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Subject: COUNCIL IMPLEMENTING DECISION on the approval of the assessment of the recovery and resilience plan for Austria

COUNCIL IMPLEMENTING DECISION

of ...

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 Facility¹, and in particular Article 20 thereof,

Having regard to the proposal from the European Commission,

¹ OJ L 57, 18.2.2021, p. 17.

Whereas:

- (1) The COVID-19 outbreak has had a disruptive impact on the economy of Austria, adding to challenges that existed before the pandemic. In 2019, the gross domestic product (GDP) per capita of Austria was 144 % of the Union average. The real GDP of Austria declined by 6,6 % in 2020 and, according to the Commission's spring 2021 forecast, GDP is expected to decline by 3,4 % cumulatively in 2020 and 2021. Long-standing aspects with an impact on medium-term economic performance include in particular economic and fiscal challenges linked to the ageing of the population, a comparatively low productivity growth, a relatively high tax burden on labour and a suboptimal use of the labour force potential.

- (2) On 9 July 2019 and on 20 July 2020, the Council addressed recommendations to Austria in the context of the European Semester. In particular, the Council recommended Austria to simplify and rationalise fiscal relations and responsibilities; to ensure the sustainability of the healthcare, long-term care and pension systems; to shift taxes away from labour and to make the tax mix more supportive to sustainable growth; to ensure the effective implementation of liquidity and support measures for the economy in response to the pandemic; to boost labour market outcomes for low skilled; to support full-time employment among women; to ensure equal opportunities in education and to raise the level of basic skills for disadvantaged groups, including people with a migrant background; to focus investments on sustainable green and digital transitions, including businesses, research and innovation, energy, transport; and to reduce the administrative and regulatory burden for businesses. Having assessed progress in the implementation of these country-specific recommendations at the time of submission of the recovery and resilience plan ('RRP'), the Commission finds that the recommendation on taking the measures necessary to effectively address the COVID-19 pandemic, sustaining the economy and supporting the ensuing recovery has been fully implemented. Substantial progress has been achieved with regard to the recommendation on ensuring the effective implementation of liquidity and support measures, in particular for small and medium-sized enterprises.

- (3) The Council Recommendation on the economic policy of the euro area recommended euro-area Member States to take action, including through their RRPs, to, inter alia, ensure a policy stance which supports the recovery and to further improve convergence, resilience and sustainable and inclusive growth. The Council Recommendation also recommended euro-area Member States to strengthen national institutional frameworks, to ensure macro-financial stability, to complete the economic and monetary union and to strengthen the international role of the euro.
- (4) On 30 April 2021, Austria submitted its national RRP to the Commission, in accordance with Article 18(1) of Regulation (EU) 2021/241. That submission 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. National ownership of the RRPs underpins their successful implementation and lasting impact at national level and credibility at European level. Pursuant to Article 19 of Regulation (EU) 2021/241, the Commission has assessed the relevance, effectiveness, efficiency and coherence of the RRP, in accordance with the assessment guidelines set out in Annex V to that Regulation.

- (5) The RRP should pursue the general objectives of the Recovery and Resilience Facility established by Regulation (EU) 2021/241 (the 'Facility') and of the European Union Recovery Instrument set up by Council Regulation (EU) 2020/2094¹ in order to support the recovery in the aftermath of the COVID-19 crisis. They should promote the Union's economic, social and territorial cohesion by contributing to the six pillars referred to in Article 3 of Regulation (EU) 2021/241.
- (6) The implementation of the Member States' RRP will constitute a coordinated effort involving reforms and investments across the Union. Through coordinated and simultaneous implementation and the implementation of cross-border and multi-country projects, such reforms and investments will mutually reinforce each other and generate positive spillovers across the Union. Therefore, about one third of the impact of the Facility on Member States' growth and job creation will come from spillovers from other Member States.

Balanced response contributing to the six pillars

- (7) In accordance with Article 19(3), point (a), of and Annex V, criterion 2.1, to Regulation (EU) 2021/241, the RRP 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 the Member State concerned.

¹ Council Regulation (EU) 2020/2094 of 14 December 2020 establishing a European Union Recovery Instrument to support the recovery in the aftermath of the COVID-19 crisis (OJ L 433 I , 22.12.2020, p. 23).

- (8) The Austrian RRP includes a balanced mix of reforms and investments that cover four broad areas of relevance to Austria: (a) sustainable recovery, (b) digital recovery, (c) knowledge-based recovery and (d) just recovery. The focus of the RRP is on the green and digital transition, including large investments in areas such as thermal renovation, emission-free transport and high-capacity broadband infrastructure. The RRP includes measures ensuring significant contributions to all of the six pillars with both reforms and investments. Each pillar is addressed by a large number of measures ensuring that the objectives of the pillar are supported by activities of at least one area of relevance to Austria. Two pillars (green transition; smart, sustainable and inclusive growth) are supported by measures in all four areas of relevance and three pillars (digital transformation; social and territorial cohesion; policies for the next generation) are supported by measures in three areas. In line with the overall focus of the Austrian RRP, the highest number of measures support smart, sustainable and inclusive growth, closely followed by the number of measures supporting the green transition and social and territorial cohesion.

- (9) Measures supporting smart, sustainable and inclusive growth are included throughout the RRP and comprise two planned important projects of common European interest (IPCEI) covering future-oriented technologies (microelectronics and hydrogen), an eco-social tax reform, measures strengthening the financing possibilities for businesses through an investment bonus, support to reduce energy poverty, and steps to liberalise the business environment. Social and territorial cohesion is supported by measures reforming the pension system that are expected to help reduce the gender pension gap and old-age poverty, and investments such as those in upskilling and reskilling activities, the education bonus, and the early aid for pregnant disadvantaged women.
- (10) Health, economic, social and institutional resilience is covered by measures such as the establishment of the first Austrian institute of precision medicine and a national rollout of dedicated support to disadvantaged young mothers and their families aimed at reducing their risk of social exclusion. Specific measures on education are expected to support improving the digital skills of pupils and help recover lost learning opportunities due to the lockdowns, thus contributing to strengthening the next generation.

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

- (11) In accordance with Article 19(3), point (b), of and Annex V, criterion 2.2, to Regulation (EU) 2021/241, the RRP 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. The recommendations related to the immediate fiscal policy response to the pandemic can be considered to fall outside the scope of Austria's RRP, notwithstanding the fact that Austria has generally responded adequately and sufficiently to the immediate need to support the economy through fiscal means in 2020 and 2021, in line with the general escape clause of the Stability and Growth Pact.

- (12) The 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. Planned changes to the tax system should be designed to reduce Austria's greenhouse gas emissions, while also contributing to shifting taxes away from labour and taking account of ecological and social aspects. The full-time labour market participation of women is expected to benefit from an improved offer of quality early-childcare facilities. The long-recognised challenge related to the gender pension gap is also tackled through measures in the RRP. Investments in energy efficiency, renewables, decarbonisation of industry, biodiversity and circular economy, accompanied by related reforms, including the overhaul of the support framework for renewables and the phase-out of oil heating systems, are expected to promote the green transition.

- (13) The RRP also addresses some of the social and economic challenges that have emerged or were exacerbated during the COVID-19 crisis. A series of active labour market policy measures are expected to address the increased need for help among the low-skilled and raise the labour market opportunities of disadvantaged groups. These measures include an education bonus and a one-stop shop for the long-term unemployed facing multiple barriers to employment and inclusion. Pupils who have suffered from a lack of physical presence in class should have the opportunity to participate in additional learning settings allowing them to improve their knowledge and to ensure satisfactory learning outcomes. The cultural sector, which has suffered from the closure of venues, should benefit from support measures concerning, inter alia, the digitalisation of artefacts and the renovation of a cultural site. The once-only principle is expected to ease and simplify the administrative burden for companies as it seeks to reduce the administrative burden and decrease compliance costs caused by incompatible IT systems, while also encouraging investments.

Contribution to growth potential, job creation and economic, social and institutional resilience

- (14) In accordance with Article 19(3), point (c), of and Annex V, criterion 2.3, to Regulation (EU) 2021/241, the RRP is expected to have a high impact (Rating A) on strengthening the growth potential, job creation, and economic, social and institutional resilience of Austria, contributing to the implementation of the European Pillar of Social Rights, including through the promotion of policies for children and youth, and on mitigating the economic and social impact of the COVID-19 crisis, thereby enhancing the economic, social and territorial cohesion and convergence within the Union.

- (15) Simulations by the Commission services show that the RRP, together with the rest of measures of the European Union Recovery Instrument, has the potential to increase the GDP of Austria in the range of 0,4 to 0,7 % by 2026, not including the possible positive impact of structural reforms, which can be substantial. Measures of the Austrian RRP that are expected to have a positive impact on social cohesion and to contribute to reducing the social and economic risks of vulnerable groups include in particular those that improve the labour market participation perspectives of disadvantaged groups. Low-skilled, unemployed and inactive people may benefit from upskilling and reskilling measures, which are expected to improve their employability. Easier access to social support measures through a one-stop shop should allow those hardest hit by the crisis to overcome the challenges and increase their social participation opportunities.
- (16) Specific measures are envisaged for children and young people to allow them to overcome the effects of the shift to remote learning. Not all pupils and students were in a position to benefit from online education and some of them have thus experienced breaks in their learning processes. The offer of extra education hours targets those who were hardest hit by the crisis. Measures in line with the principles set out in the European Pillar of Social Rights include, in addition to improved access to quality education, an increased offer of early childcare and measures to improve the equality of the pension system and to contribute to better gender equality.

Do no significant harm

- (17) In accordance with Article 19(3), point (d), of and Annex V, criterion 2.4, to Regulation (EU) 2021/241, the RRP is expected to ensure that no measure for the implementation of reforms and investments projects included in the RRP does significant harm to environmental objectives (Rating A) within the meaning of Article 17 of Regulation (EU) 2020/852 of the European Parliament and of the Council¹ (the principle of 'do no significant harm').
- (18) The assessment has been carried out in accordance with the two-step approach of the technical guidance provided in the Commission Notice entitled 'Technical guidance on the application of "do no significant harm" under the Recovery and Resilience Facility Regulation'². It covers the six environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852, namely climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems. For measures where a risk has been identified, the risk has been tackled through specific and relevant measures to ensure full compliance with the 'do no significant harm' principle. In relation to financial support transforming industry towards climate neutrality, a milestone should be set to ensure that relevant eligibility criteria are included in the published calls targeting large-scale transformative projects in industries falling under the EU Emissions Trading System.

¹ 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).

² OJ C 58, 18.2.2021, p. 1.

Contribution to the green transition, including biodiversity

- (19) In accordance with Article 19(3), point (e), of and Annex V, criterion 2.5, to Regulation (EU) 2021/241, the RRP contains measures that are expected to 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 58,7 % of the RRP's total allocation, calculated in accordance with the methodology set out in Annex VI to Regulation (EU) 2021/241. In accordance with Article 17 of that Regulation, the RRP is consistent with the information included in the National Energy and Climate Plan 2021-2030.

- (20) Half of the subcomponents of the RRP include investments that are expected to contribute to climate objectives with a clear focus on reducing CO₂ emissions. The measures are thus in line with the challenges identified in the National Energy and Climate Plan of Austria and are expected to contribute to the 2030 energy and climate targets. In particular, the RRP focuses on sustainable mobility, buildings and industry, which are among the biggest greenhouse gas emitters in Austria. In relation to mobility, some measures should contribute to the electrification of vehicles used in public transport while others are expected to make the public transport network more attractive, encouraging people to shift from private to public transport. Emissions by industry, including from heavy industry, such as the installations under the EU Emissions Trading System, and emissions resulting from transport by enterprises, should be addressed through an investment support scheme. Furthermore, a dedicated scheme supporting the replacement of gas and oil heating systems with more sustainable heating appliances is expected to reduce emissions of buildings.
- (21) The RRP is expected to meet environmental objectives through its actions to support the circular economy, biodiversity and climate adaptation. It is expected to help meet the Union's targets for environmental policy and to contribute to improving, protecting and restoring Austria's biodiversity, natural carbon sinks and its Natura 2000 network, thus contributing to the Union and national biodiversity strategies. A dedicated new soil protection strategy is expected to reduce land use.

Contribution to the digital transition

- (22) In accordance with Article 19(3), point (f), of and Annex V, criterion 2.6, to Regulation (EU) 2021/241, the RRP contains measures that contribute to a large extent (Rating A) to the digital transition or to addressing the challenges resulting from it. The measures supporting digital objectives account for an amount which represents 52,8 % of the RRP's total allocation, calculated in accordance with the methodology set out in Annex VII to Regulation (EU) 2021/241.
- (23) Austria's RRP is expected to contribute to the digitalisation of the country by supporting a widespread deployment of Gigabit-capable access networks and by ensuring that currently underserved or disadvantaged and remote areas should be better connected. The measures in the RRP are consistent with other Austrian frameworks setting out the digital targets for 2030 and 2050, such as the Broadband Strategy 2030 (*Breitbandstrategie 2030*) or the Digital Action Plan of Austria (*Digitaler Aktionsplan Austria*). The Austrian RRP should ensure that pupils are equipped with relevant digital devices and is expected to improve also their digital skills and to facilitate increased use of digital means and methods in teaching and learning settings. This is expected to contribute to addressing challenges that have been highlighted due to the COVID-19 pandemic, such as the difficulty to provide digital education to all students in times of lockdown.

Lasting impact

- (24) In accordance with Article 19(3), point (g), of and Annex V, criterion 2.7, to Regulation (EU) 2021/241, the RRP is expected to have a lasting impact on Austria to a large extent (Rating A).
- (25) The Austrian RRP includes a significant number of reforms that have the potential to support lasting structural changes. These include the reform of the healthcare system, giving more weight to primary healthcare, and the support to mother-child healthcare. Other measures included in the RRP are furthermore expected to reduce the administrative burden of businesses and to contribute to the digitalisation of the public administration.
- (26) The RRP contains several investments that are expected to have a lasting impact in particular in relation to the green and digital transitions. The measures to increase the use of renewable energy sources include shifts to environment-friendly heating systems. Building renovations should reduce energy use and related emissions. Investments in high-capacity broadband and other infrastructure measures are expected to facilitate the uptake of digital technologies and support private households, the business sector, and the public administration in making best use of technological advancements. The lasting impact of the RRP can also be enhanced through synergies between the RRP and other programmes, including cohesion policy funds, in particular by addressing in a substantive manner territorial challenges and promoting a balanced development.

Monitoring and implementation

- (27) 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 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.
- (28) The overall implementation of the Austrian RRP should be monitored by the Austrian Ministry of Finance. Appropriate arrangements have been put in place setting out how other ministries and agencies should be in charge of the implementation, monitoring and reporting of the measures under their responsibility. The milestones and targets of the Austrian RRP constitute an appropriate system for monitoring the RRP's implementation. They are sufficiently clear and comprehensive to ensure that their completion can be traced and verified. Milestones and targets are also relevant for measures already completed which are eligible under Article 17(2) of Regulation (EU) 2021/241. The satisfactory fulfilment of these milestones and targets over time is required to justify a disbursement request.
- (29) The verification mechanisms, data collection and responsibilities described by the Austrian authorities appear sufficiently robust to justify in an adequate manner the disbursement requests once the milestones and targets are assessed as having been completed.

- (30) Member States should ensure that financial support under the Facility is communicated and acknowledged in line with Article 34 of Regulation (EU) 2021/241. Technical support may be requested under the Technical Support Instrument established by Regulation (EU) 2021/240 of the European Parliament and of the Council¹ to assist Member States in the implementation of their RRP.

Costing

- (31) 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 RRP 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.
- (32) Austria has provided individual cost estimates for all 33 investments included in the RRP. Austria has provided sufficient information and evidence that the amount of the estimated total costs of the RRP to be financed under Regulation (EU) 2021/241 is not covered by existing or planned Union financing.

¹ Regulation (EU) 2021/240 of the European Parliament and of the Council of 10 February 2021 establishing a Technical Support Instrument (OJ L 57, 18.2.2021, p. 1).

- (33) Based on the assessment of individual cost estimates and related supporting documents, the estimated total cost of the RRP appears to be reasonable and plausible. A majority of the individual cost estimates submitted with the RRP are assessed to be reasonable, comprehensible and based on sound underlying assumptions. The majority of cost estimates in the Austrian RRP is deemed plausible, substantiated by reference costs for the key cost drivers, supported by clear evidence and in line with comparable reforms or investments. Finally, the estimated total cost of the RRP is in line with the principle of cost-efficiency and is commensurate to the expected national economic and social impact.

Protection of the financial interests of the Union

- (34) 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 RRP are adequate (Rating A) to prevent, detect and correct corruption, fraud and conflicts of interest 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 Council¹.

¹ 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).

- (35) The RRP includes a detailed description of the control system and the arrangements put in place to ensure the implementation of the measures is in accordance with all applicable rules. The system is based on robust processes and structures with the Ministry of Finance being the central coordinating body. The system includes clearly identified actors, with line ministries being responsible for supervising and controlling the implementing agencies in cases where they do not implement the measures themselves. Line ministries are subject to the control of their internal audit units. The central audit body is the national Court of Auditors.
- (36) The audit and control system laid down in the RRP clearly sets out how the relevant functions have been segregated. It describes the responsibilities within the internal control system and provides the legal mandate of the central audit authority highlighting its independence from the government. The responsibility of implementing bodies and agencies for collecting and storing data on final beneficiaries and other relevant information, including the arrangements for making the information available to auditing bodies, is clearly defined in the RRP, which also provides for the use of appropriate registers and databases.
- (37) The RRP clearly sets out that the administrative capacity of the Austrian audit and control system is sufficient for the implementation of the RRP. Existing structures experienced in management of EU funds should be tasked to carry out the necessary actions.

Coherence of the RRP

- (38) In accordance with Article 19(3), point (k), of and Annex V, criterion 2.11, to Regulation (EU) 2021/241, the RRP includes to a high extent (Rating A) measures for the implementation of reforms and public investment projects that represent coherent actions.
- (39) The RRP contains a balanced set of reforms and investments that mutually reinforce each other to a large degree. The design of the RRP ensures that both reforms and investments contribute to the overarching aim of addressing long-lasting structural challenges, while also addressing the challenges related to the COVID-19 pandemic. The RRP provides incentives in favour of the green or digital transitions, such as the introduction of a CO₂ price and the replacement of fossil fuel heating systems, while addressing the related social impact by combating energy poverty. The RRP provides for retraining and upskilling of mainly low-skilled individuals, while also reducing the existing barriers to participation in such activities. Structural changes are expected to simplify the administrative burden of businesses by means of digital single access points, while investments provide for a large-scale increase in digital capacities.

Equality

- (40) The Austrian RRP contains a series of measures that are expected to address the country's challenges in the area of gender equality and equal opportunities for all. Gender equality considerations are reflected throughout the RRP. Measures include reforms and investments to increase female labour market participation by increasing the provision of early childhood education and childcare places. Health needs of disadvantaged pregnant women are also addressed in the RRP. In the area of research, targets are included for women graduating in studies relating to science, technology, engineering, and mathematics. The measures related to the changes to the pension system are expected to reduce the gender pension gap. Furthermore, the RRP includes measures to improve educational outcomes and skills levels of disadvantaged groups, such as persons with a migration background.

Security self-assessment

- (41) A security self-assessment has not been provided as it has not been considered appropriate by Austria, in accordance with Article 18(4), point (g), of Regulation (EU) 2021/241.

Cross-border and multi-country projects

- (42) The Austrian RRP includes two planned IPCEIs. Through the project on microelectronics and connectivity, areas such as power electronics, sensors and process technologies are expected to be strengthened and areas such as innovative network and microelectronics technologies should be further developed to support Europe's strategic autonomy and energy-efficient solutions. The project on building a European hydrogen ecosystem is expected to support hydrogen production, storage and industrial application, in particular in energy-intensive industries and in the mobility sector. This is expected to contribute to the Union's climate objectives.

Consultation process

- (43) Based on the summary of the consultation process provided by Austria, local and regional authorities, social partners, civil society organisations, youth organisations and other relevant stakeholders were consulted when preparing the RRP. The RRP details the scope and size of the 174 contributions received from 148 different entities by 26 February 2021. The RRP also details which of the measures included in the RRP were supported by stakeholders. To ensure ownership by the relevant actors, it is crucial to involve all local authorities and stakeholders concerned, including social partners, throughout the implementation of the investments and reforms included in the RRP.

Positive assessment

- (44) Following the positive assessment of the Commission concerning the Austrian RRP with the finding that the RRP 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, this Decision should set out the reforms and investment projects necessary for the implementation of the RRP, the relevant milestones, targets and indicators, and the amount made available from the Union for the implementation of the RRP in the form of non-repayable financial support.

Financial contribution

- (45) The estimated total cost of the RRP of Austria is EUR 4 499 475 001. As the RRP satisfactorily complies with the criteria for assessment set out in Regulation (EU) 2021/241 and, furthermore, as the amount of the estimated total costs of the RRP is higher than the maximum financial contribution available for Austria, the financial contribution allocated for Austria's RRP should be equal to the total amount of the financial contribution available for Austria. The implementation of the Austrian RRP is therefore leveraging further amounts beyond the Union support that will be supplied by the national budget.

- (46) In accordance with Article 11(2) of Regulation (EU) 2021/241, the calculation of the maximum financial contribution for Austria is to be updated by 30 June 2022. As such, in accordance with Article 23(1) of that Regulation, an amount for Austria not exceeding the maximum financial contribution referred to in Article 11(1), point (a), of that Regulation should be made available for a legal commitment by 31 December 2022. Where necessary following the update of the maximum financial contribution, the Council, on a proposal from the Commission, should amend this Decision to include the updated maximum financial contribution, calculated in accordance with Article 11(2) of that Regulation, without undue delay.
- (47) The support to be provided is to be financed from the borrowing by the Commission on behalf of the Union on the basis of Article 5 of Council Decision (EU, Euratom) 2020/2053¹. The support should be paid in instalments once Austria has satisfactorily fulfilled the relevant milestones and targets identified in relation to the implementation of the RRP.
- (48) Austria has requested pre-financing of 13 % of the financial contribution. That amount should be made available to Austria subject to the entry into force of, and in accordance with, the agreement provided for in Article 23(1) of Regulation (EU) 2021/241 (the 'financing agreement').

¹ Council Decision (EU, Euratom) 2020/2053 of 14 December 2020 on the system of own resources of the European Union and repealing Decision 2014/335/EU, Euratom (OJ L 424, 15.12.2020, p. 1).

- (49) This Decision should be without prejudice to the outcome of any procedures relating to the award of Union funds under any Union programme other than the Facility or to procedures relating to distortions of the operation of the internal market that may be undertaken, in particular under Articles 107 and 108 of the Treaty. It does not override the requirement for Member States to notify instances of potential State aid to the Commission under Article 108 of the Treaty,

HAS ADOPTED THIS DECISION:

Article 1

Approval of the assessment of the RRP

The assessment of the 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.

Article 2

Financial contribution

1. The Union shall make available to Austria a financial contribution in the form of non-repayable support amounting to EUR 3 461 398 824¹. An amount of EUR 2 230 734 344 shall be available to be legally committed by 31 December 2022. If the update provided for in Article 11(2) of Regulation (EU) 2021/241 results in an updated maximum financial contribution for Austria that is equal to or more than EUR 3 461 398 824, a further amount of EUR 1 230 664 480 shall be available to be legally committed from 1 January 2023 until 31 December 2023. If the update provided for in Article 11(2) of Regulation (EU) 2021/241 results in an updated maximum financial contribution for Austria that is less than EUR 3 461 398 824, the difference between the updated maximum financial contribution and the amount of EUR 2 230 734 344 shall be available to be legally committed in accordance with the procedure set out in Article 20(8) of Regulation (EU) 2021/241 from 1 January 2023 until 31 December 2023.

¹ This amount corresponds to the financial allocation after deduction of Austria's proportional share of the expenses referred to in Article 6(2) of Regulation (EU) 2021/241, calculated in accordance with the methodology set out in Article 11 of that Regulation.

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 a pre-financing payment, equal to 13 % of the financial contribution. 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 pre-financing shall be released subject to the entry into force of, and in accordance with, the financing agreement. Pre-financing shall be cleared by being proportionally deducted against the payment of the instalments.
4. The release of instalments in accordance with the financing agreement shall be conditional on available funding and a decision by the Commission, taken in accordance with Article 24 of Regulation (EU) 2021/241, that Austria has satisfactorily fulfilled the relevant milestones and targets identified in relation to the implementation of the RRP. In order to be eligible for payment, Austria shall complete the milestones and targets no later than 31 August 2026, subject to the entry into force of the legal commitments referred to in paragraph 1.

Article 3
Addressee

This Decision is addressed to the Republic of Austria.

Done at ...,

For the Council
The President
