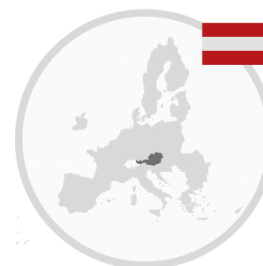


Austria's National Recovery and Resilience Plan



Latest state of play

Overall resources

Recovery and Resilience Facility (RRF): **€4.0 billion**

Grants: **100 %**



Major objectives

Green transition: **€2.2 billion** **56.0 %**

RRF target: 37 %

Digital transformation: **€1.4 billion** **36.0 %**

RRF target: 20 %

(38.0 % excluding REPowerEU chapter)

Payments so far: **€1.2 billion** **30.1 %**

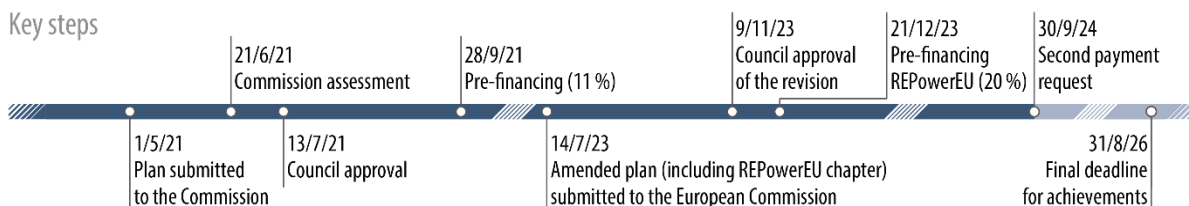
Austria's national recovery and resilience plan ([NRRP](#)) was updated on 9 November 2023 with the introduction of a REPowerEU chapter. The plan now totals €4 187 million, of which €3 961 million are financed through Recovery and Resilience Facility (RRF) grants. The difference is financed through national resources. To implement the plan, Austria is leveraging further amounts beyond EU support from the national budget. Austria has requested the maximum amount of grants available (non-repayable support); it did not opt for requesting loans (possible until 31 August 2023).

The Austrian economy has been in a slowdown since the end of the second quarter of 2022. There has been a lack of expansionary impetus both domestically and

abroad, leading to a decline in economic output of -0.8 % in 2023. Economic indicators do not suggest an economic recovery for 2024 either – a moderate upturn in private consumption is unlikely to fully cushion a prolonged recession in industry and construction. Against this backdrop, Austrian gross domestic product (GDP) is expected to stagnate in 2024, according to recent [estimates](#). From 2025, industrial output is expected to rise again slightly, restoring positive GDP growth (+1.5%).

In Austria's NRRP, **56 %** of EU resources will be allocated to the green transition, and (excluding the REPowerEU chapter) **36 %** to the digital transformation – far more than the minimum targets set by the [RRF Regulation](#) (37 % and 20 % respectively). The plan includes a significant number of reforms with the potential to support lasting structural changes in other areas, such as the primary healthcare system, less red tape for business, and modernisation of the public administration. By the end of November 2024, Austria had received €1.19 billion: €700 million (net of pre-financing) for the first payment, based on the achievement of 44 milestones and targets, and the rest as pre-financing.

Key steps



This briefing is one in a series covering all EU Member States.



Country-specific challenges

In the context of the European Semester, the [Council](#) adopts country-specific recommendations (CSRs), providing Member States with policy guidance on how to boost jobs, growth and investments, while maintaining sound public finances. NRRPs under the [RRF](#) are to contribute to effectively addressing at least a significant subset of challenges identified in the 2019–2020 CSRs.

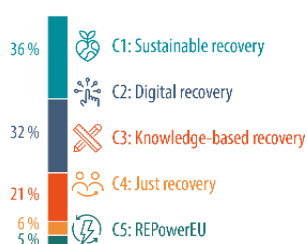
The [Commission](#) groups the CSRs issued to Austria in 10 broad categories: (i) comprehensive tax reforms; (ii) unemployment and female labour market participation; (iii) research and development (R&D) investment for innovation; (iv) reduction of administrative and regulatory burden on firms; (v) resilience of the healthcare system; (vi) fiscal sustainability risks (health, pensions, long-term care); (vii) digital transition; (viii) greenhouse gas (GHG) emissions and climate neutrality; (ix) educational system; and (x) fiscal federalism. In 2020, the Council had [recommended](#) that Austria:

- address the **COVID-19 pandemic** effectively, sustain the **economy** and support the ensuing **recovery**;
- pursue **fiscal policies** intended to achieve **prudent medium-term fiscal positions** and ensure **debt sustainability**, while enhancing **investment**;
- enhance **investment**, strengthen **public health** and **primary care**;
- ensure **equal opportunities in education** and **more digital learning**;
- implement **effective liquidity and support measures**, in particular for small and medium-sized enterprises (SMEs), and cut red tape;
- introduce **mature public investment projects** and promote **private investment** to foster economic recovery: administrative and regulatory burden needs to be reduced, while digital public services need to be developed further;
- **focus investment** on the **green and digital transition**, particularly on basic and applied research, innovation, sustainable transport, and clean and efficient production and use of energy;
- **render** the **tax** mix more efficient and **more supportive of inclusive and sustainable growth**: the Council criticises the uneven, but generally low, level of energy taxation; to encourage environmentally beneficial consumption. It recommends taxation of CO₂ emissions, reduction of more distortive taxes, and greater use of wealth-related taxes (property and inheritance taxes), given 'Austria's persistently high wealth inequalities'.

The modified Austrian plan is in line with the more recent CSRs. Overall, the implementation of the envisaged measures under the REPowerEU chapter is expected to [contribute](#) to reducing dependency on fossil fuels in line with the CSR in [2022](#), [2023](#) and [2024](#). As regards progress with the recovery plan, in the context of the European Semester 2024, the Council [advised](#) Austria to address emerging delays to allow continued, effective and swift implementation.

Objectives and structure of the plan

Figure 1 – Breakdown of funding by component



The overall financial volume of the measures envisaged in Austria's NRRP amounts to €4 187 million. Most of these measures are new investments that had not been provided for in Austria's budgetary planning. In 2020, the pandemic's economic impact led to a 6.6% reduction of Austria's GDP compared with 2019. However, Austria had the advantage of finding itself in a balanced economic situation when the pandemic hit Europe.

In line with RRF rules, the plan's **objectives** are to: (i) contribute to climate protection, (ii) foster digitalisation, and (iii) support education and research. In addition, the Austrian NRRP

identifies horizontal priorities (such as **gender equality**, equal opportunities, **social and territorial cohesion**, and **creation of employment**) that all components are meant to address.

As a consequence of the pandemic, the employment rate fell by 2 % in 2020; women and young people have been particularly affected by the rise in unemployment. Furthermore, the pandemic has highlighted the vulnerability of children from low-income households. More than 10 % of pupils under the age of 15 had no access to a virtual learning environment. Measures in the areas of digitalisation, education, knowledge building and just recovery address these problems.

All measures financed under the Austrian RRP have started entering into force after 20 February 2020. Two thirds of the measures concern new investment that had not been envisaged in the Austrian budgetary planning. This concerns either entirely new investment projects or stepped up financial resources for existing programmes. One third of the measures contained in the Austrian NRRP had already been included in the Austrian budget for 2021 or in the national financial framework until 2024. As for the expected **positive impact** of the Austrian NRRP, the [government](#) estimates that GDP would increase by up to 0.91 % by 2027 and employment to 1.1 % by 2025.

Addressing the seven flagship areas¹ for investments and reforms identified by the [Commission](#) for the RRF, the plan is structured around **five components**, each to be implemented through a mix of investments and reforms:



- 1 **Sustainable recovery** comprises measures to support Austria's green transition, address structural issues relating to sustainability, and enable investments to facilitate reducing GHG emissions in line with climate targets. Investments in the green transition contribute positively to economic recovery by increasing economic growth and employment. This component includes a renovation wave concerning buildings, eco-friendly mobility, biodiversity, and circular economy, and the transition to climate neutrality.



- 2 **Digital recovery** addresses challenges relating to connectivity, to foster competitiveness, social cohesion, further digitalisation of the public administration, and digital and green investments in the private sector – challenges that have increased because of the COVID-19 crisis. This includes measures such as broadband expansion, digitalisation of schools and public administrations, and the digital and ecological transformation of enterprises.



- 3 **Knowledge-based recovery** concerns reform and investment measures relating to research, innovation, technology, retraining (reskilling) and upskilling, and education. The aim is to prepare the economy, and the people in the labour market and in the education system, for future challenges. This includes encouraging training for the unemployed, the digitalisation of universities, and investment in research infrastructure.








- 4 **Just recovery** supports measures relating to social cohesion, the ageing society, and the strengthening of Austria's governance and administrative procedures. This includes reforms and investments in the health- and long-term care sector, and in municipalities. Moreover, the cultural sector, particularly hard hit by the COVID-19 crisis, is supported by targeted reforms and investments.



- 5 **REPowerEU**, approved as part of the November [2023 revision](#) of the plan, is focused on energy, strengthening the support to the green transition. The new chapter contains two new reforms, one new investment as well as one scaled-up investment.

Table 1 below shows the distribution of the financial resources among different policy areas. Significant amounts are devoted to digitalisation and the fight against climate change.

Table 1 – Table of new and modified components and associated costs

Component	Status	Cost (EUR million)
 Sustainable recovery	Modified	1 507.525
 Digital recovery	Modified	1 339.884
 Knowledge-based recovery	Modified	868.320
 Just recovery	Modified	261.379
 REPowerEU	New	210.305

Data source: European Commission, [SWD\(2023\) 344](#).

Reforms

There are **29 reforms** planned under Austria's NRRP. The five key reforms in component 1 (**sustainable recovery**) address major challenges, such as climate change and energy efficiency, and include the replacement of climate-damaging oil and gas heating systems with renewable technology. The [Renewables Expansion Law](#) aims to increase the share of renewables in electricity supply to 100 % by 2030, and represents an important reform towards climate neutrality by 2040.

One of the three reforms in component 2 (**digital recovery**) envisages the setting up of an internet infrastructure platform for broadband deployment in Austria, to be completed by 2023. Component 3 (**knowledge-based recovery**) includes the 'education bonus', i.e. a reform to strengthen incentives and conditions for participation of the long-term unemployed in organised training or qualification sessions.

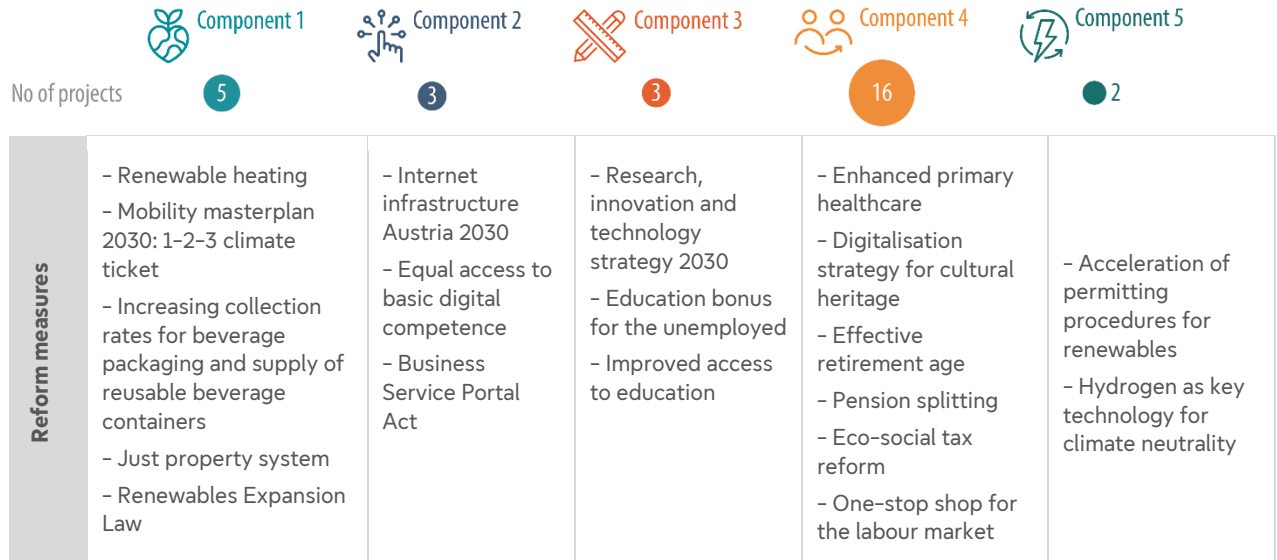
Component 4 (**just recovery**) includes **most of the reforms (16)** – also due to the fact that the COVID-19 crisis has exacerbated certain weaknesses that require structural reforms. This concerns primary healthcare and the attractiveness of working conditions for health and social professions. Reforms in the arts and culture sector, particularly hard hit by the pandemic, are also included, an example being the development of a national digitalisation strategy for cultural heritage to expand digitalisation in arts and culture, and increase visibility of cultural objects.

Another reform intends to raise the effective retirement age by reducing early retirement incentives. This reform helps address the CSR relating to the Austrian pension system's sustainability. Another pension-related reform is aimed at the gender gap, and introduces both automatic pension splitting for couples with children, and voluntary pension splitting for partnerships of any form regardless of parenthood. Lastly, another reform intends to address the CSR on making the Austrian tax mix more efficient and supportive of inclusive and sustainable growth: the '[eco-social tax reform](#)' aims to combat climate change, and achieve European and national climate targets. It provides investment incentives for climate-friendly technologies and consumer behaviours, and offers preferential tax treatment for low- or zero-emission technologies and products.

The new **REPowerEU chapter** (component 5) comprises two new reforms: (i) 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; (ii) reform 5.A.2 (hydrogen as key technology for climate neutrality) concerns the national hydrogen strategy and 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.

Table 2 – Reforms to receive support under Austria's NRRP



Data source: Council implementing decision on the approval of the assessment of the RRP for Austria ([annex](#)).

Investment

The Austrian NRRP initially included **32 investment measures**, many of which (10) concern component 1 (sustainable recovery). Through the REPowerEU chapter (component 5), one new investment was added, and one was scaled up.

Table 3 – Investments to receive support under Austria's NRRP

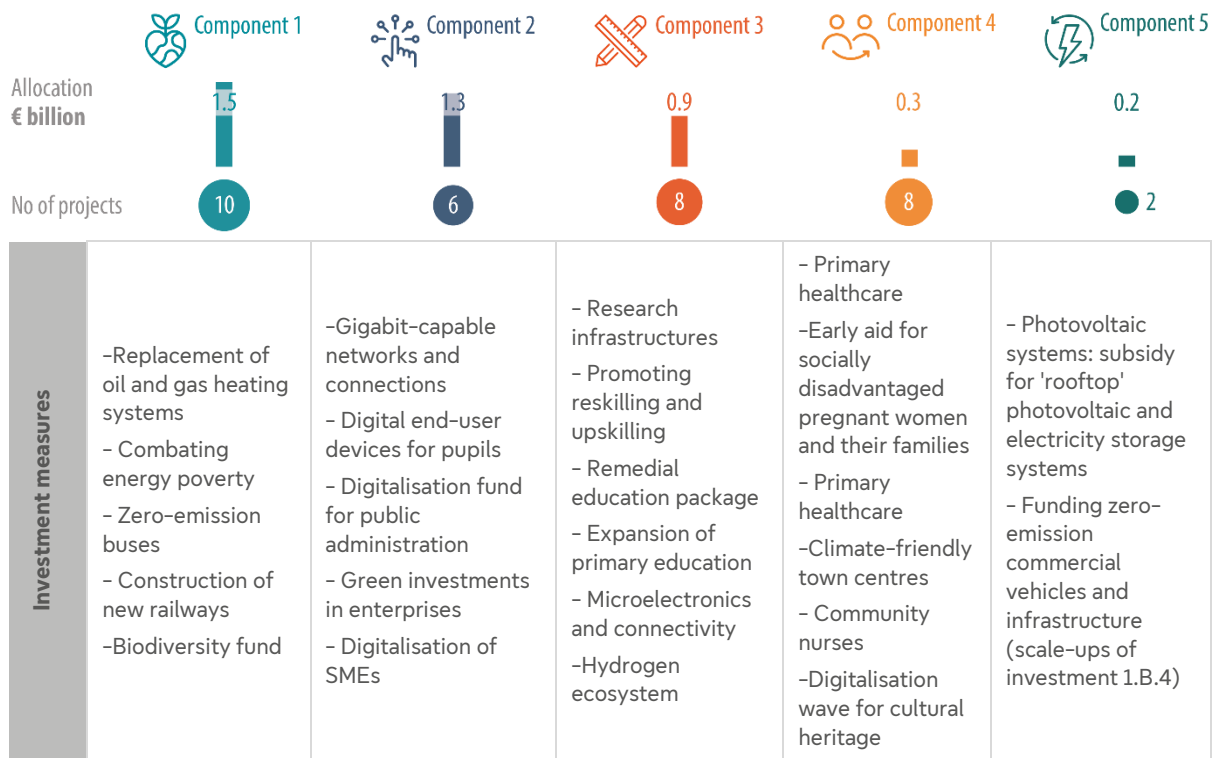
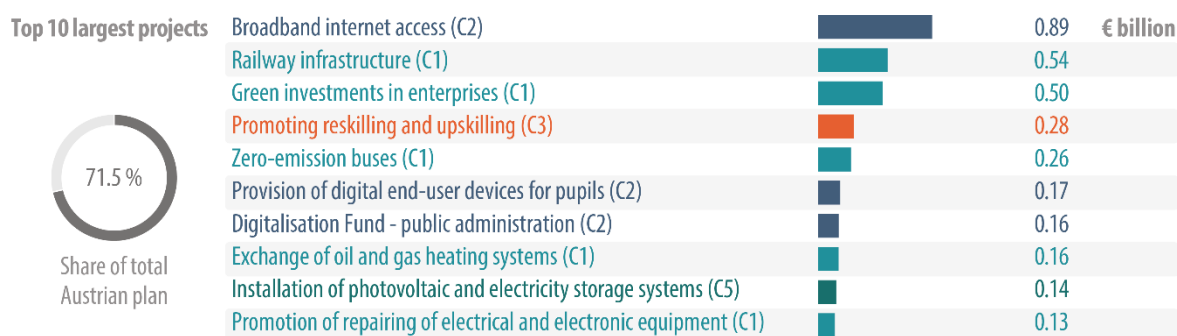


Table 4 – Largest investments under the Austrian NRRP (including EU and national funds)



According to the financial resources' indicative distribution under the Austrian NRRP (including both EU and national resources), the biggest project concerns **broadband internet** access (€893.1 million), the importance of which the pandemic has highlighted. This project intends to improve broadband availability in those regions of Austria in which broadband development by the private sector has been insufficient on account of market failure. The aim is to have at least 50 % of Austrian households covered, and the existing download and upload speed doubled, by 31 August 2026. The second biggest investment in terms of financial resources (€543 million) targets the construction of new **railways** (to improve both the trans-European network and intra-regional connectivity in Austria), and the electrification of existing regional railways.

The third biggest project (€504 million) concerns **green investment in enterprises**, which should encourage companies to invest in ecological transformation. The project consists of a 14 % investment premium granted to companies investing in areas such as thermal renovation of buildings, energy saving measures, or zero-emission vehicles. Two further investments address climate change: one aims to increase the use of **zero-emission buses** (€256 million) in public transport, and includes setting up the necessary infrastructure. The other investment is aimed at **exchanging oil and gas heating systems**. As a support scheme (€159 million) for private households, it promotes replacing fossil-fuel heating systems with biomass-based heaters, heat pumps, or connectors to district heating.

Two investments in education and training address challenges specifically highlighted by the pandemic: (i) promotion of **reskilling and upskilling** (€277 million), to raise the competence levels of unemployed people, particularly the low skilled, and help them find new jobs; and (ii) provision of **digital end-user devices for pupils** (€172 million), to enable IT-supported lessons for all those in lower secondary education. The need for **digitalisation**, highlighted by the pandemic, holds also true for **public administration**, and a fund (€160 million) aims to help develop a citizen-centred, service-oriented administration with a modern, digital infrastructure.

The REPowerEU chapter contains one new and one scaled-up investment: 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.

Governance

Austria has established a governance system to ensure implementation, monitoring and control of its NRRP. The Ministry of Finance is the overall coordination body for implementation, monitoring of progress, and reporting on the plan. For all reform and investment measures under the plan, the responsible ministries have been identified. They ensure implementation, monitoring and control of the measures within their respective remit, and have also indicated a contact point as the entity in

charge of reporting on the milestones and targets. Moreover, each ministry has appointed the entity tasked with drawing up the management declaration that must meet the requirements set out in the RRF Regulation. The Ministry of Finance will produce a central management declaration based on the individual declarations, and will submit the payment requests after the corresponding milestones/targets are fulfilled.

The individual ministries responsible for implementing certain measures of the plan are also in charge of audit, control, and reporting on the progress of milestones and targets. They have to keep the proofs and records of the achievement of milestones and targets in order to enable verification of this information according to European Commission procedures at a later stage. The Ministry of Finance will regularly update and publish a report on the progress of milestones and targets based on the reports delivered by the ministries responsible. It has to request the individual ministries to provide information on any possible delay in achieving milestones and targets, and to transmit this information to the Commission.

The Federal Accounting Agency is responsible for the case-by-case and ad-hoc examination of all accounting, including personnel calculation, by the budgetary authorities and the legal entities administered by them; this can also be carried out on the spot. The checks verify that payments and offsetting are carried out correctly, and supporting documents are properly available and comply with the rules. The results of the checks are forwarded to the Austrian Court of Audit.

The Austrian Parliament has to be informed 'regularly' on the progress made with the plan's implementation; a debate in the parliament can be organised with the ministries responsible. According to Article 34(2) RRF Regulation, 'the recipients of Union funding shall acknowledge the origin and ensure the visibility of the Union funding'. To this end, the Austrian government has adopted a communication strategy that aims to inform the general public about the NRRP measures and the EU's financial contribution. A dedicated [website](#) has been set up to this effect.

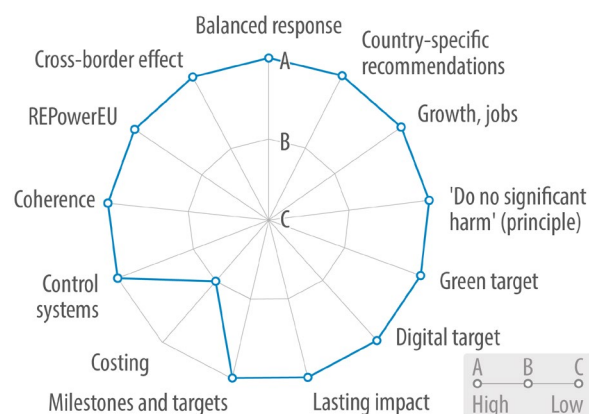
In addition, Austria also [publishes](#) a list of the 100 largest beneficiaries of funding through the RRF in a [transparency register](#), in line with the revised RRF Regulation.

The RRF comprises a spending review, i.e. an obligation to carry out reviews to track progress in pursuing a sustainable recovery, including a focus on the green finance agenda. Austria has taken this priority into account by setting up a Green Budgeting Focal Point in the Ministry of Finance's budget division, with the aim of taking better account of ecological aspects in the budget process. The first module of the Green Spending Review cycle [focuses](#) on the federal government's climate and energy-policy funding and incentives landscape. The aim is to analyse the cost-effective use of funds and the efficient use of existing public sector levers to achieve environmental and climate targets. The second module identifies potential synergies with the federal states' climate and energy policy funding landscape, and [analyses](#) their climate and budget policies. Building on this, further [reports](#) on the implementation of the [EU taxonomy](#) (module 3), public sector participation (module 4) and sustainability of public procurement (module 5) are due to be carried out by 2025. The spending review as part of the 'digital transformation' component is planned after the roll-out of the digitalisation fund measures.

Commission assessment

On 21 June 2021, the European Commission assessed the initial Austrian NRRP positively, and the Council approved it a month later. The Commission reached the same conclusion for the

Figure 2 – Commission ratings by criteria



Data source: European Commission, [SWD\(2023\) 344](#).

updated plan, assessed in October 2023 and greenlit by the Council in November 2023. The Commission considers the updated Austrian NRRP to have a balanced response to all of the six pillars referred to in Article 3 of the RRF Regulation. According to the Commission, the modified NRRP, including the REPowerEU chapter, represents to a large extent a comprehensive and adequately balanced response to the economic and social situation. Based on this assessment, the modified plan received 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 assessment of the initial plan).

Council decision and pre-financing

On [13 July 2021](#), the Economic and Financial Affairs (ECOFIN) Council adopted a [Council implementing decision](#) approving the assessment of the Austrian NRRP. Austria was one of 12 EU Member States that saw their NRRPs approved by the Council as part of a [first batch](#). The [annex](#) to the Council implementing decision on the initial Austrian NRRP confirmed the reforms and investment projects under the plan. The Council confirmed that Austria was set to receive €3 461 million (current prices, rounded) in grants over a 5-year span, since Austria did not opt for any loans. Updated in June 2022 on the basis of the relevant provisions in the RRF Regulation, the total RRF allocation for Austria was [increased](#) to €3 961 million.

Following the Council's approval, the European Commission and Austria signed the financing agreement, which cleared the way to the payment of a pre-financing equivalent to 13 % of the country's initial allocation. On 28 September 2021, the Commission disbursed the €450 million in [pre-financing](#), enabling Austria to launch NRRP implementation.

On 8 November 2023, the Council greenlit the updated Austrian NRRP, which includes a chapter on REPowerEU. Pursuant to Article 21(1) RRF Regulation, because of objective circumstances, Austria had requested to modify existing measures of the plan, as well, considering they were no longer achievable. These modifications address the need to factor in the high inflation experienced in 2022 and supply chain disruptions. Austria had proposed to modify four measures, because they would otherwise not be achievable within the original timeline. The Council [confirmed](#) that Austria is now set to receive €3 961 million from the RRF, including the new REPowerEU grants.

On 21 December 2023, the Commission disbursed €42.06 million in REPowerEU pre-financing to Austria. Payments other than pre-financing are made in instalments, subject to progress in implementing the investments and reforms, and based on a decision by the Commission that Austria has fulfilled relevant milestones and targets satisfactorily (see 'Milestones and targets' below). Thus, after fulfilling 44 milestones and targets, Austria received its [first instalment](#) of €700 million in April 2023. The Commission may pay the pre-financing and the instalments in one or several tranches, depending on availability of funding. The pre-financing will be cleared over time, being proportionally deducted from subsequent payments. The final deadline for the completion of milestones and targets is 31 August 2026.

European Parliament

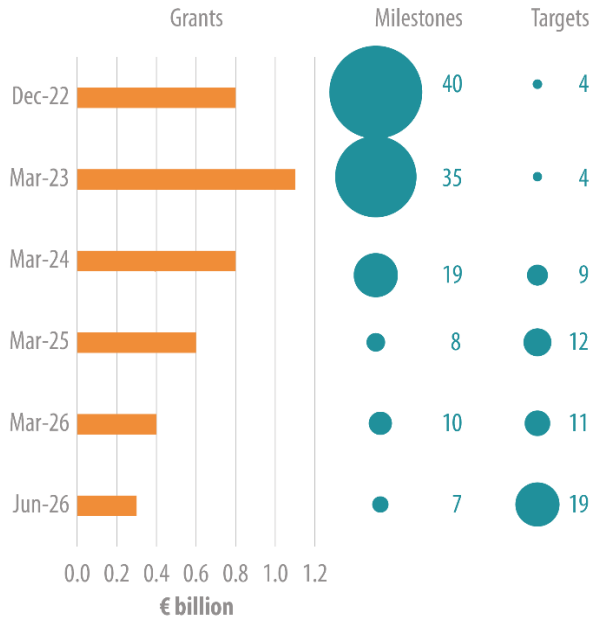
Following the outbreak of the pandemic, the European Parliament was a [major advocate](#) of launching a common EU recovery instrument, and established the RRF as co-legislator with the Council. Based on the RRF Regulation and the [Interinstitutional Agreement](#) (IIA) on budgetary matters, Parliament can scrutinise the Commission's work on assessment of national plans.

Within Parliament, the Conference of Presidents has established a standing working group on the scrutiny of the RRF, comprising the Committee on Budgets (BUDG) and the Committee on Economic and Monetary Affairs (ECON). The working group prepares and follows up on the recovery and resilience dialogue that Parliament holds every two months with Commission representatives.

Moreover, the IIA provides for interinstitutional meetings between Parliament, Council and Commission on the implementation of the broader Next Generation EU (NGEU) recovery instrument. These meetings are held *in camera* at least three times a year. Through the [discharge procedure](#), Parliament also ensures democratic scrutiny of how NGEU resources are spent.

Milestones and targets

Figure 3 – Envisaged instalment schedule



In line with the annex to the Council implementing decision, the Commission will make available the EU financial contribution to Austria in instalments.

Following the disbursement of the pre-financing, all other NRRP payments will be made in instalments, subject to progress in the plan's implementation. The gradual clearing of the pre-financing (€492.06 million, including for REPowerEU) is set to reduce the subsequent disbursements for each instalment. According to Article 24 RRF Regulation, payments must be made by 31 December 2026.²

Following the NRRP's revision, Austria must meet 107 milestones and 71 targets to implement its NRRP fully. The former, which relate to qualitative achievements, dominate the first part of the plan. Austria

has planned a significant frontloading of reforms; 10 milestones and targets are linked to the new REPowerEU chapter. Figure 3 shows that most of the targets have to be met by or after the end of 2023. Various milestones and targets may be linked to a single investment or reform, corresponding to different steps in their implementation.

According to the Council implementing decision, the indicative timeline for the completion of milestones and targets linked to the first instalment worth €804 million (net amount after 13 % deduction in pre-financing: €700 million) was 31 December 2021.

Under the RRF, Austria has so far received €1.19 billion in total, made up of €492.06 million in pre-financing in September 2021 and December 2023, and €700 million for the first payment disbursed in April 2023 after the Commission had made a positive preliminary assessment.

On 30 September 2024, the Commission received the second payment request from Austria, covering the second and third instalments, amounting to €1.6 billion in grants (net of pre-financing) under the RRF. Austria's second payment request concerns 54 milestones and 13 targets. It encompasses reforms that support investment initiatives in the areas of healthcare, the circular economy and the phase-out of fossil-fuel heating systems. The reforms also cover taxation and permitting procedures for renewables. In addition, the request includes investment in the areas of healthcare (notably to promote primary health care projects), improving connectivity through the roll-out of broadband in rural areas, and green and digital investment in SMEs.

Views of Austrian stakeholders

In response to Commission President Ursula von der Leyen's state of the Union address in 2021, the [Austrian Federal Economic Chamber](#) welcomed the NRRP's focus on the green and digital transition. It pressed for a timely disbursement of resources towards Austrian companies in order to support

economic recovery. Representing more than 540 000 member companies, the chamber took positive note of the important projects of common European interest (IPCEI) on microelectronics and connectivity, and hydrogen; this view was echoed by the [Federation of Austrian Industries](#).

A more critical stance has been expressed by the [Austrian Trade Union Federation](#). While welcoming the measures proposed by the NRRP in general terms, the federation criticises the plan for coming up short on specific measures for the labour market and healthcare system. Similarly, the [Austrian Federal Chamber of Labour](#) supports the NRRP's focus on green and digital projects; however, it deplors that most of the projects are not directly related to the coronavirus crisis, and that funds flow into existing or ongoing projects as opposed to new, innovative ones, in particular projects targeting poverty and the workforce. This point has also been highlighted by the [Momentum Institut](#), an Austrian progressive think-tank. According to the institute's analysis, half of the projects contained in the plan are already launched or ongoing, while only 4 % are distinctively new. For [Agenda Austria](#), a liberal Austrian think-tank, the labour market's crucial role is reflected in a sufficient manner; however, the think-tank argues that the NRRP fails to tackle structural problems, such as low equity ratios in Austrian companies or the high tax burden.

The [Austrian Association of Cities and Towns](#) disapproves of its insufficient involvement in the definition of projects, priorities and objectives, calling for trade unions to be effectively associated to the plan's participatory governance. The association highlights that projects at the municipal level should be eligible for direct funding.

The [Austrian Anti-Poverty Network](#) has made detailed suggestions for the NRRP, specifying which of the six pillars under the RRF and the CSRs should be given particular attention. Generally, the recommendations aim to improve on the social and health components and the education system, with a focus on disadvantaged groups and equal opportunities, particularly for women.

Expert debate

Public investment in the EU has been [robust](#) during the COVID-19 pandemic and is [projected](#) to increase stronger than GDP in both 2023 and 2024, from an expected growth of 3.3 % in 2022, to 3.4 % in 2023 and 3.5% in 2024, benefiting from the continued deployment of the RRF. On the back of rising energy bills, eroding the purchasing power of households and companies, Member States ran significant fiscal deficits since the onset of the COVID crisis. According to calculations by the [Fiskalrat](#), an independent body responsible for monitoring the fiscal discipline of the Austrian government entities, the budgetary effect of the Corona pandemic in Austria (excluding the fourth lockdown) for the period 2020 to 2022 amounts to €63.8 billion.

In its 2021 [report](#) on the compliance with EU fiscal rules, the Fiskalrat formulated several recommendations on how the NRRP should be designed. It notes that, among others, the NRRP should cushion the effects of a socio-ecological tax reform, in particular with regard to the introduction of a carbon tax. As regards the NRRP's fiscal impact, evidence is as yet inconclusive, since only one third of NRRP funds have been taken into account in the fiscal and macroeconomic forecasting exercise, owing to the budgeting process. The [Austrian Society for European Politics](#) (ÖGFE), a non-governmental and non-partisan organisation, welcomed the NRRP's ambition to exceed the green and digital targets. ÖGFE emphasised that the funds can only support, rather than replace, national recovery efforts. In an assessment of the NRRP's economic impact, the [Institute for Advanced Studies](#), an independent post-university research centre, forecasts a substantial increase in Austria's GDP in the short and medium run (+0.91% of GDP in 2025 and +1.21% in 2040). As the main driver, the analysis pinpoints investment in the digital transformation, which includes the provision of infrastructure (increase in broadband coverage), investment in digital skills, and the digital re-organisation of both private business and the public sector.

A preliminary analysis of the [Austrian Institute of Economic Research](#) (WIFO) deems NRRP investment in line with the CSR addressing a significant subset of challenges identified in the context of the European Semester. More specifically, WIFO stresses that in countries with more fiscal space,

such as Austria, additionality should be made a priority, rather than projects and measures that would have been implemented irrespective of the RRF.

In its report on the effect of EU transfers on the Visegrád countries and Austria, the [Vienna Institute for International Economic Studies](#) (WIIW) quantified the cumulative growth impact on the Austrian economy for 2021-2022 on account of planned EU transfers to the Visegrád countries at 0.12 %. According to the report, this is no negligible amount, given that it reflects only direct demand spillovers from four economies, three of which are rather small, and disregards the effects of EU transfers to larger neighbouring countries and Austria itself.

EUROPEAN PARLIAMENT SUPPORTING ANALYSIS

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EPRS, [EU recovery instrument](#), infographic, updated weekly.

EPRS, [National Recovery and Resilience Plans: Latest state of play](#), blog, updated September 2024.

OTHER SOURCES

European Commission, [Austria's recovery and resilience plan](#) website.

Eurostat, [European Statistical Recovery Dashboard](#), website.

Government of Austria, [EU-Aufbauplan](#), National Recovery and Resilience Plan, website.

ENDNOTES

- ¹ The flagship areas are: (i) Power up – Clean technologies and renewables; (ii) Renovate – Energy efficiency of public and private buildings; (iii) Recharge and refuel – Sustainable transport and charging stations; (iv) Connect – Rapid broadband services; (v) Modernise – Digitalisation of public administration; (vi) Scale up – Data cloud capacities and sustainable processors; (vii) Reskill and upskill – Education and training to support digital skills.
- ² The expected timeline for disbursements from the Commission does not coincide with the timeline of RRF investments planned. The reasons explaining the differences include the 13 % pre-financing and the feature enabling the RRF to finance eligible measures already started by the Member State retroactively (as from February 2020).

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<http://epthinktank.eu> (blog)

Third edition. The 'NGEU delivery' briefings are updated at key stages throughout the lifecycle of the plans.

Annex – Payments received by Austria so far

Table 3 provides an overview of the payments Austria has received so far.

Table 3 – Austria's NRRP: Payments as of November 2024

Grants or loans	Payment	Date	Net resources (€ billion)	Share of total (€3.961 billion)
Grants	Pre-financing	28.9.2021	€0.45	11.36 %
	First instalment	20.4.2023	€0.7	17.67 %
	REPowerEU pre-financing	21.12.2023	€0.04	1.06 %
	Total grants paid so far		€1.19	30.09%

Source: EPRS, based on European Commission data, 2024.

On 22 December 2022, Austria requested a first payment of €700 million, corresponding to more than a quarter of the total milestones and targets. According to the Austrian authorities, the 44 milestones and targets that had already been reached include key reforms and investment projects such as: the delivery of 160 000 digital devices to students; the replacement of 6 360 oil and gas heating systems; the payment of 40 000 education bonuses; the launch of the community nurses pilot; the entry into force of the Renewables Expansion Law; and the introduction of the 1-2-3 climate ticket (a cheap ticket to be used on all means of public transport in Austria).

Following the [positive preliminary assessment](#) of the satisfactory fulfilment of all the 44 milestones and targets relating to this instalment, the Commission disbursed the corresponding funds amounting to €700 million in April 2023. Therefore, Austria has so far received €1.192 billion from the RRF, including €492 million in pre-financing in September 2021 and December 2023. In general, all measures have to be implemented within a tight time frame, as the RRF Regulation requires all milestones and targets within the national plans to be completed by August 2026.

On 30 September 2024, the Commission received the second payment request from Austria, covering the second and third instalments, amounting to €1.6 billion in grants (net of pre-financing).

On 14 October 2024, the Commission published a list of Austria's [100 largest recipients](#) of RRF funds.