewable hydrogen and at developing the related infrastructure, as well as the investment in photovoltaic systems and electricity storage on buildings are all expected to expand the production of renewable energy and to contribute to improving the storage infrastructure, and thus to reduce demand for fossil fuels. Given Austria's central geographical position and its electricity and gas interconnectors to the neighbouring Member States, these measures will contribute to securing energy supply in the Union as a whole.

The total costs of measures with a multi-country or cross-border dimension or effect account for more than 66.7% of the estimated costs of the REPowerEU chapter, thus exceeding the minimum target of 30%.

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Taking into consideration the assessment of all the measures envisaged in the REPowerEU chapter, the measures in the chapter are expected, to a large extent, to have a cross-border or multi-country dimension or effect. This would warrant a rating of A under criterion 2.13 of Annex V to the RRF Regulation.

REPowerEU measure with cross-border or multi-country dimension or effect	**Costs (EUR million)**	**Contribution to the target in % of the REPowerEU chapter estimated costs**
5.A.1. Acceleration of permitting procedures for renewables	0	n/a
5.A.2. Hydrogen as key technology to climate neutrality	0	n/a
5.B.1. Photovoltaic systems	140.3	66.7%

ANNEX I: Climate tracking and digital tagging

Measure/ Sub-Measure ID	Measure/Sub-Measure Name	Budget (EUR m)	Climate		Digital	
			Int. Field	Coeff. %	Int. Field	Coeff. %
1.A.2a	Exchange of oil and gas heating systems - biomass	53	030bis	100%		
1.A.2b	Exchange of oil and gas heating systems - district heating	53	034bis 0	100%		
1.A.2c	Exchange of oil and gas heating systems - other renewable energy	53	032	100%		
1.A.3	Combating energy poverty	50	025bis	100%		
1.B.3	Zero-emission buses	256	074	100%		
1.B.4	Zero-emission utility vehicles	50	n/a[1]	100%		
1.B.5a	Construction of new railway lines and electrification of regional railways — newly or upgraded TEN-T core network.	536.6	064	100%		
1.B.5b	Construction of new railway lines and electrification of regional railways — other newly or upgraded built railways	6	066bis	100%		
1.C.2	Biodiversity fund	50	050	40%		
1.C.3	Investments in reverse vending systems and measures to increase the reuse quota of beverage containers	110	042	40%		
1.C.4	Retrofitting of existing and construction of new sorting facilities	60	042	40%		
1.C.5	Promotion of the repairing of electrical and electronic equipment (repair bonus)	130	042	40%		
1.D.2	Transforming industry towards climate neutrality	100	024ter	100%		
2.A.2a	Widespread availability of Gigabit capable access networks and creation of new symmetric Gigabit connections – administrative processing	9.125			053	100%
2.A.2b	Widespread availability of Gigabit capable access networks and creation of new symmetric Gigabit connections – accompanying measures	9.125			053	100%
2.A.2c	Widespread availability of Gigabit capable access networks and creation of new symmetric Gigabit connections – broadband	438			053	100%

Measure/ Sub-Measure ID	Measure/Sub-Measure Name	Budget (EUR m)	Climate		Digital	
			Int. Field	Coeff. %	Int. Field	Coeff. %
2.B.2	Provision of digital end-user devices to pupils	171.7			012	100%
2.C.2	Digitalisation fund public administration	106.9			011	100%
2.D.1	Digitalisation of SMEs	32			010	100%
2.D.2	Digital investments in enterprises	69			010	100%
2.D.3a	Green investments in enterprises - Thermal renovation of buildings	9.74	024ter	100%		
2.D.3b	Green investments in enterprises - grid-coupled photovoltaic installations and electricity storage	173.57	029	100%		
2.D.3c	Green investments in enterprises - energy saving in companies	22.19	024ter	100%		
2.D.3d	Green investments in enterprises - zero-emission mobility — sub measure	294	072bis	100%		
2.D.3e	Green investments in enterprises - other alternative fossil free drives	4	072bis	100%		
2.D.3f	Green investments in enterprises – investment in electronic charging station	0.5	077	100%		
3.A.2	Quantum Austria — Promotion of Quantum Sciences	107			021quater	100%
3.A.3	Austrian Institute of Precision Medicine-Digital Share	13.7			009bis	100%
3.A.4	(Digital) Research Infrastructures	30			021quater	100%
3.B.2a	Promoting re-skilling and up-skilling - basic qualification	81.25			108	100%
3.B.2b	Promoting re-skilling and up-skilling - IT/care/environment	112.5			108	100%
3.B.2d	Promoting re-skilling and up-skilling - youth coaching	19.8			099	40%
3.D.1	IPCEI Microelectronics and Connectivity	125	055bis	40%	009bis	100%
3.D.2	IPCEI Hydrogen	125	022	100%		
4.A.3	Development of the electronic mother child pass platform including the interfaces to the early aid networks	10			095	100%
4.B.3a	Investment in climate-friendly town centres - building refurbishment of companies	2.12	024ter	100%		

Measure/ Sub-Measure ID	Measure/Sub-Measure Name	Budget (EUR m)	Climate		Digital	
			Int. Field	Coeff. %	Int. Field	Coeff. %
4.B.3b	Investment in climate-friendly town centres- connection to high-efficiency district heating	3.39	030bis	100%		
4.B.3c	Investment in climate-friendly town centres –- green façades projects	0.22	037	100%		
4.B.3d	Investment in climate-friendly town centres - brownfield land projects	10	046bis	40%		
4.C.3	Renovation of Volkskundemuseum Wien and Prater Ateliers – energy efficiency measures	13.9	026	40%		
4.C.4	Digitalisation wave cultural heritage	16.5			021bis	100%
4.C.5	Investment fund for climate-friendly cultural businesses	15	024	40%		
5.B.1	Photovoltaic systems	140.3	029	100%		
5.B.2	Funding zero-emission commercial vehicles and infrastructure	70	n/a[2]	100%		

While the estimated cost of Austria's recovery and resilience plan exceeds the total allocation of non-repayable financial support to Austria, Austria will ensure that all spending related to the measures mentioned in this table as contributing to climate objectives are fully financed by the funds from the Recovery and Resilience Facility.

[1] The 'Methodology for climate tracking' annexed to the Recovery and Resilience Facility Regulation does not set out intervention fields that would allow for climate or environmental tracking of electric vehicles or plug-in hybrid vehicles, except for vehicles for urban transport falling under intervention field 074. According to Article 18(4)(e) of the Regulation, the methodology should however 'be used accordingly for measures that cannot be directly assigned to an intervention field listed in Annex VI'. In this context, the Commission has applied a 100% climate contribution coefficient for zero-emission vehicles of all categories (this includes battery electric and fuel cell/hydrogen-powered vehicles).

[2] see footnote no.1 above