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2023/0383 (NLE)

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**

{SWD(2023) 344 final}

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## **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**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility<sup>1</sup>, and in particular Article 20(1) thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) Following the submission of the national recovery and resilience plan ('RRP') by Austria on 30 April 2021, the Commission has proposed its positive assessment to the Council. The Council approved the positive assessment by means of the Council Implementing Decision of 13 July 2021<sup>2</sup>.
- (2) Pursuant to Article 11(2) of Regulation (EU) 2021/241, the maximum financial contribution for non-repayable financial support of each Member State should be updated by 30 June 2022 in accordance with the methodology provided therein. On 30 June 2022, the Commission presented the results of that update to the European Parliament and the Council.
- (3) On 14 July 2023, Austria submitted a modified national RRP, including a REPowerEU chapter in accordance with Article 21c of Regulation (EU) 2021/241, to the Commission.
- (4) The modified RRP includes a reasoned request to the Commission to propose to the Council to amend the Council Implementing Decision in accordance with Article 21(1) of Regulation (EU) 2021/241 considering the RRP to be partially no longer achievable due to objective circumstances. The modifications to the RRP submitted by Austria concern 14 measures.
- (5) On 14 July 2023, the Council addressed recommendations to Austria in the context of the European Semester. In particular, the Council recommended that Austria winds down the emergency energy support measures in force as soon as possible in 2023 and

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<sup>1</sup> OJ L 57, 18.2.2021, p. 17.

<sup>2</sup> ST 10159/21; ST 10159/21 ADD 1; ST 10159/21 COR 1.

2024. Austria was also recommended to ensure prudent fiscal policy, in particular by limiting the nominal increase in nationally-financed net primary expenditure in 2024 to not more than 4.6%, preserves nationally financed public investment and ensures the effective absorption of grants under the RRF and of other Union funds, in particular to foster the green and digital transition. For the period beyond 2024, a medium-term fiscal strategy of gradual and sustainable consolidation is recommended to be pursued, combined with investments and reforms conducive to higher sustainable growth, in order to achieve a prudent medium-term fiscal position. The Council also recommended that Austria ensures the adequacy and fiscal sustainability of its long-term care system and the fiscal sustainability of its health care system. Additionally, Austria was recommended to simplify and rationalise fiscal relations and responsibilities across layers of government and to improve its tax mix to support inclusive and sustainable growth. Furthermore, the Council recommended that Austria should continue with the steady implementation of its RRP and its cohesion policy programmes and swiftly finalise the REPowerEU chapter with a view to rapidly starting its implementation. Moreover, the Council recommended Austria to boost the labour market participation of women, including by enhancing quality childcare services, and to improve labour market outcomes for disadvantaged groups, such as low-skilled jobseekers and people with a migrant background, including by raising their levels of basic skills. Regarding the challenges Austria is faced with on energy, the Council recommended to Austria to reduce its overall reliance on fossil fuels and diversify gas supply sources to reduce dependence on Russia. It also recommended to Austria to accelerate the deployment of renewable energy and the necessary infrastructure, including by simplifying permitting procedures, and to enhance energy efficiency. Lastly, the Council recommended to reduce emissions, in particular in the transport sector, and to step up policy efforts aimed at the provision and acquisition of the skills needed for the green transition.

- (6) The submission of the modified RRP followed a consultation process, conducted in accordance with the national legal framework, involving local and regional authorities, social partners, civil society organisations, youth organisations and other relevant stakeholders. The summary of the consultations was submitted together with the modified national RRP.
- (7) Pursuant to Article 19 of Regulation (EU) 2021/241, the Commission assessed the relevance, effectiveness, efficiency, and coherence of the modified RRP, in accordance with the assessment guidelines set out in Annex V to that Regulation.

#### ***Amendments based on Article 21 of Regulation 2021/241***

- (8) The amendments to the RRP submitted by Austria because of objective circumstances concern 14 measures.
- (9) Austria has explained that three targets related to two measures are no longer totally achievable due to disruption in supply chains which have led to costs increases. This concerns, respectively, targets 15 and 16 of investment 1.B.3 (Zero - emission buses) as well as the description of that investment and target 40 of reform 1.D.1 (Renewables Expansion Law) as well as the description of that reform under component 1 (Sustainable Recovery). In order to maintain the ambition of the RRP, Austria has requested to increase target 39 of reform 1.D.1 (Renewables Expansion Law) under component 1 (Sustainable Recovery). On this basis, Austria has requested to decrease targets 15, 16 and 40 and increase target 39, and the Council Implementing Decision should be amended accordingly.

- (10) Austria has explained that two targets and one milestone related to three measures are no longer totally achievable in the given implementation timeline due to disruption in supply chains which have led to delays in delivering required materials and in taking investment decisions. This concerns respectively target 42 of investment 1.D.2 (Transforming industry towards climate neutrality) under component 1 (Sustainable Recovery), target 103 of investment 3.D.2 (IPCEI Hydrogen) under component 3 (Knowledge based Recovery) and milestone 138 of investment 4.C.3 (Renovation of Volkskundemuseum Wien and Prater Ateliers) under component 4 (Just Recovery). On this basis, Austria has requested to extend the implementation timeline of the aforementioned milestone and to revise the content of the targets to accommodate for the delays. To make the aforementioned changes, the Council Implementing Decision should be amended accordingly.
- (11) Austria has explained that six targets related to two measures are no longer totally achievable due to increased costs. This concerns, respectively, targets 46, 47 and 48 of investment 2.A.2 (Widespread availability of Gigabit capable access networks and creation of new symmetric Gigabit connections) as well as the description of that investment under component 2 (Digital Recovery) and targets 108, 109 and 110 of investment 4.A.2 (Funding of primary health care projects) under component 4 (Just Recovery). Austria has requested to amend and decrease the aforementioned targets, and the Council Implementing Decision should be amended accordingly.
- (12) Austria has explained that two targets related to two measures are no longer totally achievable due to the existence of manifestly better alternatives for achieving the original ambitions of the measures. This concerns, respectively, targets 7 and 8 of investment 1.A.3 (Combating energy poverty) and the description of that investment under component 1 (Sustainable Recovery) and the description of investment 1.D.2 (Transforming industry towards climate neutrality) under component 1 (Sustainable Recovery). On this basis, Austria has requested to amend and decrease targets 7 and 8, amend the description of investment 1.D.2, and the Council Implementing Decision should be amended accordingly.
- (13) Austria has explained that eight targets and one milestone related to three measures are no longer totally achievable due to lack of demand from potential beneficiaries. This concerns, respectively, milestone 60 of investment 2.C.2 (Digitalisation fund public administration) as well as the description of that investment under component 2 (Digital Recovery), targets 70 and 72 of investment 2.D.3 (Green investments in enterprises) under component 2 (Digital Recovery) and targets 123, 124, 125, 126, 127 and 128 of investment 4.B.3 (Climate-friendly town centres) under component 4 (Just Recovery). In order to maintain the ambition of the RRP, Austria has requested to increase target 71 of investment 2.D.3 (Green investments in enterprises) under component 2 (Digital Recovery). On this basis, Austria has requested to amend milestone 60, decrease targets 70, 72, 123, 126 and 127, increase target 71 and remove targets 124, 125 and 128, and the Council Implementing Decision should be amended accordingly.
- (14) Austria has explained that two targets related to one measure are no longer totally achievable due to delays in public procurement. This concerns, respectively, targets 54 and 55 in investment 2.B.2 (Provision of digital end-user devices to pupils) under component 2 (Digital Recovery). On this basis, Austria has requested to merge these two targets, extend the implementation timeline and amend the measure and target descriptions, and the Council Implementing Decision should be amended accordingly.

- (15) Austria has explained that two targets related to one measure are no longer totally achievable in the given implementation timeline due to labour shortages, changes in working patterns as well as temporary closure of kindergartens linked to the impact of the Covid-19 pandemic. This concerns, respectively, targets 95 and 96 of investment 3.C.3 (Expansion of elementary education) and the description of that investment under component 3 (Knowledge based Recovery). On this basis, Austria has requested to extend the implementation timeline of the aforementioned targets, amend the descriptions of target 95 and of investment 3.C.3, and the Council Implementing Decision should be amended accordingly.
- (16) Austria has explained that two targets related to one measure are no longer totally achievable in the given implementation timeline due to the impact of the influx of displaced people provoked by Russia's war of aggression against Ukraine. This concerns targets 90 and 91 of reform 3.C.1 (Improved access to education) under component 3 (Knowledge based Recovery). On this basis, Austria has requested to remove targets 90 and 91, add milestones 90a, 90b and 91a, and amend the description of the measure, and the Council Implementing Decision should be amended accordingly.
- (17) The Commission considers that the reasons put forward by Austria justify the amendment pursuant to Article 21(2) of that Regulation.
- (18) The distribution of milestones and targets in instalments should be amended to take into account the new allocation, the amendments to the plan and the indicative timeline presented by Austria.

#### ***Corrections of clerical errors***

- (19) Seven clerical errors have been identified in the text of the Council Implementing Decision, affecting three milestones and targets as well as four measure descriptions under eight measures. The Council Implementing Decision should be amended to correct those clerical errors that do not reflect the content of the RRP submitted to the Commission on 30 April 2021, as agreed between the Commission and Austria. Those clerical errors relate to the description of reform 3.A.1 (Research, Innovation and Technology Strategy 2030 (RTI Strategy 2030)), the description of investment 3.A.4 ((Digital) Research Infrastructures), the number and name of investment 3.B.2 (Promoting re-skilling and up-skilling) in the table 'J.2. Milestones, targets, indicators, and timetable for monitoring and implementation for non-repayable financial support', in the row for milestone 87, the description of reform 4.A.1 (Enhancing primary health care), the description of reform 4.B.1 (Soil protection strategy), milestone 146 of reform 4.D.1 (Spending review focusing on green and digital transformation) as well as milestone 159 of reform 4.D.5 (Eco-social tax reform) under component 4 (Just Recovery). Those corrections do not affect the implementation of the measures concerned.

#### ***The REPowerEU chapter based on Article 21c of Regulation 2021/241***

- (20) The REPowerEU chapter includes two new reforms and one new investment. Reform 5.A.1 (Acceleration of permitting procedures for renewables) concerns the amendment to the national environmental impact assessment law. It aims to streamline permitting procedures for renewable energy projects, by introducing important procedural simplifications. Reform 5.A.2 (Hydrogen as key technology to climate neutrality) is related to the adoption of a national Hydrogen Strategy and the implementation of key measures contained in it. Investment 5.B.1 (Photovoltaic systems) is a subsidy scheme

for private individuals supporting the installation and expansion of photovoltaic systems with or without electricity storage, accelerating the expansion of renewable energy.

- (21) The REPowerEU chapter also includes investment 5.B.2 (Funding zero-emission commercial vehicles and infrastructure), which is a scale-up of investment 1.B.4 (Zero-emission utility vehicles) under component 1 (Sustainable Recovery). The scaled-up measure is related to a new funding scheme that targets heavy-duty zero-emission commercial vehicles and related charging infrastructure, supporting the reduction of emissions in road transport. It introduces a substantive improvement in the level of ambition of the investment already included in the national RRP.
- (22) The Commission has assessed the modified RRP including the REPowerEU chapter against the assessment criteria laid down in Article 19(3) of Regulation 2021/241.

***Balanced response contributing to the six pillars***

- (23) In accordance with Article 19(3), point (a), of and Annex V, criterion 2.1, to Regulation (EU) 2021/241, the modified RRP including the REPowerEU chapter represents to a large extent (Rating A) a comprehensive and adequately balanced response to the economic and social situation, thereby contributing appropriately to all of the six pillars referred to in Article 3 of that Regulation, taking into account the specific challenges faced by and the financial allocation for Austria.
- (24) The initial RRP presented a comprehensive and adequately balanced response to the economic and social situation, thereby contributing to all six pillars referred to in Article 3 of Regulation (EU) 2021/241, taking the specific challenges and the financial allocation of Austria into account.
- (25) The Commission considers that the modification of the plan along with the REPowerEU chapter only impacts the assessment of the contribution of the RRP to the first pillar on the green transition, the second pillar on digital transformation and the sixth pillar on next generation. For the other pillars, the nature and extent of the proposed modifications to the RRP do not have an impact on the previous assessment of the plan representing to a large extent a comprehensive and adequately balanced response to the economic and social situation, and on its appropriate contribution to all six pillars referred to in Article 3 of Regulation (EU) 2021/241.
- (26) Regarding the green transition pillar, the REPowerEU chapter includes reforms and investments contributing to increasing the share and accelerating the deployment of renewable energy, ramping up the production of renewable hydrogen and the uptake of hydrogen in sectors which are otherwise difficult to decarbonise, expanding and accelerating the integration of renewable energy in its energy system as well as supporting zero-emission transport and its infrastructure.
- (27) Regarding the digital transformation pillar, the 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 and investment into the Digitalisation Fund for public administration, 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.
- (28) Regarding the next generation pillar, the modified plan does not reduce the ambition of the initial plan. Removing the intermediate target from the investment in providing

digital devices to pupils does not impact the overall target. The target regarding pupils eligible for promotion from 5th school year is replaced by two milestones 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. The target on pupils from migration background having achieved secondary level II degree is replaced by a new milestone aiming at establishing criteria for the specification of the socio-economic baseline of schools which would also guide the allocation of human resources to schools.

***Addressing all or a significant subset of challenges identified in country-specific recommendations***

- (29) In accordance with Article 19(3), point (b) of and Annex V, criterion 2.2, to Regulation (EU) 2021/241, the modified RRP including the REPowerEU chapter is expected to contribute to effectively addressing all or a significant subset of challenges (Rating A) identified in the relevant country-specific recommendations addressed to Austria, including fiscal aspects thereof, or challenges identified in other relevant documents officially adopted by the Commission in the context of the European Semester.
- (30) In particular, the modified RRP takes into account the country-specific recommendations formally adopted by the Council prior to the assessment of the modified plan by the Commission. As the maximum financial allocation for Austria has been adjusted upward, all 2022 and 2023 structural recommendations are considered in the overall assessment.
- (31) Having assessed progress in the implementation of all relevant country-specific recommendations at the time of submission of the modified national RRP, the Commission finds that the recommendation 2022.1.3 on pursuing a fiscal policy aimed at achieving prudent medium-term fiscal positions was fully implemented. Substantial progress has been achieved with respect to the recommendations 2022.1.2 on expanding public investment for the green and digital transitions and 2020.3.1 on the implementation of liquidity and support measures, in particular to small and medium-sized enterprises.
- (32) The modified RRP includes an extensive set of mutually reinforcing reforms and investments that contribute to effectively addressing all or a significant subset of the economic and social challenges outlined in the country-specific recommendations addressed to Austria by the Council in the context of the European Semester, notably to accelerate the deployment of renewable energy and the necessary infrastructure and reduce emissions in the transport sector. Moreover, they include expanding investment in the digital transition, ensuring the sustainability of the healthcare system, improving childcare services and ensuring equal opportunities in learning and raising basic skills in order to improve labour market outcomes for disadvantaged groups, such as low-skilled jobseekers and people with a migrant background.
- (33) The REPowerEU chapter is expected to contribute to reinforcing the ambition of the plan as regards the relevant CSRs addressed in the field of energy and green 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. and 2023.4.2.) include the reform of the national environmental impact assessment law, 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, incentivising the uptake of solar energy in buildings, is set 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, aimed at ramping up production and use of renewable hydrogen in Austria, is expected to contribute to increasing the production and use 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., 2023.4.3.). Lastly, the funding scheme for heavy-duty zero-emission commercial vehicles and charging infrastructure, aimed at reducing emissions in the road transport, is expected to effectively address a number of challenges related to investments in the green transition and sustainable mobility as well as the reduction of emissions in the transport sector, while also counterbalancing the modification of investment 1.B.3. (‘Zero-emission Buses’) of the initial RRP (CSRs 2019.3.3., 2020.3.6., 2023.4.5.).

- (34) As regards the main changes brought by the revision of the plan, the modification of investment 1.A.3 (‘Combating energy poverty’) redesigned the target and the nature of the recipient pool. However, the new measure is expected to be even better targeted to people prone to energy poverty. Moreover, the overall goal of component 1.A. (Renovation Wave) of promoting the green transition, including through the transition to more sustainable and affordable heating (CSRs 2019.3.3., 2020.3.7., 2022.4.3., 2023.4.4.), remains sufficiently addressed through the frontloading of two targets on the exchange of oil and gas heating systems (1.A.2.). Similarly, the reduction of the target on installation of renewable hydrogen production capacity (target 40, reform 1.D.1. (Renewables Expansion Law)) is compensated for by the increase in the target on additional capacity from renewable sources, 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. and 2023.4.2., 2023.4.3.). Modifications and delays regarding investment 1.D.2. (Transforming industry towards climate neutrality) reflect the need to prioritise, dealing with the impact of the Russian war of aggression against Ukraine on energy prices and supply, thereby better targeting the most recent set of energy CSRs (2022.4.1., 2022.4.2., 2023.4.1. and 2023.4.2.). 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 reduction of the target 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. Furthermore, the modified plan has preserved 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 targets of pupils that have been promoted to the next grade or completed a school type and of pupils from migrant 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.

#### ***Do no significant harm***

- (35) In accordance with Article 19(3), point (d), of and Annex V, criterion 2.4, to Regulation (EU) 2021/241, the modified RRP including the REPowerEU chapter is expected to ensure that no measure (Rating A) for the implementation of reforms and investments projects included in this RRP does significant harm to environmental



objectives within the meaning of Article 17 of Regulation (EU) 2020/852 of the European Parliament and of the Council<sup>3</sup> (the principle of ‘do no significant harm’).

- (36) Changes introduced in measures through the modification of the RRP do not affect the assessment of the compliance with the principle of ‘do no significant harm’ carried out for the original RRP, as they do not change the substance of the measures.
- (37) As concerns the measures introduced by the REPowerEU chapter, Austria provided a systematic assessment of each measure in line with the Commission’s technical guidance on the application of ‘do no significant harm’ under the Recovery and Resilience Facility Regulation (2021/C58/01). The reform of the national Environmental Impact Assessment Act (5.A.1) streamlines permitting procedures for renewable energy projects and aims to strengthen soil protection by avoiding excessive land-use. The Austrian Hydrogen Strategy (5.A.2) supports the decarbonisation of the energy system and aims at reducing Austrian dependency on fossil fuels imports. While it supports only the production of renewable hydrogen in Austria, it also contains measures with a potential use of low-carbon hydrogen under strict conditions ensuring that greenhouse gas emissions are separated and fully captured. Furthermore, when implementing the activities laid down in the Hydrogen Strategy, Austria explained that it will ensure compliance with the criteria for the sustainable use and protection of water set out in Regulation (EU) 2021/2139<sup>4</sup>. Whilst the investment in photovoltaic systems (5.B.1) reduces greenhouse gas emissions, it also targets installations exclusively on buildings to avoid additional land use. The investment supporting the expansion of zero-emission commercial vehicles and the related infrastructure (5.B.2) contributes to the decarbonisation of the transport sector and will require recipients to comply with Regulation (EU) 2021/2139. Both investments oblige recipients to respect ambitious standards with respect to reusability and recyclability.

#### ***Contribution to the REPowerEU objectives***

- (38) In accordance with Article 19(3), point (da), of Annex V, criterion 2.12, to Regulation (EU) 2021/241, the REPowerEU chapter is expected to effectively contribute to a large extent (Rating A) to energy security, an increase in the uptake of renewables, an increase of energy storage capacities or the necessary reduction of dependence on fossil fuels before 2030.
- (39) The reform of the national environmental impact assessment law aims at accelerating the permitting of renewable energy projects. It 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 Regulation (EU) 2021/241. The reform (i) introduces various procedural simplifications, (ii) deems investments in renewable energy as projects of particularly

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<sup>3</sup> Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (OJ L 198, 22.6.2020, p. 13).

<sup>4</sup> Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives (OJ L 442, 9.12.2021, p. 1)

high public interest, (iii) reduces the length of permitting procedures on administrative and judicial level and (iv) increases the use of electronic tools.

- (40) The national Hydrogen Strategy provides for a new policy and regulatory framework focusing on (i) ramping up the production of renewable hydrogen and the use of hydrogen in hard-to-decarbonise sectors, (ii) installing 1 GW electrolyser capacity in Austria by 2030 and (iii) developing a hydrogen infrastructure enabling imports of hydrogen, thereby contributing to the REPowerEU objective of accelerating the deployment of renewable energy, in accordance with Article 21c (3), point (b) of Regulation (EU) 2021/241.
- (41) The investment incentivising the uptake of solar energy in buildings supports installation of photovoltaic systems (with or without electricity storage) and thus contributes to the REPowerEU objective of accelerating the deployment of renewable energy, in accordance with Article 21c (3), point (b) of Regulation (EU) 2021/241.
- (42) The scaled-up investment in zero-emission vehicles and infrastructure is expected to reduce road traffic related greenhouse gas and air pollutant emissions, and thus contribute to the REPowerEU objective of supporting zero-emission transport and its infrastructure, in accordance with Article 21c (3), point (e) of Regulation (EU) 2021/241.
- (43) The measures included in the REPowerEU chapter reinforce the reforms and investments included in Austria's original RRP and are coherent also with other measures adopted by Austria outside the RRP, focusing on securing its energy supply, expansion of renewable energy and energy efficiency of buildings and industry.
- (44) The REPowerEU chapter also addresses the need to diversify away from fossil fuels by accelerating the deployment of renewable energy and by supporting the development of hydrogen infrastructure, thus increasing Austria's energy security of supply.

#### ***Measures having a cross-border or multi-country dimension or effect***

- (45) In accordance with Article 19(3), point (db), of and Annex V, criterion 2.13, to Regulation (EU) 2021/241, the measures included in the REPowerEU chapter are expected to a large extent (Rating A) to have a cross-border or multi-country dimension or effect.
- (46) The measures aimed at (i) accelerating the permitting of renewable energy projects, (ii) ramping up the production and use of hydrogen, and (iii) supporting investments in photovoltaic systems are all expected to contribute to expanding the production of renewables and developing the needed storage and transmission infrastructure, and thus reduce demand for fossil fuels.
- (47) The total costs of these measures account for a total of EUR 140 304 520, representing more than 66% of the estimated costs of the REPowerEU chapter, thus exceeding the indicative target of 30%.
- (48) Given Austria's central geographical position and its electricity and gas interconnectors to the neighbouring Member States, the reforms and the investment included in the REPowerEU chapter are expected to reduce energy dependency on fossil fuels as well as energy demand and thus to a large extent contribute to the improvement of cross border energy flows and the security of energy supply of the Union.

#### ***Contribution to the green transition including biodiversity***

- (49) In accordance with Article 19(3), point (e), of and Annex V, criterion 2.5, to Regulation (EU) 2021/241, the modified RRP including the REPowerEU chapter, contains measures that contribute to a large extent (Rating A) to the green transition, including biodiversity, or to addressing the challenges resulting therefrom. The measures supporting climate objectives account for an amount which represents 56% of the RRP's total allocation and 100% of the total estimated costs of measures in the REPowerEU chapter calculated in accordance with the methodology set out in Annex VI to that Regulation. In accordance with Article 17 of Regulation (EU) 2021/241, the modified RRP including the REPowerEU chapter is consistent with the information included in the National Energy and Climate Plan 2021-2030.
- (50) The modified RRP contains measures that effectively contribute to the green transition, including biodiversity, whereas the modifications of the existing measures do not impact the overall ambition of the plan. The REPowerEU chapter represents further efforts to reduce the dependence on fossil-energy by accelerating the deployment of renewable energy and thus speed up the green transition.
- (51) By introducing (i) structural simplifications streamlining the permitting procedures for renewable energy projects, (ii) provisions strengthening soil protection, (iii) a new policy and regulatory framework enabling greater production and use of renewable hydrogen, and (iv) incentives for investment in zero-emission vehicles and in solar energy on buildings, while relying on equipment with high durability and recyclability, the reforms and investments in the REPowerEU chapter are expected to have a lasting positive impact.
- (52) The measures in the REPowerEU chapter contribute to the attainment of the 2030 climate target and the objective of EU climate neutrality by 2050 as they aim to support the production of renewable hydrogen, incentivise the uptake of renewable energy, and reduce carbon emissions in the transport sector.

#### ***Contribution to the digital transition***

- (53) In accordance with Article 19(3), point (f), of and Annex V, criterion 2.6, to Regulation (EU) 2021/241, the modified RRP contains measures that contribute to a large extent to the digital transition or to addressing the challenges resulting from it. The measures supporting digital objectives account for an amount which represents 36% of the modified RRP's total allocation calculated in accordance with the methodology set out in Annex VII to that Regulation.
- (54) The positive assessment of the contribution to the digital transition provided in the Council Implementing Decision of 13 July 2021 remains valid. The modified RRP entails modifications to four measures relating to the digital transition: investment 2.A.2 (Widespread availability of Gigabit capable access networks and creation of new symmetric Gigabit connections), investment 2.B.2 (Provision of digital end-user devices to pupils), investment 2.C.2 (Digitalisation fund public administration) and investment 2.D.2 (Digital investments in enterprises and investment) under component 2 (Digital Recovery), and does not include new measures that contribute to the digital transition. Although the above-mentioned modifications, coupled with the increased maximum financial contribution, decrease the digital contribution of the modified RRP to 36%, the digital contribution remains significantly above the target of 20% set in Article 19(3), point (f) of Regulation (EU) 2021/241.
- (55) The modified RRP continues to significantly contribute to the digital transition in Austria, notably by supporting the widespread deployment of Gigabit-capable access

networks, digitalisation of businesses and public administration, provision of digital devices to pupils and development of digital skills and advanced digital technologies, such as quantum computing and microelectronics.

### ***Lasting impact***

- (56) In accordance with Article 19(3), point (g), of and Annex V, criterion 2.7, to Regulation (EU) 2021/241, the modified RRP including the REPowerEU chapter is expected to have a lasting impact on Austria to a large extent (Rating A).
- (57) The initial assessment of the RRP, in accordance with Article 19(3), point (g), of and Annex V, criterion 2.7, to Regulation (EU) 2021/241 found that the RRP was expected to have a lasting impact on Austria to a large extent (Rating A).
- (58) The modified RRP does not reduce the ambition of the initial plan as a whole, with significant investments expected to have a lasting impact in particular what regards the green and digital transitions. It takes into account the unexpectedly strong increase of inflation, disruption in supply chains as well as the prolonged impact of the COVID-19 crisis. It also includes the 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 expanding and accelerating the deployment of renewable energy 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.

### ***Monitoring and implementation***

- (59) In accordance with Article 19(3), point (h), of and Annex V, criterion 2.8, to Regulation (EU) 2021/241, the arrangements proposed in the modified RRP including the REPowerEU chapter are adequate (Rating A) to ensure effective monitoring and implementation of the RRP, including the envisaged timetable, milestones and targets, and the related indicators.
- (60) The initial assessment of the RRP, in accordance with Article 19(3), point (h), of and Annex V, criterion 2.8, to Regulation (EU) 2021/241, found that the arrangements proposed in the RRP are adequate (Rating A) to ensure effective monitoring and implementation of the RRP, including the envisaged timetable, milestones and targets, and the related indicators.
- (61) The nature and extent of the proposed modifications to Austria's RRP do not have an impact on the previous assessment of the effective monitoring and implementation of the RRP. The milestones and targets that accompany the modified measures, including those in the REPowerEU chapter, are clear and realistic and the proposed indicators for those milestones and targets are relevant, acceptable and robust.

### ***Costing***

- (62) In accordance with Article 19(3), point (i), of and Annex V, criterion 2.9, to Regulation (EU) 2021/241, the justification provided in the modified RRP including the REPowerEU chapter on the amount of the estimated total costs of the RRP is to a medium extent (Rating B) reasonable and plausible, is in line with the principle of cost efficiency and is commensurate to the expected national economic and social impact.
- (63) For the costing assessment of the original plan, Austria provided individual cost estimates for all the measures. The majority of the cost estimates were deemed

plausible, substantiated by reference costs for the key cost drivers, supported by clear evidence and in line with comparable reforms or investments. The justification provided in the original plan on the amount of the estimated total costs of the RRP was to a medium extent reasonable and plausible, in line with the principle of cost-efficiency and was commensurate to the expected national economic and social impact and obtained a 'B' rating at the time.

- (64) Austria has provided detailed information on costs related to all the modified measures, as well for the new and scaled up investments in the REPowerEU chapter. The estimated costs of the measures included in the REPowerEU chapter are in line with the nature and type of the envisaged reforms and investments, accompanied by concrete costing evidence and studies. The changes in the cost estimates for amended measures were justified and proportional and as such the reasonability and plausibility of these cost estimates were not altered compared to the original RRP. Austria provided detailed justifications for the proposed amendments, accompanied by data on the implementation of projects when possible. Most of the costs of the new and modified measures are well justified, reasonable, plausible and do not include costs covered by existing or planned EU financing. In some cases, details on the methodology and assumptions used to make the cost estimates were limited, partly due to the novelty of the measures, preventing an A rating under this assessment criterion. Finally, the estimated total cost of the RRP is in line with the principle of cost-efficiency and commensurate to the expected national economic and social impact.

#### ***Protection of the financial interests of the Union***

- (65) In accordance with Article 19(3), point (j), of and Annex V, criterion 2.10, to Regulation (EU) 2021/241, the arrangements proposed in the modified RRP including the REPowerEU chapter and the additional measures contained in this Decision are adequate (Rating A) to prevent, detect and correct corruption, fraud and conflicts of interests when using the funds provided under that Regulation, and the arrangements are expected to effectively avoid double funding under that Regulation and other Union programmes. This is without prejudice to the application of other instruments and tools to promote and enforce compliance with Union law, including for preventing, detecting and correcting corruption, fraud and conflicts of interest, and for protecting the Union budget in line with Regulation (EU, Euratom) 2020/2092 of the European Parliament and of the Council<sup>5</sup>.
- (66) The original assessment of the RRP, in accordance with Article 19(3), point (j), of and Annex V, criterion 2.10, to Regulation (EU) 2021/241, concluded that the arrangements proposed in the original RRP were adequate (Rating A) to prevent, detect and correct corruption, fraud and conflicts of interest when using the funds provided under that Regulation, and that the arrangements were expected to effectively avoid double funding under that Regulation and other Union programmes.
- (67) Since the original assessment, the Commission has had access to information on the Austrian audit and control system's 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.

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<sup>5</sup> Regulation (EU, Euratom) 2020/2092 of the European Parliament and of the Council of 16 December 2020 on a general regime of conditionality for the protection of the Union budget (OJ L 433 I, 22.12.2020, p. 1).

- (68) 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. These relate to a weakness in the recording of data required by Art. 22 (2) d (i) – (iii) of the RRF Regulation, the checks for double-funding, also against funding from other Union programmes, and the documentation of these checks. The internal control system described in the modified Austrian Recovery and Resilience Plan and the additional measures contained in this Decision, including for the collection and making available of data on final recipients, are adequate with respect to preventing, detecting and correcting corruption, fraud, conflict of interest when using the funds under the RRF and to avoid double funding from the RRF and other Union programmes.
- (69) An additional milestone on audit and control should be introduced. To ensure an effective implementation of proportionate measures for the protection of the financial interests of the Union (PFIU) according to the Article 22 of the RRF Regulation, legally binding agreements should 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 should 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 is necessary.

#### ***Coherence of the RRP***

- (70) In accordance with Article 19(3), point (k), of and Annex V, criterion 2.11, to Regulation (EU) 2021/241, the modified RRP including the REPowerEU chapter includes to a high extent (Rating A) measures for the implementation of reforms and public investment projects that represent coherent actions.
- (71) The original RRP is structured around four components which contain investment and reform measures to contribute to the overarching aim of addressing long-lasting structural challenges and challenges that have become more acute during the COVID-19 crisis. Furthermore, the investment 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 original assessment concluded that the RRP included to a high extent (Rating A) measures for the implementation of reforms and public investment projects that represent coherent actions.
- (72) The modification amends the four existing components, and brings an additional (5<sup>th</sup>) component, the REPowerEU component. The modifications made to the existing components do not alter the overall coherence of the plan, taking into account the way the components are mutually reinforcing and complementary. The additional component related to REPowerEU's objectives brings an additional coherence layer as it includes measures to further reinforce the reduction of greenhouse gas emissions and to promote the use of renewable energy which is particularly important in the context of reducing dependency on fossil fuels. The modifications do not have contradictory aims or possible negative effects on one another.

#### ***Any other assessment criteria***

- (73) The Commission considers that the modifications put forward by Austria do not affect the positive assessment of the RRP set out in the Council Implementing Decision 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 RRP for Austria regarding the relevance, effectiveness, efficiency and coherence of the RRP against the assessment criteria laid down in Article 19(3), points (c).

#### ***Consultation process***

- (74) In preparation of the modified RRP, including the REPowerEU chapter, the Austrian authorities conducted a wide consultation including social partners, local and regional authorities, civil society organisations and other relevant stakeholders, in particular as part of the process for preparing the National Reform Programme from February to April 2023. In addition, the authorities held an online public consultation in March 2023. That consultation was publicly advertised on the website dedicated to the Austrian RRP, with the social partners, relevant stakeholders of civil society organisations, youth organisations as well as representatives of regional and local authorities specifically invited to submit proposals. Following this consultation, the authorities integrated the feedback, including written contributions received as part of the public consultation, into the modified RRP. Several suggestions of the municipal and regional authorities as well as other relevant stakeholders were taken up, for instance regarding zero-emission commercial vehicles. In particular, the investments and reforms of the REPowerEU chapter largely reflect the results of the public consultation.

#### ***Positive assessment***

- (75) Following the positive assessment of the Commission concerning the modified RRP including the REPowerEU chapter, with the finding that the plan satisfactorily complies with the criteria for assessment set out in Regulation (EU) 2021/241, in accordance with Article 20(2) of and Annex V to that Regulation, the reforms and investment projects necessary for the implementation of the modified RRP including the REPowerEU chapter, the relevant milestones, targets and indicators, and the amount made available from the Union for the implementation of the modified RRP including the REPowerEU chapter in the form of non-repayable financial support should be set out.

#### ***Financial contribution***

- (76) The estimated total costs of the modified RRP including the REPowerEU chapter of Austria is EUR 4 187 412 730. As the amount of the estimated total costs of the modified RRP is higher than the updated maximum financial contribution available for Austria, the financial contribution calculated in accordance with Article 11 allocated for Austria's modified RRP including the REPowerEU chapter should be equal to the total amount of the financial contribution available for Austria's modified RRP including the REPowerEU chapter. This amount is equal to EUR 3 750 853 030<sup>6</sup>.
- (77) Pursuant to Article 21a(5) of Regulation (EU) 2021/241, on 14 July 2023 Austria submitted a request for the allocation of the revenue referred to in Article 21a(1) of that Regulation, shared between Member States on the basis of the indicators set out in

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<sup>6</sup> These amounts correspond to the financial allocation after deduction of Austria's proportional share of the expenses of Article 6(2) of Regulation (EU) 2021/241, calculated in accordance with the methodology of Article 11 of that Regulation.

the methodology in Annex Iva to Regulation (EU) 2021/241. The estimated total costs of the measures referred to in Article 21c(3), points (b) to (f) included in the REPowerEU chapter is EUR 210 304 520. As this amount is equal to the allocation share available for Austria, the additional non-repayable financial support available for Austria should be equal to the allocation share. This amount is equal to EUR 210 304 520.

(78) The total financial contribution available to Austria should be EUR 3 961 157 550.

### ***REPowerEU Pre-financing***

(79) Austria has requested the following funding for the implementation of its REPowerEU chapter: EUR 210 304 520 from the revenue from the Emissions Trading System under Directive 2003/87/EC of the European Parliament and of the Council.

(80) For those amounts, pursuant to Article 21d of Regulation (EU) 2021/241, on 14 July 2023, Austria requested pre-financing of 20% of the funding requested. Subject to available resources, that pre-financing should be made available to Austria subject to the entry into force of, and in accordance with, an agreement to be concluded between the Commission and Austria pursuant to Article 23(1) of Regulation (EU) 2021/241 (the 'financing agreement').

(81) Council Implementing Decision 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 RRP for Austria should therefore be amended accordingly. For the sake of clarity, the Annex to that Implementing Decision should be replaced entirely,

HAS ADOPTED THIS DECISION:

### *Article 1*

Implementing Decision (EU) ST 10159/21; ST 10159/21 ADD 1; ST 10159/21 COR 1 is amended as follows:

(1) Article 1 is replaced by the following:

*“Article 1*

#### *Approval of the assessment of the RRP*

The assessment of the modified RRP of Austria on the basis of the criteria provided for in Article 19(3) of Regulation (EU) 2021/241 is approved. The reforms and investment projects under the RRP, the arrangements and timetable for the monitoring and implementation of the RRP, including the relevant milestones and targets, the relevant indicators relating to the fulfilment of the envisaged milestones and targets, and the arrangements for providing full access by the Commission to the underlying relevant data are set out in the Annex to this Decision.”;

(2) In Article 2, paragraphs 1 and 2 are replaced by the following:

“1. The Union shall make available to Austria a financial contribution in the form of non-repayable support amounting to EUR 3 961 157 550.<sup>7</sup> That contribution includes:

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<sup>7</sup> This amount corresponds to the financial allocation after deduction of the Austria’s proportional share of the expenses of Article 6(2) of Regulation (EU) 2021/241, calculated in accordance with the methodology of Article 11 of that Regulation.



- (a) an amount of EUR 2 230 734 344 that shall be available to be legally committed by 31 December 2022;
- (b) an amount of EUR 1 520 118 686 that shall be available to be legally committed from 1 January 2023 until 31 December 2023;
- (c) an amount of EUR 210 304 520<sup>8</sup>, in accordance with Article 21a(6) of Regulation (EU) 2021/241, exclusively for measures referred to in Article 21c of that Regulation, with the exception of measures referred to in Article 21c (3), point (a).

2. The Union financial contribution shall be made available by the Commission to Austria in instalments in accordance with the Annex to this Decision. An amount of EUR 449 981 847 shall be made available as pre-financing in accordance with Article 13 of Regulation (EU) 2021/241.

An amount of EUR 42 060 904 shall be made available as pre-financing in accordance with Article 21d of Regulation (EU) 2021/241. That pre-financing may be disbursed by the Commission in up to two payments.

The pre-financing and instalments may be disbursed by the Commission in one or several tranches. The size of the tranches shall be subject to the availability of funding.”;

(3) The Annex is replaced by the text in the Annex to this Decision:

*Article 2*  
*Addressee*

This Decision is addressed to the Republic of Austria.

Done at Brussels,

*For the Council*  
*The President*

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<sup>8</sup> This amount corresponds to the financial allocation after deduction of the Austria’s proportional share of the expenses of Article 6(2) of Regulation (EU) 2021/241, calculated in accordance with the methodology of Annex IVa of that Regulation.