



**EXPERT EVALUATION NETWORK
DELIVERING POLICY ANALYSIS ON THE
PERFORMANCE OF COHESION POLICY 2007–2013**

**TASK 2: COUNTRY REPORT ON
ACHIEVEMENTS OF COHESION POLICY**

AUSTRIA

**VERSION: FINAL
DATE: NOVEMBER 2010**

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**A report to the European Commission
Directorate–General Regional Policy**

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LIST OF ABBREVIATIONS

ATMOS	ERDF monitoring system in Austria operated by AWS ERP-Funds
Bund	Federal government in Austria
Bundesländer (Länder)	Federal provinces in Austria, corresponding to NUTS-2-level
CBC	Cross-Border-Cooperation
ERDF	European Regional Development Fund
ESF	European Social Fund
ETC	European Territorial Cooperation
EU-code	Categories of Expenditures according to Annex II of the Implementation Regulation 1828/2006
FOI	Fields of Intervention of Structural Funds
GDP	Gross Domestic Product
Local governments	Municipalities in Austria
NUTS-level	Nomenclature of Territorial Units for Statistics
OP	Operational Programme
ÖROK	Austrian Conference of Spatial Planning
RCE	Regional Competitiveness and Employment
R&D	Research and Development
RTDI	Research, Technological Development, Innovation
SME	Small and Medium Enterprises

EXECUTIVE SUMMARY

The primary reference unit for regional policy in Austria consists of the nine *Bundesländer* corresponding to NUTS-2 regions. Strengthened by EU Cohesion Policy, the *Bundesländer* have built up extensive regional policy instruments, formulated strategies for regional development and set up development agencies. The regional development strategies are implemented through a portfolio of (partly ERDF co-funded) measures which are managed by the State Government and their agencies. Although the *Bundesländer* provide a major part of the national co-financing of Convergence and RCE programmes in some cases they lack the technical and financial capacity for implementing programmes. Consequently, Central State-Federal State Cooperations have been set up to coordinate systems of funding support from the Central government.

Regional ERDF programmes in Austria are implemented by regional and national funding instruments, whereby in general no new funding instruments are created exclusively for EU-programmes. The ERDF is fully incorporated into the existing system of support measures, i.e. ERDF does not support interventions which were not in the system before, so that it is fully consistent with (rather than complementary to) national measures.

Through Operational programmes including regional and national funding instruments a better coordination between the national and sub-national level and more transparency in implementation was achieved in the small part of national and regional funding instruments which are co-financed by EU programmes.

Since ERDF support represents in Austria only a minor share of total public investment in regional development, the ERDF contribution to tackling the challenge of regional development is a very specific one. The regional ERDF Programmes are focused on the Lisbon agenda and specifically on support of a broad-based innovation policy (Priority Regional Knowledge Basis and Innovation). Support for the "Enterprise environment" in which innovation is included accounts for 82% of total ERDF funds allocated. The ERDF contribution allows much more intensive support for innovation at regional level than if national funds only were used.

As regards policy implementation, in the nine Austrian Convergence and RCE programmes, 9% of ERDF was spent at the end of 2009 (15% as at October 2010) and 34% was committed at the end of 2009 (43% as at October 2010). At the end of 2009 about 900 projects had been implemented under the Convergence and Regional Competitiveness Objectives (including numerous training projects in Styria). As a result, about 500 new gross jobs had been created in the Enterprise support policy area and about 200 new gross jobs in the Environment and energy

and Territorial development. Through the projects already approved, it is planned to create more than 4,000 new jobs and to maintain around 30,000 others in Austrian regions.

The 2009 Annual Implementation Reports emphasise the fact that the implementation of programmes has been less rapid than expected due to administrative reasons and the effects of the global crisis, with the exception of some areas of intervention, such as RTDI-activities in research centres, RTDI infrastructure, technology transfer and investment in tourism.

For most of the interventions which are co-financed by the ERDF, evidence on outputs and results is available through the ATMOS monitoring system. The evidence relates to “core indicators” such as job creation. Result indicators which could reflect improvements in innovation capacity better are more difficult to collect and could potentially be improved. The achievement of core indicator targets, as at end-2009, was still limited, with the exception of a few indicators (such as the number of risk prevention projects).

In the five European Territorial Co-operation (ETC) cross-border programmes, which have been examined, hardly any payments had been made up until the end of 2009 except for Technical Assistance. This means projects were still in an early phase of implementation. By contrast, the projects approved up to end-2009 now amounted on average to 50% of the ERDF finance allocated. In terms of commitments, progress in most policy areas was relatively good, though in Transport and Enterprise/ Innovation support, it was on average slightly delayed.

In most innovation-related areas of intervention, evaluation results demonstrate that positive effects have been achieved. The main initiatives covered by these evaluations helped to tackle problems and achieved the objectives set to a large extent. However, the evaluation results are very selective and do not apply to all funding activities co-funded by the ERDF. Moreover the evaluations concerned relate mainly to the 2000-2006 period. Territorial Development on the other hand is hardly covered by evaluations at all, although the effects of funding should be easier to capture because they are more visible than in the case of enterprise support.

Evaluation evidence reveals that the relatively small numbers of interventions undertaken by central government agencies, which are applied in most regional programmes and are co-financed by the ERDF, are systematically evaluated to an increasing extent. In contrast, the numerous small scale funding interventions by various regional actors (agencies, governments, communes) have hardly been evaluated at all. There is no evaluation strategy to indicate how numerous small-scale interventions undertaken by different actors can be appropriately evaluated without disproportionate effort.

Evaluation evidence shows that Cohesion Policy has had a positive effect overall in Austria. Since accession in 1995, encouraging results in terms of regional convergence across the country have been achieved.

Although the overall impact is clearly positive, it should be noted that the effort needed to comply with the administrative requirements of Cohesion Policy is considerable. This calls for a new balance between strategically directed planning and the necessary control mechanisms of Structural Fund programmes.

SECTION 1 – SOCIO-ECONOMIC CONTEXT FROM A REGIONAL PERSPECTIVE

Main features of regional disparities in Austria and trends

The primary reference unit for regional policy in Austria consists of the **nine *Bundesländer*** (federal states), corresponding to NUTS-2 regions.

Convergence and Regional Competitiveness and Employment Objective programmes (RCE) are defined at this level.

The *Bundesländer* are fully operational territorial systems (and not merely statistical units) with their own long-term regional development strategies, albeit closely coordinated with central government.

GDP per head in the *Bundesländer* is relatively high as compared with the EU-27 average and disparities between them relative small and tending to become even smaller over time (see data below). Although Austria is made up to a large extent of rural areas¹, some of these such as mountainous areas benefit from tourism and related industries and make a significant contribution to the overall economic performance of the country:

- GDP per head in 2007 in PPS terms in *Bundesländer* with RCE programmes was 24% above the EU-27 average while in Burgenland, the only Convergence region and the economically weakest, it was 18% below this average (see Table 1)²,
- With regard to national disparities Vienna has the highest GDP per head (over 32% above the national average) while the small region of Burgenland has a level 34% below this average. However, taking the functionally interrelated Austrian East region (Wien, Niederösterreich and Burgenland) as a whole, the divergence from the national average is small³.

¹ 66% of the population lives in areas defined as rural outside predominantly urban areas in contrast to 59% in EU-27 (see Table 1 in the Excel file).

² See Excel file for Table 1.

³ STRAT.AT, 2007, p: 67

- Disparities between the *Bundesländer* diminished in the period 1995–2007, since the weakest regions caught up. In Burgenland, GDP per head rose from 63% of the national average in 1995 to 66% in 2007.

Disparities of the Austrian spatial and economic structure are more evident at NUTS–3 level. At this level meaningful regional types⁴ can be identified which clearly differ in their economic structure, employment capacity, innovation capacity, and unemployment rate and population growth. Here a heterogeneous growth pattern becomes evident, with dynamic areas (e.g. agglomeration zones, intensive industrial regions, structurally strong tourist regions) and a structurally weak periphery threatened by disinvestment and outmigration.

The large difference between dynamic, prosperous regions and structurally weak ones is persistent, remaining generally unaltered through the years. The development of activity poles in structurally weak areas (e.g. through promotion of tourism), however, has prevented any significant widening of disparities.

Since reducing spatial disparities is an explicit national policy aim, special attention should be paid to territorial effects at NUTS–3 level (within the programme areas defined at NUTS–2 level).

A further challenge for regional development in Austria is related to the importance of border regions. 60% of the population live in regions bordering some of the EU–12 countries⁵. The rapid development of the countries concerned (Slovakia, Czech Republic, Hungary and Slovenia) and their growing economic integration pose a particular development challenge for the Austrian border areas.

In sum, regional development policy in Austria faces the challenge of maintaining good economic performance and high quality of life while alleviating structural weaknesses and developing cross border economic relations.

To tackle this challenge, a broad range of measures is needed involving cooperation between central, state and local governments.

Macro-economic developments and effects on regions

Due to countervailing measures by the Government, the global economic crisis hit Austria slightly less hard than the EU–27 as a whole (Austrian GDP fell by 3.9% in 2009 as opposed to

⁴ (i) Structurally weak periphery (ii) Rural industry regions (iii) Intensive industrial regions (iv) Structurally weak tourism regions (v) Structurally strong tourism regions (vi) Intensive tourism regions (vii) Mature and Emerging Agglomeration zones; see map in the Annex

⁵ STRAT.AT, 2007, p. 18

4.2% in the EU-27, see Table 2⁶). However some specific sectors and some *Bundesländer* suffered considerably.

The manufacture of goods for export, the driver in the past of Austrian economic development began to slow in the third quarter of 2008, followed by a substantial decline in total exports. This triggered job losses, leading to increasing unemployment in the *Bundesländer* with a strong industrial base (i.e. Oberösterreich, Steiermark) but also in the economically weaker regions such as Kärnten.

Since industries producing exports are a major target of the Convergence and RCE programmes, the postponement and reduction of planned investment led to reduced project applications and hence a slow-down in programme expenditure. The tourist sector on the other hand was less affected and played a stabilizing role in maintaining the demand for funding.

Budgetary consolidation poses a particular risk to investment in regional development. Public budgets are at present exposed to considerable pressure because of measures introduced to offset the impact of the economic crisis, declining revenue and long term structural problems like rapidly growing healthcare and pension expenditure. Because of declining public finance for investment the room for manoeuvre is becoming tighter and the continued availability of national co-finance could become a problem in particular in those areas where the public sector share is significant (regional and urban development, non-commercial projects etc.). Here cuts in public funding could lead to the postponement or abandonment of projects because of an inability to co-finance them and accordingly to the opportunity to take up EU funding being lost⁷.

SECTION 2 – THE REGIONAL DEVELOPMENT POLICY PURSUED, THE EU CONTRIBUTION TO THIS AND THE POLICY ACHIEVEMENTS OVER THE PERIODE

THE OVERALL REGIONAL DEVELOPMENT POLICY PURSUED

Competence over regional policy in Austria is not clearly defined in the Federal Constitution. Neither the Federal Government nor the nine *Bundesländer* (*Länder* for short) are exclusively responsible for policy. Responsibilities of different levels of government overlap in many areas (as outlined in the overview of the situation in the Annex). Different levels of government carry

⁶ See Excel file for Table 2.

⁷ Annual Implementation Report Niederösterreich 2009, p. 31

out parallel activities (with different financial weights) including public investment in basic infrastructure (such as transport, telecommunications, energy, water, and healthcare), expenditure on human resources (in the form of education and training) and support for enterprise (aid to businesses in industry and services as well as in agriculture).

In 2007, total public expenditure for development in Austria amounted to around EUR 7.6 billion, or 4% of GDP. Some 65% of public expenditure for development in 2007 occurred at sub-national level⁸. Hence regional and local governments are important in this respect.

However, effective cooperation between all levels of government (EU, Federal, Federal States and municipalities) is necessary for a successful regional development policy. In this respect, in Austria a number of formal (e.g. contracts under Article 15a of the Federal Constitution) and informal means of consultation exist. An informal coordination instrument which is seen as very significant for cooperative federalism in Austria is the “neutral platform” ÖROK (Austrian Spatial Planning Conference). This body which was jointly established by Central Government and the *Bundesländer* is designed to ensure coordination across government levels and programmes.

All *Bundesländer* have developed a Strategy for Regional Development published in one or more documents setting out integrated sectoral or cross-sectoral policies (an overview of relevant regional strategies is presented in the Annex). These strategies define the guidelines for economic development and cover a broad range of policy areas, including innovation policy, urban development, energy, transport, other infrastructure and civil protection.

The regional strategies are implemented through a portfolio of (partly ERDF co-funded) measures which are managed by the State Government and its agencies. The funding capacity of the *Bundesländer* is underpinned by the fact that they provide for a major part of the national co-financing of Convergence and RCE programmes (more than 50%).

The regional strategies and associated funding measures are subject to continuous revision and are increasingly oriented towards the EU programming cycle. The *Bundesländer* strategies cover nationally as well as ERDF co-financed measures and constitute the basis for the ERDF Operational Programmes. For instance, the so called “*Technologiepolitisches Konzept Steiermark*” forms the core of the “Regional Competitiveness Steiermark 2007–2013” Programme. Accordingly, there is a close link between the “formal” OP Strategy and “real life” strategies on the ground, although the role of the ERDF as a source of co-financing for selected interventions within the strategic framework is not explicitly distinguished in the latter.

⁸ Bröthaler, Resch (2009): Distribution of competences in relation to regional development policies in the EU Member States, on behalf of ISMERI Europe, Rome

At the central level (Bund) Governmental bodies and promotion agencies (such as Austria *Wirtschaftsservice* (AWS) or Austrian Research Promotion Agency (FFG)) provide a broad range of funding measures. For instance, in line with the policies formulated in different Ministries, there are around 80 different funding measures for promoting science, technology and innovation in Austrian regions (a very small number of these funding measures are co-funded in the Convergence and RCE programmes).

Better coordination between the national and sub-national level and more transparency in implementation was achieved in the small proportion of these measures co-financed by the ERDF). In this respect multi-level-governance has been improved since the introduction of Structural Fund programmes in Austria.

The ERDF contribution to regional development policy

The ERDF in Austria co-finances one Convergence Programme (13% of total ERDF financial support), eight RCE Programmes (60%) and 13 Territorial Cooperation Programmes under different strands (27%), amounting to a total of EUR 937 million for the 2007–2013 period.⁹ Overall, ERDF programmes make up only a small part of overall regional development policy in Austria. They represented only around 2% of total public investment in the 2000–2006 period¹⁰. At the regional level, the ERDF represents a larger share of investment relative to national public investment in Burgenland (18%), Steiermark (7%) and Niederösterreich (5%).

The ERDF contribution to tackling the challenge of regional development is consequently a very specific one. The regional ERDF Programmes focus explicitly on support of a broad-based innovation policy.

Convergence and RCE programmes focus primarily on Priority 1 "Regional Knowledge Basis and Innovation"¹¹ (broad-based Innovation policy) and above all on innovation-oriented investment in manufacturing and tourism. Expenditure on Priority 2 "Attractive Regions and Competitive Locations" is much smaller.

⁹Allocated ERDF funds according ÖROK (2009), EU-Kohäsionspolitik in Österreich 1995–2007, table 2, p. 17: Convergence: EUR 125.03 million, Regional Competitiveness EUR 555.04 million, ETC EUR 256.66 million (Austrian part)

¹⁰Bröthaler/Resch (2009): In the 2000–2006 period the ERDF contribution is equal to around 2% in comparison to total public investment funded from national sources (EUR 943 million of EUR 49.28 million). Regional data reveal that in Burgenland ERDF related investments make up about 18% of total development investment. In RCE regions the contribution of ERDF related investment is significantly smaller, accounting for from 0.3% (Wien) to 7.3% (Steiermark). A relatively large contribution of ERDF related investment is evident in the two regions Niederösterreich und Steiermark. There are no up to date figures for the 2007–2013 period.

¹¹ Priority defined by STRAT.AT, 2007, the National Strategic Reference Framework

The ERDF enables more intensive support to be provided for specific areas such as innovation at the regional level than would be the case with only national funding. Through EU funds the position of the *Länder* in quantitative terms has been strengthened significantly. The contribution of ERDF increases the scope that *Länder* have to invest against a background of no growth in national public investment (relative to GDP total public investment at sub-national level declined or remained unchanged over the period 1995 to 2008). The *Länder*, therefore, have a high level of interest in receiving ERDF funds.

Since the *Länder* lack in some cases the technical and financial capacity to implement programmes, Central State–Federal State Cooperations have been set up to coordinate central government funding support systems.

EU programmes in Austria are implemented by means of national and regional funding instruments and in general no new funding instruments are created exclusively for EU-programmes. The strategies outlined in the Operational programmes are “formal strategies” which are based on “real life” strategies on the ground (as mentioned above). The only exceptions are the European Territorial Cooperation programmes since there are no cross border strategies on the ground in these cases.

ERDF programmes, therefore, are essentially linked to central and state level strategies under which only a proportion of existing funding instruments are co-funded and only certain projects are co-financed. The ERDF is, accordingly, fully incorporated into the existing support system (i.e. the ERDF does not support interventions which did not exist beforehand).

Around 60 to 70 funding measures¹² of *Länder* agencies, *Länder* government departments and municipalities relating to regional development strategies are co-financed by the ERDF as well as around 10 funding measures of central agencies (AWS/ERP, FFG, KPC, ÖHT) relating to central government strategies. Every authority at central or regional level decides on the number of projects to be co-funded within selected support schemes. In this respect, operational programmes provide a platform for the strategic co-ordination of the different funding activities of these various authorities.

While the ERDF co-financed funding measures at central government level (about 10 funding measures) are relatively straightforward (and limited in number), at the *Länder* level an extensive and complicated set of (usually small) ERDF co-financed funding measures managed by different regional and local actors has been established (in total 60 to 70 funding measures). The complexity of the *Länder* support system is in this respect much greater than that of the

¹² Guidelines/Richtlinien, programmes; without ad-hoc decisions (*Einzelentscheidungen*) which are of high importance.

central government. According to the *Länder*, this complex set of funding measures is necessary to respond effectively to different local conditions and to fill gaps in the support provided nationally.

For these small *Länder* funding measures, in general no evaluation strategy exists. For this reason, there is barely any hard evidence “on what works”. Since, however, ERDF support is fully integrated into the established support system and the associated means of control, it can be assumed that the only projects selected are those which are in the public interest.

In terms of its regional focus, ERDF support is concentrated on interventions in a very narrow range of regions, namely those in which industry is important.

Consequently, the ERDF increases the scope for investment in a broad based regional innovation policy – with different weights in different *Länder* – in specific locations, which is an important aspect for future economic development and competitiveness. The ERDF, however, has no wide-ranging relevance for tackling regional development problems in Austria.

Since ERDF support is focused on innovation as a means of strengthening regional development (i.e. on support to SMEs for innovation) and adds a significant amount of funding in this regard, strong coherence with the much broader national regional policy can be taken for granted.

Main priorities in Convergence and Regional Competitiveness Programmes

Supporting the “**enterprise environment**”, which accounts for 82% of total ERDF financing, is by some way the most important priority of Cohesion Policy in the 2007–2013 period. The programmes implemented under the Convergence Objective (Burgenland) and the Competitiveness Objective focus in particular on three policy areas in this respect”:

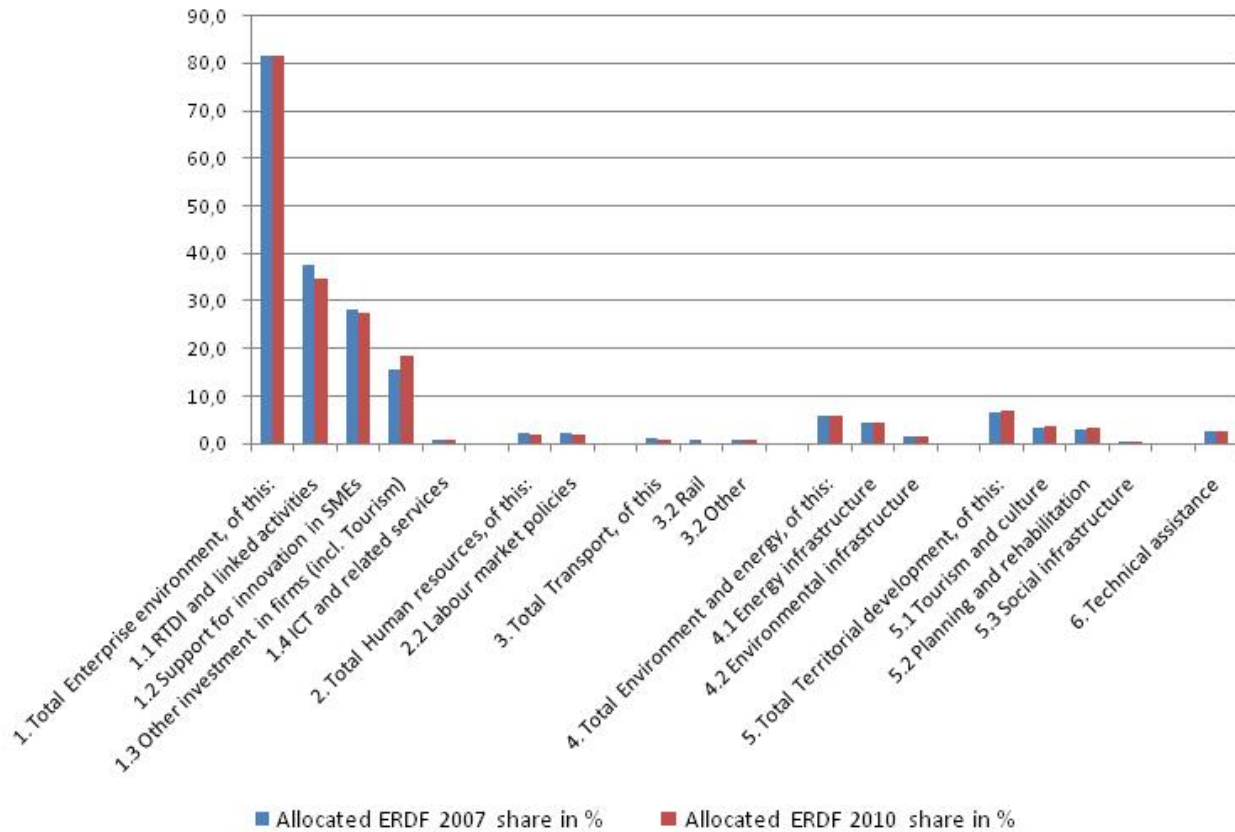
1. RTDI and linked activities (35% of total ERDF finance)
2. Support for innovation in SMEs (28% of total ERDF finance)
3. Other investment in firms (including support for investment in tourism, 19% of total ERDF finance).

Support in other areas –the development of Human resources, Transport, the Environment and energy and Territorial development – accounts for only 16% of the total ERDF allocation, Territorial development and the Environment and energy being the most important areas. Only 3% of the ERDF is allocated to Transport and Human resource development, though more funds are allocated to the latter by the ESF (National Employment programme).

These supplementary measures enable other aspects which are important at the regional level to be covered, which is crucial for the broad acceptance of ERDF programmes in regions.

The financial allocation by policy area is shown in the following figure (detailed financial figures are presented in the Tables at the end of the report).

Figure 1 – Allocated ERDF funds by policy area 2007–2010 under the Convergence and Regional Competitiveness Objectives



Source: ÖROK, own calculations; classification of policy areas according to Applica

The priorities in Convergence and Competitiveness Programmes are very similar even though the scale of funding differs.

In the Burgenland Convergence region, 80% (EUR 101 million) of total ERDF support is allocated to the Enterprise environment. As compared with the Competitiveness regions, Burgenland allocates more to “Other investment in firms” as well as to “Tourism and cultural activities”. The latter absorbs 10% of the total ERDF. Since the initial allocation in October 2007, funds have been shifted from “RTDI and linked activities” (reduced by 14%) towards “support for innovation in SMEs” (up by 13%) and “other investment in firms” (up by 11%).

In Competitiveness regions, around 82% (EUR 454 million) of total ERDF is allocated to the Enterprise environment. Since the initial allocation in 2007, funds have been shifted from “RTDI

and linked activities” (down by 6%) and “support for innovation in SMEs” (down by 4%) towards “other investment in firms” (up by 25%).

In terms of general tendencies, it is evident from these shifts that:

- Investment in tourism as well as other investment in companies was increased considerably, because of the opportunities for additional funding projects stemming from the growth of the sector;
- Funding for R&D projects for SMEs has been reduced due to the very selective approach adopted by the central government agency FFG in order to minimise risk;
- Transport projects have been taken out of some programmes due to implementation problems since it has turned out that such projects are too complicated to be implemented within a limited programme period;
- The creation of a regional Seed Capital Fund was removed from a programme because it was not possible to set it up; while Funds in other programmes have experienced considerable delays.

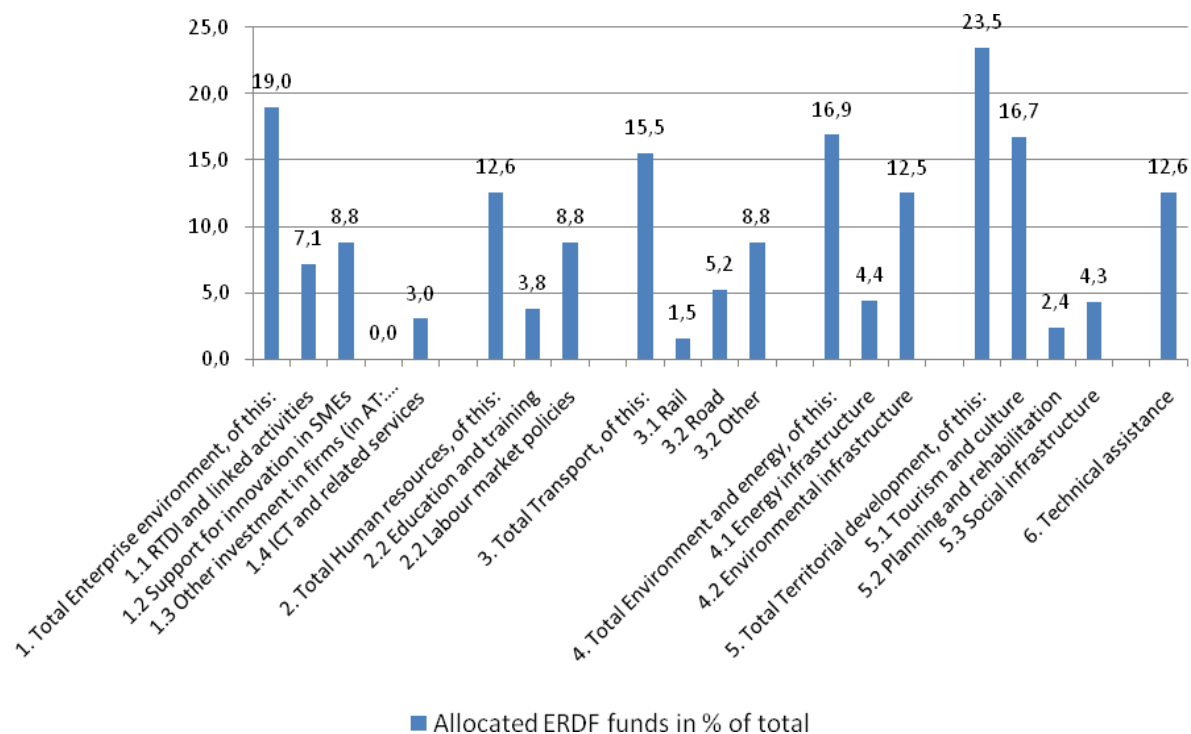
It has to be noted, that the programme revisions have not altered the large share of Lisbon-relevant activities in Austrian programmes. Currently, according to the latest data on implementation, 88% of expenditure goes to such projects, even more than planned (EUR 217.5 million of total commitments of EUR 247.7 million can be classified as Lisbon relevant).

Main priorities in ETC cross-border programmes

Given the importance of border regions in Austria (23 out of 35 NUTS-3 regions), territorial co-operation in general and cross-border cooperation (CBC) in particular plays a significant role. The main recipients of EU funding are regions bordering EU-12 countries.

The following five programmes have Managing Authorities located in Austria: Austria-Czech Republic, Slovakia-Austria, Deutschland/Bayern-Österreich, Austria-Hungary, and Alpenrhein-Bodensee-Hochrhein (ABH)¹³. In total, these five programmes provide EUR 327.4 million of ERDF financing for cross-border regional development. The biggest programmes in terms of funding are Austria-Czech Republic, Austria-Hungary and Austria-Slovakia, accounting for 76% of the total ERDF allocated under this Objective. Funding goes to a wide range of policy areas: Enterprise environment (19% of the total allocation), Human resources (12.6%), Transport (15.5%) the Environment (16.9%), Territorial development (23.5%) and Technical assistance (12.6%) (see next figure and Annex Table I).

Figure 2 – Allocated ERDF funds by policy area in five ETC cross border programmes, as % of total



Source: ERDF monitoring, own calculations; classification of policy areas according to Applica

The main focus of ERDF support for cross-border cooperation (CBC) is on Territorial development including Tourism and Cultural activities, Planning and Rehabilitation and Social infrastructure development. The share of enterprise support going to innovation varies from 13% (Deutschland/Bayern–Austria) to 30% (Slovakia–Austria).

Support to CBC is not necessarily complementary to the projects implemented under the Competitiveness Objective though there is some integration in certain policy areas.¹⁴

¹³ The other two CBC programmes with Italy and Slovenia are covered by the Country Reports where the Managing Authority is located. In total, Austrian regions are part of seven CBC programmes.

¹⁴ STRAT.AT Report 2009, p.28-29

POLICY IMPLEMENTATION

Convergence and Regional Competitiveness Programmes

In the nine Austrian Convergence and RCE programmes, 9% of the ERDF was spent at the end of 2009 (15% at October 2010) and 34% was committed at the end of 2009 (43% at October 2010). The detailed figures reveal the following picture:

Expenditure of the Phasing-Out Programme in Burgenland (see Annex Table B) was below expectations at end-2009, amounting to only 9% of the funds allocated. Overall, 24.5% of the ERDF allocation was committed at end-2009. Commitments were particularly low in “RTDI and linked activities” (4% of funding allocated), support for “innovation in SMEs” (2%) and “energy infrastructure” (7%). Given the delays, it might prove difficult to achieve the aim of developing stronger innovation capacity over the period. On the other hand, commitments were relatively high in “other investment in firms including tourism” (50% of funds allocated) and “tourism and cultural infrastructure and services” (34%).

In Competitiveness regions, between 6% and 12% of the ERDF allocated had been spent by end-2009. 39% of the ERDF funds allocated were committed and progress in implementing the programmes (see Annex Table C) is broadly satisfactory¹⁵.

Commitments were relatively high in RTDI¹⁶-activities in research centres, RTDI infrastructure, Technology transfer and co-operation networks and innovation related investment in companies.

A reason for the relatively high level of absorption of funding in infrastructure-related measures may be the pressure put on regional RTDI initiatives by the private sector. RTDI infrastructure was developed during the years of economic growth. Private funding plays a major role in this area and there is a risk that some of this will be withdrawn due to the economic crisis. At present, *Länder* Governments are being obliged to provide considerably more public money to safeguard existing initiatives and investment in infrastructure.

A substantial delay in implementation is evident for measures relating to R&D in SMEs and investment projects in eco-innovation due to the very selective approach adopted by the central government agencies FFG and KPC¹⁷ so as to minimise risk, as noted above. Progress in

¹⁵ The activity level of the programmes can be presented in a considerably better way by using the latest available figures on commitments (from May 2010) than by payments outlined in the Annual reports 2009 (dated end of 2009).

¹⁶ Research, Technological Development and Innovation

¹⁷ Österreichische Forschungsförderungsgesellschaft mbH (FFG); Kommunalkredit Public Consulting (KPC)

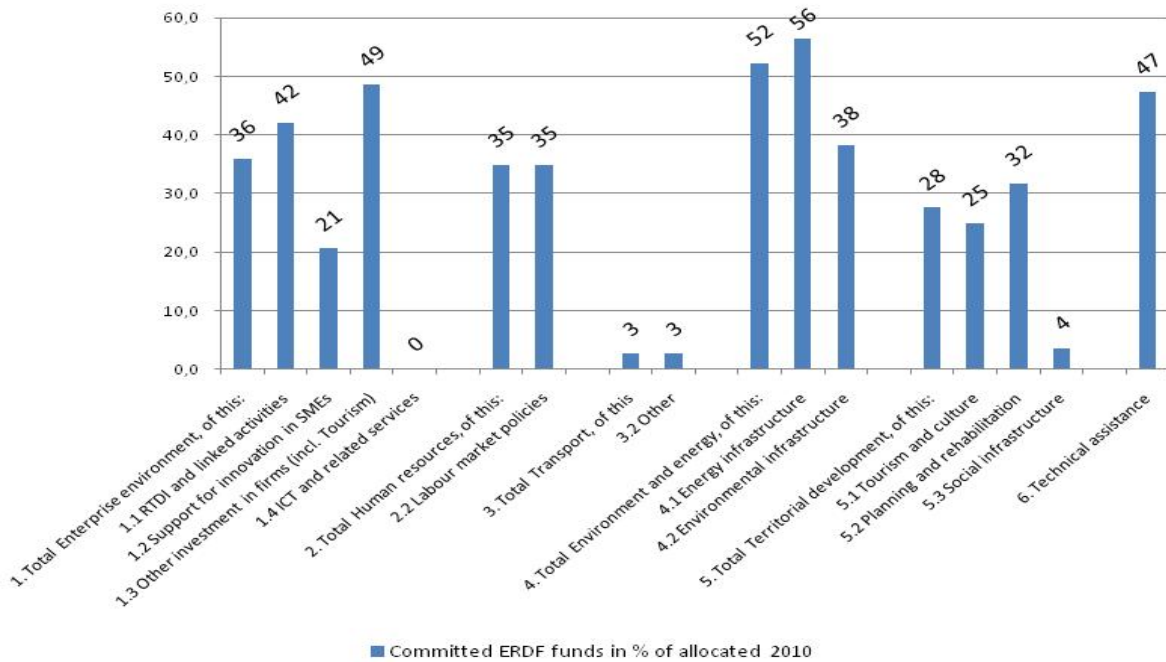
implementation, therefore, has been affected more by strategic management decisions than by the global economic crisis.

The implementation data at the end of 2009 clearly indicate that more ERDF finance was used for co-financing measures at regional level (*Länder* agencies, *Länder* government departments and municipalities) than those at central level. At the regional level, ERDF co-financing enabled a significant number of projects to be funded and without this some could not have been implemented at all or only on a smaller scale. By contrast, central agencies (and especially the FFG) withdrew significantly from ERDF co-financed R&D support because in the 2000–2006 period, many ex-post amendments and corrections needed to be made.

Commitments were also high in “other enterprise support for investment including tourism”, where nearly 50% of available ERDF financing had been committed by end-2009. The same applies to “renewable energy infrastructure (solar, biomass and hydroelectricity), energy efficiency and co-generation” where 57% of allocated funds had been committed.

Delays in implementation are evident in Territorial Development because many projects were only started fully in 2009. Numerous projects are in the pipeline for 2010. There is a high level of demand for support in this area according to Annual Implementation Reports 2009.

Figure 3 – Committed ERDF funds by policy area under Convergence and Regional Competitiveness Objectives, as % of funds allocated to the respective areas



Source: ERDF monitoring, own calculations; classification of policy areas according to Applica

In general, the Annual Implementation Reports for 2009 emphasise the fact that overall implementation has been below expectations to date due to administrative reasons and the impact of the global crisis on the Austrian economy (see section 1) – except for certain interventions such as RTDI activities in research centres, RTDI infrastructure, technology transfer and investment in tourism.

The ‘administrative reasons’ relate to Managing Authorities being blocked for a long time because of the development of Management and Control systems which is a demanding task in the complex Austrian federal governance system. Additionally while simplification efforts are being undertaken at the EU level, the intra-state implementation of simplification systems (e.g. flat rate schemes under Article 7 of the ERDF Regulation) proved to be time consuming. It took 17 months (from May 2009 to October 2010) to implement these and the associated adaptation of national eligibility rules, requiring a substantial administrative effort. This effort can be justified only as a “pre-investment” in the post-2013 period.

Many problems have been encountered in calculating the co-financing rate for revenue generating projects. The planned clarifications in relation to Article 55 of the General Regulation are expected to provide the required legal certainty to implement more revenue-generating ERDF co-financed projects.

The achievement of core indicator targets at end-2009 was still very limited, except in a few cases (such as the number of risk prevention projects). A comparison of the achievements in 2007, 2008 and 2009 shows that significant results were not achieved until the last year (see Annex Table D).

European Territorial Cooperation (ETC) – Cross border programmes

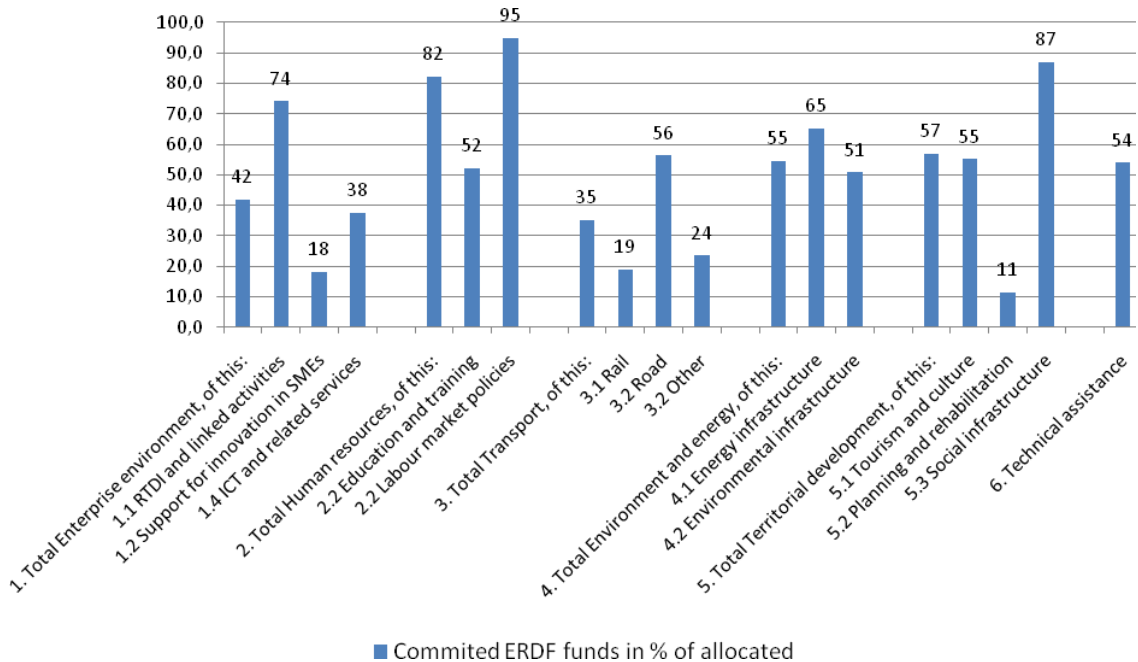
Hardly any payments were made up to end-2009 on these programmes, except for expenditure for Technical Assistance. Projects are, therefore, still in the early implementation phase, the delay being partly the result of the development and fine-tuning of the programme implementation system (AIR AT-SK 2009, p. 4). Unlike payments, however, project approvals are already far advanced.

The projects approved up to end-2009 amounted in total to 50% of the ERDF financing allocated (e.g. AT-SK 34%, AT-HU 62%, and ABH 71%). Commitments are relatively high in most policy areas, while Transport and Enterprise (or innovation) support are on average a little delayed. The AT-SK programme is an exception, commitments relating to the Competitiveness priority being relatively high and those relating to Sustainable Development relatively low.

While the progress made in terms of commitments seems satisfactory, current experience indicates that successful implementation might be one of the main challenges because of the

complexity of administrative, legislative and financial procedures inherent in cross-border projects and differences in culture¹⁸.

Figure 4 – Committed ERDF funds by policy area in five ETC cross border programmes, as % of funding allocated to the respective areas



Source: ERDF monitoring, own calculations; classification of policy areas according to Applica

ACHIEVEMENTS OF THE PROGRAMMES SO FAR

Convergence and Regional Competitiveness Objective (9 Programmes)

Achievements in terms of outputs and results are summarised below for the main intervention area “Enterprise support” and for the supplementary areas “Environment and Energy” and “Territorial development”.

“Transport” and “Human resources”, in which there is only very small ERDF financing, are not covered.

A distinction is made between actual achievements (based on expenditure at the end of 2009) which are presented in the Annual Implementation Reports 2009 and planned achievements (based on approved projects) which have been identified by an in-depth analysis of ERDF monitoring data.

¹⁸ STRAT.AT Report 2009, p.29

1. Enterprise support (including assistance to SMEs, large companies, RTDI–infrastructure)

“Enterprise environment” has by far the largest weight in the programmes, accounting for 82% of total ERDF allocations. A broad range of activities is supported, including RTDI activities in research centres, R&TD infrastructure, advisory projects and RTDI Investment projects in companies, investment grants for enterprises in industry and tourism, technology transfer and cooperation networks, research projects for SMEs, and investment in Eco–Innovation.

The overall aim of the programmes in this broad area is to strengthen the regional knowledge base and the innovation performance of businesses, especially SMEs, and research centres. The move towards a knowledge–based economy is supported by a broad approach encompassing most sectors, e.g. manufacturing and related services, transport and logistics, tourism and leisure industries.

Based on expenditure at the end of 2009, about 800 projects had been implemented in this policy area (including numerous training projects in Styria which artificially increases the figure). As a result 537 new jobs were created in enterprises supported (see Annex Table Db in: Achievement of core indicator targets).

Because of the relatively low expenditure rate (9% of ERDF at the end of 2009) data on actual results are available at present only on a very limited scale. Hence, to get a more meaningful picture, monitoring data on planned values at the approval stage of projects (and not on actual values) have been examined.

Up to the end of 2009, over the nine OPs, 327 ‘soft’ and 339 investment projects had been approved in this policy area absorbing EUR 200 million from the ERDF.

In the case of soft projects, about 50% are cooperation projects between companies and/or between these and universities and research centres. Advisory services developed strongly and 1,907 projects were approved, through which 2,794 people were trained. Some 732 companies had been involved in Technology transfer projects.

Around 10% of the investment projects were carried out by start–ups, a figure which indicates a certain business dynamism. Some 2,350 new accommodation places were created in the tourist industry and, overall, over 4,000 new jobs are expected to be created and around 30,000 existing ones maintained through ERDF co–funded interventions (detailed figures are given in the Tables at the end of the report).

In most of the areas relating to innovation, evaluations from the 2000–2006 programming period demonstrate the positive effects of intervention. These evaluation results are also relevant for the 2007–2013 period since funding measures are no different in terms of content (only in terms of the amount of finance).

The findings of the evaluations concerned are that the main initiatives covered helped to tackle the problems identified and achieved the objectives set to a large extent. However, the evaluation results are very selective and not valid for all funding measures co-financed by the ERDF. Indeed, only a small fraction of all ERDF-supported activities have actually been evaluated in depth. The following findings emerge mainly from 2000–2006 evaluations, which cover the broad range of ERDF co-financed activity types – but not all funding measures in the policy areas concerned.

- RTDI-activities in research centres have been implemented in three programmes (originally scheduled for five programmes). The funds allocated are already committed to a large extent. At present, a particular evaluation is available for Oberösterreich on this, in the form of the mid-term evaluation in 2005 of the non-university *Profactor* innovation & research centre in the city of Steyr. The evaluation concluded that cooperation with *Profactor* could increase technical know-how, innovation potential and raise the interest of SMEs in R&D in general. The competitiveness of SMEs was found to have improved as a result of the innovation projects implemented and positive employment effects could be detected.
- As regards R&TD infrastructure an external Mid-term evaluation of the Technopol Programme in Niederösterreich was undertaken by KMU FORSCHUNG AUSTRIA, in 2008. The Programme had already been co-financed by the ERDF in 2000–2006 and was again co-financed in 2007–2013. The programme comprises the development of infrastructure in the three Technopol locations Krems, Tulln and Wiener Neustadt and the development of specialisation in particular areas. Strong points of the programme were found to lie in the creation of facilities with appropriate research infrastructure and the provision of technological know-how on site. The Technopol business locations were described by stakeholders and beneficiaries as attractive but the number of companies focusing on innovation in the three sites remained small. Efforts to bring new companies to the sites, as well spin-off-companies and start-ups, were a high priority. It was difficult to recruit highly qualified workers and “soft-measures” could be key to establishing the sites as attractive working environments for these. Child care facilities and the development of a “campus-like” environment were examples. Nevertheless, the Technopol programme was considered to be important for encouraging R&D and innovation activities in Niederösterreich.
- A recent internal evaluation for Steiermark (ÖAR, Convelop 2010) demonstrated that expectations from investment in an innovation centre had been fulfilled. A laboratory used by regional companies was established and an additional company located there,

creating new highly qualified jobs. It was uncertain, however, how the output of projects undertaken in the laboratory could be transformed into commercial products.

- Under technology transfer and cooperation networks, ERDF programmes provide support to regional clusters, one of the most widely used measure in regional innovation policy to enhance competitiveness and restructure the economy. The Ministry of Economy, Family and Youth conducted a survey of clusters and their prospects in 2009, the results of which are relevant for all regions in Austria. This study was not specifically focused on ERDF-support. Around 45 clusters have been developed in the country. The study estimated that these have major effects on the national economy and they are important drivers of regional innovation strategies. It also found that there was a recognition of the importance of forming strong clusters in terms of professionalisation, specialisation, internationalisation and strategic orientation, but that this awareness was not evident in all regions, so that a true Austrian cluster strategy was missing and should be established.
- As regards research projects for SMEs, an Austrian wide Annual Impact Monitoring of the FFG basic programme is available covering national and ERDF co-financed projects which were finalised in year 2005 (KMU FORSCHUNG AUSTRIA, 2009). The most relevant findings are: The goals set in terms of technical achievements had been achieved for around 81% of the projects. A smaller proportion, 56%, of companies achieved the economic goals of the projects. 6,500 jobs were created or maintained by projects funded in 2005. Deadweight costs amounted to 7% of funding (comparable with the international average).
- As regards advanced support services for companies or groups of companies, a recent internal evaluation in Steiermark (ÖAR, Convelop 2010) showed that advisory services in the region were clearly oriented towards SMEs and interviews with stakeholders indicated that they were regarded as being beneficial.
- An internal evaluation of the Innovation Assistant Support Schema in Niederösterreich demonstrated that about half of the funded companies had no fully developed innovation strategy when they started and had used the funding scheme as an opportunity to develop one.
- Investment projects in Eco-Innovation are planned for all Austrian ERDF programmes. A case study by the European Environment Agency (2009) examined the financing of environmentally friendly technologies in enterprises by the KPC central government agency (including energy efficiency, renewable energy and other areas) in the 2000-

2006 programming period. Financing from the Structural Funds¹⁹ amounted to around 15% of total public funding. The projects supported by the Structural Funds resulted in a reduction in CO₂ emissions of almost 300,000 tons per year. The largest reductions were in Niederösterreich and Steiermark. Significant effects in terms of jobs and economic returns were detected. Although the economic effects related to the whole of environmental funding in Austrian enterprises (*betriebliche Umweltförderung im Inland*) and not just to the projects co-financed by the ERDF, the positive effects can be assumed to be representative of such projects too.

- RTDI Investment projects in companies are by far the most important interventions. They feature in 8 out of 9 regional ERDF programmes in Austria. An internal evaluation was carried out of the ERP Regional Programme and the SME growth programmes for the period 2000–2006 (Austria Wirtschaftsservice GmbH/Knoll, N., 2007, 2008), which were co-financed by the ERDF. The evaluation indicated significant effects on the investment performance of companies as well as in terms of the duration and speed of project implementation, the scope of investment projects and the financing of further investment. There was also evidence of more innovative products and processes being developed. The evaluation showed that, in the vast majority of cases, the projects supported contributed to the pursuit of growth- and innovation - oriented strategies. The managers of SMEs interviewed reported a significant increase in new jobs and improved competitiveness just a few years after the completion of projects. The projects assisted were important in increasing production capacity, modernising production through the use of new technologies and process innovation and developing new goods and services.
- An evaluation in 2007 (Kreutzer et al, 2007) of a major investment project in tourism in Burgenland, supported by both the first Objective 1 programme 1995–1999 and the following one, indicated an increase of overnight stays from around 1,600 to 245,000 and the creation of 290 permanent jobs.

2. The Environment and energy

The Environment and energy accounts for around 6% of total ERDF financing. Support for energy infrastructure is part of most programmes (7 out of 9), though support for environmental infrastructure (in terms of risk prevention) is included in only three programmes. The policy area also includes support for the development of renewable energy (solar, biomass, hydroelectric) and energy efficiency.

¹⁹ There is no specific reference regarding ERDF co-funded projects

At the end of 2009, EUR 21 million of the ERDF had been committed which represents 52% of the total allocation and an additional 13 MW of additional capacity of renewable energy production has been created.

The 81 investment-projects approved up to end-2009 are planned to create 110 MW of additional capacity and to reduce greenhouse gases by 651 kt.

Five soft and 24 investment projects were approved to prevent floods and avalanches. As a result, an estimated 5,600 households and companies are expected to benefit.

An evaluation (*Effizienzbericht 2005-2007*) of domestic environmental support (*Umweltförderung im Inland*, managed by the KPC central government agency), including ERDF co-financed projects, in 2000- 2006 showed that promoting biomass and solar investment could have significant effects on value-added and employment as well as greatly reducing atmospheric pollutants.

3. Territorial development

Territorial development accounts for 7% of the total ERDF allocation. The aim is to attain a well diversified and balanced mix of economic activities and settlements in all regions. Integrated development policies are pursued by using spatial planning as well as direct support for regional development. Territorial development includes the development of nature reserves, tourist and cultural facilities and services, integrated projects for urban regeneration and broadband networks and is part of 7 out of the 9 programmes.

About 11% of ERDF allocated was spent at the end of 2009 in this area and EUR 13 million of the allocation was committed (28% of the ERDF allocated).

Some 51 projects had been implemented, of which 15 were aimed at ensuring sustainability and improving the attractiveness of towns and cities (a core indicator presented in the 2009 Annual Implementation Reports).

In this area 78 soft and 38 investment projects had been approved by end-2009.

There are hardly any evaluations in this area, though many project examples are presented in Annual Implementation Reports to demonstrate the positive effects of urban regeneration projects (see, for example, the Annual Implementation Report 2009 for Vienna).

Achievements under the European Territorial Cooperation Objective – cross border co-operation

As implementation is still at an early stage, there is little to say about achievements as regards Territorial Cooperation Objective programmes.

The AIRs for 2009 focus on the presentation of financial information and information on physical progress shown by comparisons of indicators against targets. Since every programme

employs specific output and result indicators which are very heterogeneous, it is hardly possible to obtain a coherent picture of actual achievements.

In some cases, promising examples of projects are presented in the 2009 AIRs suggesting positive effects on regions from cross-border cooperation. The same is true of the “*Halbzeitbilanz*” of the Bavaria–Austria programme which gives examples of good practice of project activities and project outputs.²⁰

The 2009 AIR for the smallest programme Alpenrhein–Bodensee–Hochrhein (ABH) demonstrates that a large proportion of the projects have a direct effect on the objectives of the Lisbon strategy, through promoting R&D. Tourism is also supported, as is investment in environmental protection and cultural activities which also benefits the tourist industry.

In sum, there is hardly any reference in the Annual Implementation Reports to the achievements of programmes.

Evaluations from the former 2000–2006 programming period, most especially the update of the mid-term evaluation, focused mainly on transparency and visibility, improvement of the indicator and reporting system and the integration of social partners, rather than on assessing achievements.

SECTION 3 – EFFECTS OF INTERVENTION

As is the case with most evaluations (presented above), findings on the longer term effects of Structural Fund interventions are only available for the previous programming period 2000–2006. The most relevant evaluation results are presented in the following paragraphs. It is open to debate as to what extent the results of these evaluations are relevant to the current programming period. For example the Pilot study on the impact of 12 years of Structural Fund intervention described below covers the period 1995–2007 starting from a very different time when Austria first entered the EU. Whatever the relevance of the evaluation as a whole, evaluation findings on ongoing interventions such as support for enterprises and tourism may be still valid.

Pilot study on impacts of 12 years of Structural Fund implementation in Austria²¹: In a preliminary study (2008) on the impact of EU regional policy in Austria, the Vienna Institute for Economic Research (WIFO) provides evidence of an overall positive effect on development from EU funding. Focusing at a small regional scale, WIFO identified systematic differences between

²⁰ Amt der Oberösterreichischen Landesregierung (2010): *Halbzeitbilanz*. Interreg Bayern–Österreich 2007–2013, Linz

²¹ The study is part of the publication: *EU Cohesion Policy in Austria 1995–2007* by ÖROK (2009), see www.oerok.gv.at

regions that had received Structural Fund support since 1995 and those that had not and observed a more positive trend in the former. After two programming periods, spatial differences as regards unemployment and economic development were found to have diminished. In Burgenland, the region with the highest level of funding, a clear economic catching-up process due to EU funding could be observed. The study provides evidence of a general positive impact of programming in the regions assisted, particularly as regards employment. During the two programming periods, employment rates increased in the assisted regions. Growth increased by 0.5% as compared with the period before EU funding and by 0.75% in the regions receiving the most support. The demonstrated effects, however, are not attributable to the Structural Funds only because other factors of influence (e.g. opening up of the former eastern bloc) cannot be isolated.

In addition, an impact analysis based on a new multi-regional input-output model (MultiREG) was introduced to detect effects of ERDF support more precisely. It was found that EUR 1 of ERDF invested in the economic cycle increased the national gross value added by EUR 1.53. The analysis also showed that due to the economic linkages the capital city Vienna (and to a lesser extent the convergence region Burgenland) benefits in particular from ERDF supported investment activities because Vienna hosts the headquarters of important enterprises and takes an important role in R&D and business related services.

Case study on structural change and globalisation in Steiermark: In the context of the ex-post evaluation of Cohesion Policy 2000–2006 a case study on the Objective-2 region Steiermark about the effects of “Structural Change and Globalisation” was produced²². Based on interviews and anecdotal evidence, the general impact of the programme was assessed as being positive. One of the major roles of the ERDF in Steiermark was the complementary support from implementing a regional development programme fostering structural change. The existing strategies in the region were reinforced by the ERDF and the fund contributed positively to changing sectoral specialisation, modernisation of production processes and to improvement of the innovation capacity of companies. The main impact of the measures examined²³ were: (1) a broadening of the industrial base by attracting new, innovative and in many cases international firms, (2) a strengthening of competences in existing and new SMEs, (3) the creation of favourable framework conditions for business partnerships and collaborative production, (4) support to technology and knowledge transfer and to the commercialisation of research

²² Work Package 4 (2008): Structural Change and Globalisation. Case Study Styria (AT) prepared for the European Commission DG Regional Policy Evaluation Unit by CSIL, Joanneum Research, Technopolis Group in 2008

²³ Four measures were examined: (1) Attracting new companies (2) Modernisation of enterprises (3) Setting up/expanding innovative business parks (4) Inter-company research and innovation

activities and the creation of new research centres. Since these measures are still part of the 2007–2013 programme the findings are also valid for the present programming period.

Final reports of the 2000–2006 period presenting longer term regional economic development trends in the programme regions:

The final reports for Burgenland, Steiermark, Nieder- and Oberösterreich describe regional economic development at NUTS-3 level from a longer-term perspective and highlight their different development paths. GDP and employment increased the most in rural industrial regions with the support of ERDF co-financed investment in manufacturing, while the structurally weak periphery benefited from the development of tourism, which was the second main area of ERDF support in the 2000–2006 period. Since both interventions are still part of the programmes in the current 2007–2013 period, these findings are relevant to this period.

Case study on regional effects of ERDF co-funded investments in companies in

Niederösterreich: A study by Convelop, TU Wien (2008) evaluated the importance of companies assisted in the Niederösterreich 2000–2006 Objective 2 Programme for growth, jobs and government revenue. One of the strategic priorities of the Programme was to use ERDF co-funding for company development and technological innovation in industrial enterprises. The analysis concluded that ERDF supported investments were crucial for the successful development of the five companies analysed. In addition to short-term achievements at company level (such as the development of new marketable products), the five companies generated through indirect effects (by upstream services and consumer spending) an additional 3,340 full-time equivalent jobs in Austria over and above the direct maintenance of 2,050 jobs. These effects can only be partially attributed to the ERDF because other major factors were at work, such as private investment.

SECTION 4 – EVALUATIONS AND GOOD PRACTICE IN EVALUATION

Strategic monitoring in Austria – STRAT.ATplus

A framework was established by ÖROK²⁴ to support content-based discussion in addition to administrative and funding-related issues which involve all relevant regional policy actors. Since 2007, 13 events with the broad participation of stakeholders have been organised to promote exchange of experience in implementing the Structural Funds and related issues.²⁵

²⁴ The Austrian Conference on Spatial Planning is an organisation set up 1971 by the Bund, the Länder and the Gemeinden to co-ordinate spatial planning at the national level. With respect to implementation of European funds ÖROK plays an important role as the co-ordinating body.

²⁵ See list of events at <http://www.oerok.gv.at/eu-regionalpolitik/eu-strukturfonds-in-oesterreich-2007-2013/nationale-strategie/stratat-plus.html>

However, there is as yet no common evaluation strategy for Structural Fund programmes in Austria.

Evaluations

A survey of the situation identified 7 internal (not published) evaluations which have been carried out up to now in the current programming period, though some of these are of very limited scope, methodology and content. By contrast, in the 2000–2006 period, there were 18 evaluations mainly related to innovation aspects, most of them of high quality and available to a wider audience (Mid-term evaluations in general are not taken into account here because their focus was on financial and physical performance and delivery mechanisms rather than on effects).

Table A – Thematic Evaluations in Convergence and Competitiveness programmes

Type of actor	Evaluations			
	2007–2013		2000–2006	
	Internal Not published	External Published	Internal Not published	External Published
Implementing bodies at State level	7(*)		1	9
Implementing bodies at Central level			2	4
ÖROK	1(**)			
European actors				2
Total	7		3	15

(*) Partly very limited in scope, methodology and content

(**) A "Governance Check" of the Austrian implementation system of regional Structural Funds Programmes was conducted by OEROK in 2009

Source: interviews in May 2010

The 2007–2013 period has seen up to now a massive reduction in evaluation activities in Austria. There are framework activities by OEROK but only a limited number of evaluations of funding interventions or programmes (at up to May 2010). The main evaluations in the current period consist of internal and unpublished reports which vary markedly in scope and methodology and are not accessible to a wide audience. Evaluation findings must, therefore, be drawn mainly from the earlier 2000–2006 period. This is partly justified by the fact that many interventions have been continued.

Moreover Managing Authorities consider it appropriate to focus in the beginning of the programme period on more general aspects (such as the implementation system reflected in the so called Governance Check) and to carry out more specific evaluations in the later years. In their opinion, therefore, evaluations at the beginning of the period are of internal interest while more concrete results are communicated to a wider public in later phases.

Overall, evaluation evidence can be characterized as follows:

- The relatively small number of funding activities by central government agencies, which are applied in most of the regional programmes and co-funded by ERDF, have increasingly been evaluated in a systematic way (e.g. the internal evaluations of AWS-ERP-fund interventions which started in 2007).
- The numerous small scale funding interventions by various different regional agencies, governments and communes have been subject to hardly any evaluation. Accordingly, a strategy is lacking to indicate how numerous small scale interventions by different authorities could be appropriately evaluated without a disproportionate effort.
- Impact evaluations have been primarily carried out in respect of innovation.
- Territorial Development is hardly covered at all by evaluations although the effects of financial support should be easier to capture because public funding represents as relatively large share of the total and generally greater additionality.
- The mid-term programme evaluations of the 2000–2006 period are of limited relevance to assessing impacts because they were primarily focused on financial performance and management issues and less on effects. However, Managing Authorities emphasise that the mid-term updates in 2005 in particular were of great importance for the preparation of programmes for the 2007–2013 period.

Good practice example

At present, one *good practice* evaluation relating to the 2007–2013 programming period can be identified (ÖAR/Convelop, 2010, Impact Monitoring OP Regional Competitiveness Steiermark).

However it should be noted that this type of evaluation, which focuses on certain aspects of implementation is currently being tested, and the Managing Authority is not yet sure whether it will be continued and extended to cover the whole programme.

The main features of this study are outlined in the table below.

1)	Type of Evaluation: Internal evaluation of specific aspects of OP 2007–2013 implementation supported by an external consultant
2)	Access to document: The study has not been published. It was provided for internal use only. Further Information: Dr. Gerd Gratzner, Government of Steiermark, Department 14 – Economic Affairs and Innovation, a14@stmk.gv.at , Nikolaiplatz 3, 8020 Graz, Tel.: +43 (316) 877–4230
3)	Content and coverage: The effects of funded projects are monitored by a newly-designed process (<i>prozessorientiertes Wirkungsmonitoring</i>), which is undertaken by an external evaluator (ÖAR, Convelop). The evaluation was a pilot application of the method which adopts the Logic Model approach. It was applied to certain areas of intervention of the OP Regional Competitiveness Steiermark 2007–2013, which

were chosen due to their implementation status:

2.2: Business-related infrastructure, innovation services and regional business initiatives

4.2: Innovation-oriented investments

5: Encouraging the entrepreneurial spirit

6: Know-how acquisition and knowledge management for innovation

8.1: Promoting spatial planning and regional development

8.4: Safeguarding and further development of supporting infrastructure on site

4) **Method and information sources:**

Process Monitoring of Impacts captures the processes that lead from the outputs of the programme (i.e. projects and their outputs) to the desired results and impacts. The linking of outputs and expected results together by realigning monitoring routines on these impact chains make it possible to trace the processes and detect deviations from the intended impact pathways at an early stage, so allowing adjustments in programme implementation in due time.

Secondly, the method makes use of graphic elements that illustrate the causal relations between programme outputs and effects in a plausible way, so providing a concise, systemic overview of impact patterns of complex interventions.

In a first step, impact diagrams – depicting relationships between outputs, the use of these outputs by target groups, the produced results and related impacts – were updated for each area of intervention. The information sources for this updating exercise were detailed project descriptions and application forms of a project sample. The updated impact diagrams were validated by implementing bodies of the respective areas of intervention.

In a second step, all funded projects were attributed in line with their primary impact paths, which resulted in a weighting of impact paths according to the number of implemented projects as well as the financial volume. Information source for attributing the projects were short descriptions within the central monitoring system ATMOS.

Thirdly, indicators from the monitoring system were partly integrated in order to provide information on final achievements of processes (whenever appropriate).

The last methodological step included the validation of impact hypotheses through interviews with a sample of project owners. This step was also used to complement impact diagrams and capture deviations.

Results and findings were discussed with the funding authorities (implementing bodies).

5) **Main findings and recommendations:**

Application of the method enhanced transparency of impact paths and their importance for the programme. The method allowed sound and quantifiable connections between supported projects and the programme level to be shown (expected results, impacts).

Capturing and clarifying project types and categorising the extent to which they were used was possible. Linkages within and between areas of interventions as well as between programmes were identified and depicted.

Additional efforts needed for the implementation of this kind of process monitoring turned out to be limited, especially for implementation bodies. Even though some manual adjustments were necessary during this pilot application, ways were identified of how information and data which are required for

process monitoring of impacts could be made available through better coordination of existing monitoring routines.

One of the main challenges for future applications is the merging of Indicators from ERDF-monitoring and process monitoring (logic model approach). Some of the ERDF monitoring indicators proved to be useful but they only depict a small part of the implementation patterns. For future applications, the principles of intervention logic and impact diagrams could be considered when defining the indicators. By better integrating the two approaches, the additional efforts required for the process monitoring of impacts could be reduced to a minimum and new meaning could be given to indicators.

Source: Information provided by ÖAR, Convelop

SECTION 5 – CONCLUDING REMARKS – FUTURE CHALLENGES

In the current period, the Austrian ERDF-programmes are oriented towards the EU objectives of competitiveness and growth. While being adapted to national and regional circumstances, the ERDF Convergence and Competitiveness programmes have picked up on the new paradigm of regional structural policy and have devoted one of the largest shares of funding to Lisbon-relevant policy areas. This is confirmed by the way programmes are being implemented. Austria is investing significantly more ERDF funds in RTDI-relevant initiatives than the leading innovation countries.²⁶ However, funding is directed largely to companies which may not be the most innovative but which provide a relatively easy means of implementing the policy.

By contrast, ETC cross-border programmes cover a wider range of policy areas, including energy, transport, tourism and territorial development in addition to innovation. The programmes seem to have started successfully in terms of committed projects (not payments made) despite significant administrative challenges, such as managing the joint implementation of programmes.

Despite overall effects of ERDF programmes being positive in Austria, there is evidence of a negative attitude towards EU funding and risk-averse behaviour as a result of the complicated procedures for implementing programmes (as witnessed by the withdrawal of national agencies from ERDF-co-financing). This inherent complexity is reinforced by the considerable administrative burden imposed by the complicated Austrian system (e.g. the very demanding task of setting up Management and Control systems and the time-consuming implementation of simplification systems).

At the same time it would be useful to better integrate ERDF programmes (in particular under the Regional Competitiveness Objective) into existing regional development strategies on the ground in order to reduce the “parallel universe” established by EU procedures. In the Austrian

²⁶ STRAT.AT Report 2009, p. 33

context the ERDF programmes have significant added value as financing instruments and as a platform for better cooperation between national and regional authorities. However, they have hardly any relevance as a strategy instrument steering policy since this is already performed by national strategies. Operational Programmes could accordingly dispense with their “formal” strategy part and be reduced to core agreements between the different authorities (similar to a Programme Complement).

The indicator- and output-based management of ERDF programmes presented in the Annual Implementation Reports in its conventional form without reference to needs and strategy is very limited because it does not say much about the effects of complex development initiatives. Accordingly, there is a need for a more comprehensive examination of developments as part of the planning, monitoring and evaluation process, in order to make the respective contributions of the regional, national and interventions more transparent.

A further challenge lies in the design and delivery of regional development policy which is a very demanding task in terms of achieving critical mass and coherence so far as the measures are concerned. Regional policy programmes require a regional governance system capable of taking account of the technical issues and of ensuring efficient management with an ability of local and regional authorities to work in partnership with national-level ones. In this respect the structure of governance needs to be developed further.

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Metis (2010): Das System der regionalen Entwicklungsförderung (System REF) in Österreich; Schlussbericht 2/2010; im Auftrag BKA Abt. 1 IV/4, Wien

List of Annual Implementation Reports 2009:

- OP Niederösterreich
- OP Salzburg
- OP Steiermark
- OP Oberösterreich
- OP Burgenland
- OP Vorarlberg
- OP Wien
- OP Tirol
- OP Kärnten
- OP Alpenrhein–Bodensee–Hochrhein
- OP Austria–Slovakia
- OP Austria Czech Republic
- OP Austria–Hungary
- OP Deutschland/Bayern–Österreich

EVALUATIONS

In the following section, evaluations linked to Objective 1 and Objective 2 interventions are listed by Programme Region, Type of actor (State level actor, Central level actor, European Commission / European Agency), Type of evaluation (External or Internal evaluation) and Programming Period. Evaluations on specific aspects of the 2000–2006 period – NOT Mid–Term–Evaluations in general – have been taken into account if relevant for the 2007–2013 period (because they relate to ongoing interventions).

The evaluations are outlined in the following tables.

Table B – Evaluations by Programme implementing bodies at State level

Programme Region	Inventory of Evaluations / Impact Studies
	A) Initiatives by Programme Implementing bodies at State level
Burgenland (Convergence Region)	<p>1 INTERNAL EVALUATION OF SPECIFIC ASPECTS OF OP 2007–2013 (Priority axis 1): Pöchhacker Innovation Consulting GmbH (2010): Evaluation of the priority axis 1 research and innovation of the Phasing–out programme Burgenland ERDF. In the new programme period 2007–13 innovation related measures show serious implementation problems and a significant departure from the goals set (only 3% of allocated funds related to innovation are currently committed). Therefore, an evaluation was elaborated which will support a programme modification.</p> <p>2 EXTERNAL EVALUATION OF SPECIFIC ASPECTS OF EPPD 2000–2006: ARC systems research GmbH (2004): The effects of Structural Funds on the stimulation of innovation: Empirical results from the mid–term evaluation of the Objective 1–programme of the Austrian province Burgenland</p> <p>3 EXTERNAL EVALUATION OF SPECIFIC ASPECTS OF EPPD 2000–2006: KREUTZER; FISCHER & PARTNER (2007): Evaluation of economic effects of Spa Sonnentherme Lutzmannsburg (tourist lead project)</p>
Kärnten (Regional Competitiveness)	<p>4 INTERNAL EVALUATION OF SPECIFIC ASPECTS OF OP 2007–2013: The effects of funded projects are monitored by a newly–designed Impact Monitoring (Wirkungsmonitoring), which is performed by an external evaluator (Convelop). The Impact Monitoring covers fields of action under Priority Axis 1 (Innovation and knowledge based economy). The last report was prepared in November 2009. The ongoing evaluation work at this stage is focussed on implementation–aspects rather than detecting impacts and has the character of a working paper (non –published)</p>
Niederösterreich (Regional Competitiveness)	<p>5 EXTERNAL EVALUATION–OTHER RESEARCH: KMU FORSCHUNG AUSTRIA (2008): Mid–term evaluation of Technopol–Programme in Niederösterreich. Thematic issue is relevant, but no specific focus on ERDF.</p> <p>6 EXTERNAL EVALUATION –OTHER RESEARCH: Friedrich Schneider, F. Holzberger, M. (2005): Cluster–land Niederösterreich – An empirical economic analysis. Thematic issue is relevant, but no specific focus on ERDF.</p> <p>7 EXTERNAL EVALUATION–OTHER RESEARCH: TRIGON, JOANNEUM RESEARCH (2004): Evaluation Cluster–land Niederösterreich Thematic issue is relevant, but no specific focus on ERDF.</p> <p>8 INTERNAL EVALUATION OF SPECIFIC ASPECTS OF EPPD 2000–2006: WST3 (2006): Monitoring and evaluation of Investment Projects (inquiry of project holders accompanying final payment)</p>

	<p>9 INTERNAL EVALUATION OF SPECIFIC ASPECTS OF OP 2007–2013: WST3 (October 2008): Monitoring and evaluation of R&D single company support projects (inquiry of project holders accompanying final payment)</p> <p>10 INTERNAL EVALUATION OF SPECIFIC ASPECTS OF OP 2007–2013: WST3 (2008): Evaluation of Innovation Assistant (survey on 35 funding projects), 08/2008</p> <p>11 INTERNAL EVALUATION OF SPECIFIC ASPECTS OF OP 2007–2013: Chamber of Commerce Niederösterreich: Ongoing monitoring and evaluation of Advisory Services (inquiry of beneficiaries)</p> <p>12 EXTERNAL EVALUATION OF SPECIFIC ASPECTS OF EPPD 2000–2006: ÖIR, RCi (2007): Assessment of regional effects of "model-projects" funded under the Objective 2 programme Niederösterreich 2000–2006 (including 1 technology centre and 3 companies)</p> <p>13 EXTERNAL EVALUATION OF SPECIFIC ASPECTS OF EPPD 2000–2006: Convelop, TU Wien (2008): Assessment of five funded companies under the Objective 2 programme Niederösterreich with respect to regional economic effects (growth, jobs, fiscal effects) by using a quantitative regionalized input-output model</p>
Oberösterreich (Regional Competitiveness)	14 EXTERNAL EVALUATION OF SPECIFIC ASPECTS OF EPPD 2000–2006: ÖIR, RCi (2004): Impact analysis of Objective-2 lead project „profactor“ (institute for technology transfer) in Steyr
Salzburg (Regional Competitiveness)	No evaluation documents are available
Steiermark (Regional Competitiveness)	15 INTERNAL EVALUATION OF SPECIFIC ASPECTS OF OP 2007–2013: The effects of funded projects are monitored by a newly-designed Impact Monitoring (Wirkungsmonitoring), which is performed by an external evaluator (Convelop & ÖAR). The Impact Monitoring covers the following fields of action 2, 4, 5, 6 (unter Priority Axis 1 Innovation) and 8.1, 8.4 (unter Priority Axis 2 Regional Development). The final report was presented in January 2010 (non-published)
Tirol (Regional Competitiveness)	No evaluation documents are available
Vorarlberg (Regional Competitiveness)	16 INTERNAL EVALUATION OF OP 2007–2013 (facilitated by external expert kairos): The so-called "Project-Check" was introduced in 2007 to analyse the effects of programme implementation in relation to the horizontal objectives of "Sustainable Development" and "Gender Mainstreaming". The process is designed as accompanying observation addressing all OP-measures (with focus on key projects). The latest report is available from spring 2009.
Wien (Regional Competitiveness)	17 EXTERNAL EVALUATION OF SPECIFIC ASPECTS OF EPPD 2000–2006: KMU FORSCHUNG AUSTRIA (2007): Evaluation of Objective 2 project VITE (network Vienna IT Enterprises)

Source: Resch, A., Survey on Managing Authorities and implementing bodies at central and state level

Table C – Evaluations by Programme implementing bodies at Central level

Programme Regions	Inventory of Evaluations / Impact Studies related to innovation support
	B) Initiatives by Programme Implementing bodies at Central level
All regions in Austria, aws projects	<p>18 INTERNAL EVALUATION–NATIONAL–WIDE ACROSS EPPDs 2000–2006: Austria Wirtschaftsservice GmbH/Knoll, N. (September 2007): Pilot evaluation of ERP Regional Programme. Purpose: Improve understanding of programme–functionality; based on empirical evidence; taking a comparative view regarding programmes; going beyond existing documentation and monitoring data; including the clients’ point of view. Methodology: Exploratory approach using variety of information sources such as Desk research, Analysis of monitoring data and client files, Expert interviews with programme managers, Client survey (questionnaire + subsequent semi–structured interviews). Internal evaluations become part of multi–annual aws work–programme 2007–2010.</p>
	<p>19 INTERNAL EVALUATION–NATIONAL–WIDE ACROSS EPPDs 2000–2006: Austria Wirtschaftsservice GmbH /Knoll, N. (August 2008): Evaluation of SME Growth Programmes (Unternehmensdynamik und ERP–KMU–Programm) Purpose see above</p>
All regions in Austria, FFG projects	<p>20 EXTERNAL EVALUATION –NATIONAL–WIDE ACROSS EPPDs 2000–2006 (ongoing): KMU FORSCHUNG AUSTRIA (2009): Annual Impact Monitoring of FFG Basisprogramme, latest report 2009; on behalf of Austrian Research Promotion Agency (FFG) the national funding institution for applied industrial research in Austria. Evaluation addresses national and ERDF co–funded projects finalized in <u>2005</u></p> <p>21 EXTERNAL EVALUATION–OTHER RESEARCH (major evaluation): KOF, Joanneum Research, WIFO, Universiteit Twente, Technopolis (2003): Evaluation of the Austrian Industrial Research Promotion Fund (FFF) and the Austrian Science Fund (FWF) Thematically partly relevant, but no specific focus on ERDF</p>
All regions in Austria, Cluster projects	<p>22 OTHER RESEARCH: Ministry of Economy, Family and Youth (2009): Clusters in Austria – Survey and Prospects; study by 4C foresee Management Consulting GmbH Wien (Prof. Clement et al) Thematically relevant, but no specific focus on ERDF</p>
All regions in Austria, KPC–projects	<p>23 EXTERNAL EVALUATION–NATIONAL–WIDE ACROSS EPPDs 2000–2006: Federal Ministry of Agriculture, Forestry, Environment and Water Management (2008): Evaluation of Environmental Support Measures by Central Government for the period 01.01.2005 to 31.12.2007 Includes environment projects funded by ERDF 2000–2006 http://www.publicconsulting.at/uploads/20080611effizienzbericht20052007.pdf</p>

Source: Resch, A., Survey on Managing Authorities and implementing bodies at central and state level

Table D – Evaluations by European bodies

Programme Region	Inventory of Evaluations / Impact Studies related to innovation support
	C) Initiatives by European Commission / European agency
Steiermark	24 EXTERNAL EVALUATION OF SPECIFIC ASPECTS OF EPPD 2000–2006: CSIL, Joanneum Research, Technopolis Group (2009): Case Study Steiermark (Objective 2 Programme 2000–2006, selection of 4 measures) under Work Package 4 “Structural Change and Globalisation”; contracted by Evaluation Unit, DG Regional Policy, European Commission Source: DG Regional Policy web-site: http://ec.europa.eu/regional_policy/sources/docgener/evaluation/rado2_en.htm
All regions in Austria, KPC-projects	25 EXTERNAL EVALUATION –NATIONAL–WIDE ACROSS EPPDs 2000–2006: European Environment Agency (2009) Territorial cohesion – Analysis of environmental aspects of the EU Cohesion Policy in selected countries, EEA Technical report No 10/2009. Of specific relevance for ERDF are the Case studies of Austria on the issues Biodiversity and Energy Source: http://www.eea.europa.eu/publications/territorial-cohesion-2009

INTERVIEWS

Telephone interviews with all nine Managing Authorities (Convergence and Regional Competitiveness) and with selected implementing bodies (FFG, aws, ecoplus, Wibak) in Austria, May 2010

Several face to face interviews with representative of coordinating body ÖROK, April – August 2010

Several meetings and telephone contacts with ERDF monitoring representative, April – July 2010

TABLES

See Excel file for Tables 1 and 2

Table 1: Regional disparities and trends

Table 2: Macro-economic developments

Annex Table A – Allocated (2007, 2010) and committed ERDF funds by main policy area, Convergence and Regional Competitiveness Objective (9 Programmes)

Policy Areas	FOI-Codes (relevant for AT)	Planned ERDF (10/2007)	share in %	Planned ERDF (02/2010)	share in %	Change in % 2007 - 2010	Committed ERDF, 18.05.10	in % of planned
1. Enterprise environment		555.222.996	81,6	555.547.997	81,7	0,1	199.647.064	35,9
1.1 RTDI and linked activities	1, 2, 5, 7	254.890.142	37,5	236.555.932	34,8	-7,2	99.625.857	42,1
1.2 Support for innovation in SMEs	3, 4, 6, 9, 14, 15	191.454.928	28,2	187.854.327	27,6	-1,9	38.705.560	20,6
1.3 Other investment in firms (in AT: incl. single company support in	8	104.644.477	15,4	125.954.290	18,5	20,4	61.315.648	48,7
1.4 ICT and related services	11	4.233.449	0,6	5.183.449	0,8	22,4	0	0,0
2. Human resources		14.120.185	2,1	13.405.477	2,0	-5,1	4.684.562	34,9
2.2 Education and training	62 (added to 05)		0,0	0	0,0		0	
2.2 Labour market policies	68, 69, 70, 71, 80	14.120.185	2,1	13.405.477	2,0	-5,1	4.684.562	34,9
3. Transport		8.358.808	1,2	5.958.808	0,9	-28,7	154.712	2,6
3.1 Road			0,0	0	0,0		0	
3.2 Rail	16	4.100.000	0,6	0	0,0	-100,0	0	
3.2 Other	26, 28, 30	4.258.808	0,6	5.958.808	0,9	39,9	154.712	2,6
4. Environment and energy		39.268.371	5,8	39.268.371	5,8	0,0	20.535.334	52,3
4.1 Energy infrastructure	40, 41, 42, 43	30.193.421	4,4	30.193.421	4,4	0,0	17.056.885	56,5
4.2 Environmental infrastructure	53	9.074.950	1,3	9.074.950	1,3	0,0	3.478.449	38,3
5. Territorial development		44.993.557	6,6	47.408.264	7,0	5,4	13.087.380	27,6
5.1 Tourism and culture	55-60	23.303.229	3,4	24.953.229	3,7	7,1	6.213.996	24,9
5.2 Planning and rehabilitation	61	20.790.928	3,1	21.555.635	3,2	3,7	6.841.134	31,7
5.3 Social infrastructure	10, 75	899.400	0,1	899.400	0,1	0,0	32.250	3,6
5.4 Other			0,0	0	0,0		0	
6. Technical assistance	81, 85, 86	18.102.104	2,7	18.477.104	2,7	2,1	8.747.434	47,3
Total Conv. / Reg Comp.		680.066.021	100,0	680.066.021	100,0	0,0	246.856.486	36,3

Source: ERDF-Monitoring (May 2010), own calculations; Correspondence of FOI-Codes to policy areas according to Applica

Annex Table B – Allocated (2007, 2010) and committed ERDF funds by main policy area, Convergence Objective (1 Programme)

Policy Areas	FOI-Codes (relevant for ERDF Bgld.)	Planned ERDF 10/2007	Planned ERDF 2010	Change in % 10/2007 - 2010	Committed ERDF, 18.05.10	in % of planned
1. Enterprise environment		99.350.137	101.225.137	1,9	21.330.779	21,1
1.1 RTDI and linked activities	1, 2, 5, 7	41.355.859	35.771.370	-13,5	1.419.040	4,0
1.2 Support for innovation in SMEs	3, 4, 6, 9, 14	22.004.460	24.935.460	13,3	394.255	1,6
1.3 Other investment in firms (in AT: including single company support in tourism)	8	34.909.818	38.688.307	10,8	19.517.484	50,4
1.4 ICT and related services	11	1.080.000	1.830.000	69,4		0,0
2. Human resources						
2.2 Education and training						
2.2 Labour market policies						
3. Transport		3.000.000	0	-100,0		
3.1 Road						
3.2 Rail	16	3.000.000		-100,0		
3.2 Other						
4. Environment and energy		3.611.250	3.611.250	0,0	246.131	6,8
4.1 Energy infrastructure	40, 41, 43	3.611.250	3.611.250	0,0	246.131	6,8
4.2 Environmental infrastructure						
5. Territorial development		12.714.500	13.464.500	5,9	4.404.937	32,7
5.1 Tourism and culture	57-60	12.316.100	13.066.100	6,1	4.404.937	33,7
5.2 Planning and rehabilitation						
5.3 Social infrastructure	75	398.400	398.400	0,0		0,0
5.4 Other						
6. Technical assistance	81, 85, 86	6.351.077	6.726.077	5,9	4.637.997	69,0
Total Convergence Objective		125.026.964	125.026.964	0,0	30.619.844	24,5

Source: ERDF-Monitoring May 2010, own calculations

Annex Table C – Allocated (2007, 2010) and committed ERDF funds by main policy area, Regional Competitiveness Objective (8 Programmes)

Policy Areas	FOI-Codes (relevant for AT)	Planned ERDF (10/2007)	Planned ERDF (2010)	Change in % 10/2007 - 2010	Committed ERDF, 18.05.10	in % of planned
1. Enterprise environment		455.872.859	454.322.860	-0,3	178.316.286	39,2
1.1 RTDI and linked activities	1, 2, 5, 7	213.534.283	200.784.562	-6,0	98.206.817	48,9
1.2 Support for innovation in SMEs	3, 4, 6, 9, 14, 15	169.450.468	162.918.867	-3,9	38.311.306	23,5
1.3 Other investment in firms (in AT: including single company support in tourism)	8	69.734.659	87.265.983	25,1	41.798.163	47,9
1.4 ICT and related services	11	3.153.449	3.353.449	6,3	0	0,0
2. Human resources		14.120.185	13.405.477	-5,1	4.684.562	34,9
2.2 Education and training	62 (added to 05)					
2.2 Labour market policies	68, 69, 70, 71, 80	14.120.185	13.405.477	-5,1	4.684.562	34,9
3. Transport		5.358.808	5.958.808	11,2	154.712	2,6
3.1 Road						
3.2 Rail	16	1.100.000	0	-100,0	0	
3.2 Other	26, 28, 30	4.258.808	5.958.808	39,9	154.712	2,6
4. Environment and energy		35.657.121	35.657.121	0,0	20.289.203	56,9
4.1 Energy infrastructure	40, 41, 42, 43	26.582.171	26.582.171	0,0	16.810.754	63,2
4.2 Environmental infrastructure	53	9.074.950	9.074.950	0,0	3.478.449	38,3
5. Territorial development		32.279.057	33.943.764	5,2	8.682.442	25,6
5.1 Tourism and culture	55-60	10.987.129	11.887.129	8,2	1.809.058	15,2
5.2 Planning and rehabilitation	61	20.790.928	21.555.635	3,7	6.841.134	31,7
5.3 Social infrastructure	10, 75	501.000	501.000	0,0	32.250	6,4
5.4 Other						
6. Technical assistance	81, 85, 86	11.751.027	11.751.027	0,0	4.109.437	35,0
Total Reg Comp.		555.039.057	555.039.057	0,0	216.236.642	39,0

Source: ERDF-Monitoring May 2010, own calculations

Annex Table Da – Expenditures (01.01.2007 – 31.12.2009) by main policy area, total of Convergence and Regional Competitiveness Objective (9 Programmes)

Policy Areas	FOI-Codes	No of projects	Total amount of certified eligible expenditure	Total ERDF payments	Allocated ERDF 2007- 2013	Total ERDF payments in % of allocated
1. Enterprise environment	01-15	2.139	518.784.730	51.220.067	546.418.997	9,4
2. Human resources	68, 69, 70, 71, 80	0	0	0	12.886.611	0,0
3. Transport	16, 26, 28, 30	1	309.424	154.712	5.958.808	2,6
4. Environment and energy	40, 41, 42, 43, 53	38	14.766.110	2.530.499	39.268.371	6,4
5. Territorial development	55-60, 61, 10, 75	51	14.695.225	5.303.742	46.688.864	11,4
6. Technical assistance	81, 85, 86	121	4.561.131	2.147.403	28.844.370	7,4
Total Conv. / Reg Comp.		2.350	553.116.621	61.356.424	680.066.021	9,0

Source: ERDF-Monitoring, own calculation

Annex Table Db – Achievement of core indicator targets based on expenditures by 31.12.2009, total of Convergence and Regional Competitiveness Objective (9 Programmes)

Core Indicator	Priority	Final Target	2007 Achievement	2008 Achievement	2009 Achievement	2009 (accumulated) in % of Final Target
Policy area: Enterprise environment						
1 - Jobs created	1	5.803	0	79	537	9%
10 - Investment induced (million €)	1	2.875	0	43	429	15%
24 - Additional capacity of renewable energy production	1	10	0	0	0	0%
30 - Reduction greenhouse emissions (CO2 and equivalents, kt)	1	8	0	0	0	0%
4 - Number of RTD projects	1	798	0	11	58	7%
5 - Number of cooperation project enterprises-research institutions	1	241	0	4	62	26%
6 - Research jobs created	1	884	0	0	13	1%
8 - Number of start-ups supported	1	312	0	9	13	4%
Policy area: Environment, energy, territorial development						
1 - Jobs created	2	1.052	0	0	199	19%
10 - Investment induced (million €)	2	800	0	10	113	14%
23 - Number of renewable energy projects (Bgltd)	2	25	0	0	0	0%
24 - Additional capacity of renewable energy production	2	65	0	0	13	20%
30 - Reduction greenhouse emissions (CO2 and equivalents, kt)	2	332	0	0	33	10%
31 - Number of risk prevention projects	2	27	0	0	24	89%
32 - Number of people benefiting from flood protection measures (NÖ)	2	300	0	0	0	0%
33 - Number of people benefiting from forest fire protection and other protection measures (Tirol)	2	20.035	0	0	12.241	61%
34 - Number of tourism projects	2	9	0	1	2	22%
39 - Number of projects ensuring sustainability and improving the attractiveness of towns and cities	2	41	0	0	15	37%
8 - Number of start-ups supported	2	34	0	0	9	26%
Total jobs created	1+2	6.855			736	11%

Source: Annual Implementation Reports 2009. Own calculation

Annex Table E – Output and results by policy area, Convergence Objective (1 Programme)

Convergence Burgenland			Outputs			Results							
Policy Areas	FOI-Codes (rel. for AT)	Committed ERDF, 18.05.10	No of soft projects	No of investment-projects	of this: No of investment projects by newly founded companies/ start-ups	Number of participating companies on technology transfer	Planned new R&D jobs to be created (full time equivalent)	Safeguarded R&D jobs in the company (full time equivalent)	Planned new jobs to be created (full time equivalent)	Safeguarded jobs in the company (full time equivalent)	Planned no of newly created high-quality beds	Planned newly created power capacity (MW)	Planned reduction of greenhouse gases (kt)
1. Enterprise environment		21.330.779	5	34	7	20	13	54	441	1.299	566	0	0
1.1 RTDI and linked activities	1, 2, 5, 7	1.419.040	0	1					18	14			
1.2 Support for innovation in SMEs	3, 4, 6	394.255	5	1		20	13	54		18			
1.3 Other investment in firms (in AT: including single company support in tourism)	8	19.517.484		32	7				423	1.268	566		
1.4 ICT and related services													
2. Human resources													
2.2 Education and training													
2.2 Labour market policies													
3. Transport													
3.1 Road													
3.2 Rail													
3.2 Other													
4. Environment and energy		246.131		3								0,20	0,26
4.1 Energy infrastructure	43	246.131		3								0,20	0,26
4.2 Environmental infrastructure													
5. Territorial development		4.404.937	9	9					2	2			
5.1 Tourism and culture	57, 59, 60	4.404.937	9	9					2	2			
5.2 Planning and rehabilitation													
5.3 Social infrastructure													
5.4 Other													
6. Technical assistance	81, 85, 86	4.637.997											
Total Convergence Burgenland		30.619.844	14	46	7	20	13	54	443	1.301	566	0,20	0,26

Source: ERDF-Monitoring May 2010, own calculations, planned figures based on approved projects

Annex Table F – Output and results by policy area, Regional Competitiveness Objective (8 Programmes)

Total RegComp Policy Areas	FOI-Codes (rel. for AT)	Committed ERDF, 16.05.10	Outputs						Results										
			No of soft-projects of this: No of co-operation projects (with other companies, universities...)	No of advisory services (Beratungen)	No of investment-projects of this: No of co-operation projects (with other companies, universities...)	No of investment projects of this: No of investment projects by newly founded companies/ start ups	Number of participating companies on technology transfer (plan)	No of located companies after 3 years (plan)	No of trained person	Planned new R&D jobs to be created (full time equivalent)	Safeguarded R&D jobs in the company (full time equivalent)	Planned new jobs to be created (full time equivalent)	Safeguarded jobs in the company (full time equivalent, amount of jobs at the project start)	Planned no of newly created high- quality beds	Planned newly created power capacity (MW)	Planned reduction of greenhouse gases (kt)	Planned no of beneficiaries of risk- protection (households, companies), planned no of person with new access to broadband		
1. Enterprise environment		178.316.286	322	183	1.907	305	16	38	712	23		62	4.037	3.473	24.560	1.784			
1.1 RTDI and linked activities	1, 2, 5, 7	98.206.817	90	48	1.907	151	13	13		23		17	500	2.011	15.977				
1.2 Support for innovation in SMEs	3, 4, 6, 9, 14	38.311.306	232	135	0	26	3	3	712			45	3.537	101	1.095				
1.3 Other investment in firms (in AT: including single company support in tourism)	8	41.798.163	0	0	0	128		22						1.362	7.488	1.784			
1.4 ICT and related services																			
2. Human resources		4.684.562	356	0	0							2.794							
2.2 Education and training	62 (to be added to 05)	0	310	0	0							2.794							
2.2 Labour market policies	80	4.684.562	46	0	0														
3. Transport		154.712	1	0	0														
3.1 Road																			
3.2 Rail																			
3.2 Other	28	154.712	1	0	0														
4. Environment and energy		20.289.203	5	0	0	102		4									110	651	5.559
4.1 Energy infrastructure	40, 41, 42, 43	16.810.754	0	0	0	78		4									110	651	
4.2 Environmental infrastructure	53	3.478.449	5	0	0	24													5.559
5. Territorial development		8.682.442	78	0	0	29							2	30					100
5.1 Tourism and culture	55, 57, 59, 60	1.809.058	18	0	0	1							2	30					
5.2 Planning and rehabilitation	61	6.841.134	60	0	0	27													
5.3 Social infrastructure	10	32.250	0	0	0	1													100
5.4 Other		0																	
6. Technical assistance	only 81 analysed (not 85, 86)	4.109.437	11	0	0														
Total RegComp.		216.236.642	773	183	1.907	436	16	42	712	23	2.794	62	4.037	3.475	24.590	1.784	110	651	5.659

Source: ERDF-Monitoring May 2010, own calculations, planned figures based on approved projects

Annex Table G – Output by policy area, Convergence and Regional Competitiveness Objective (9 Programmes)

Converg/RegComp		Outputs						
Policy Areas	FOI-Codes (rel. for AT)	Committed ERDF, 18.05.10	No of soft-projects	of this: No of co-operation projects (with other companies, universities..)	No of advisory services (Beratungen)	No of investment-projects	of this: No of co-operation projects (with other companies, universities..)	of this: No of investment projects by newly founded companies/ start-ups
1. Enterprise environment		199.647.064	327	183	1.907	339	16	45
1.1 RTDI and linked activities	1, 2, 5, 7	99.625.857	90	48	1.907	152	13	13
1.2 Support for innovation in SMEs	3, 4, 6, 9, 14	38.705.560	237	135		27	3	3
1.3 Other investment in firms (in AT: including single company support in tourism)	8	61.315.648				160		29
1.4 ICT and related services								
2. Human resources		4.684.562	356					
2.2 Education and training	62 (to be added to 5)		310					
2.2 Labour market policies	80	4.684.562	46					
3. Transport		154.712	1					
3.1 Road								
3.2 Rail								
3.2 Other	28	154.712	1					
4. Environment and energy		20.535.334	5			105		4
4.1 Energy infrastructure	40, 41, 42, 43	17.056.885				81		4
4.2 Environmental infrastructure	53	3.478.449	5			24		
5. Territorial development		13.087.380	87			38		
5.1 Tourism and culture	55, 57, 59, 60	6.213.996	27			10		
5.2 Planning and rehabilitation	61	6.841.134	60			27		
5.3 Social infrastructure	10	32.250				1		
5.4 Other								
6. Technical assistance	only 81 analysed (not 85, 86)	8.747.434	11					
Total		246.856.486	787	183	1.907	482	16	49

Source: ERDF-Monitoring May 2010, own calculations, planned figures based on approved projects

Annex Table H – Results by policy area, Convergence and Regional Competitiveness Objective (9 Programmes)

Converg/RegComp		Results											
Policy Areas	FOI-Codes (rel. for AT)	Committed ERDF, 18.05.10	Number of participating companies on technology transfer (plan)	No of located companies after 3 years (plan)	No of trained person	Planned new R&D jobs to be created (full time equivalent)	Safeguarded R&D jobs in the company (full time equivalent)	Planned new jobs to be created (full time equivalent)	Safeguarded jobs in the company (full time equivalent, amount of jobs at the project start)	Planned no of newly created high quality beds	Planned newly created power capacity (MW)	Planned reduction of greenhouse gases (kt)	Planned no of beneficiaries of risk-protection (households, companies), planned no of person with new access to broadband
1. Enterprise environment		199.647.064	732	23		75	4.091	3.914	25.859	2.350			
1.1 RTDI and linked activities	1, 2, 5, 7	99.625.857		23		17	500	2.029	15.991				
1.2 Support for innovation in SMEs	3, 4, 6, 9, 14	38.705.560	732			58	3.591	101	1.112				
1.3 Other investment in firms (in AT: incl. single company support in tourism)	8	61.315.648						1.784	8.756	2.350			
1.4 ICT and related services													
2. Human resources		4.684.562			2.794								
2.2 Education and training	62 (to be added to 5)				2.794								
2.2 Labour market policies	80	4.684.562											
3. Transport		154.712											
3.1 Road													
3.2 Rail													
3.2 Other	28	154.712											
4. Environment and energy		20.535.334									110	651	5.559
4.1 Energy infrastructure	40, 41, 42, 43	17.056.885									110	651	
4.2 Environmental infrastructure	53	3.478.449											5.559
5. Territorial development		13.087.380				0	0	4	32				100
5.1 Tourism and culture	55, 57, 59, 60	6.213.996						4	32				
5.2 Planning and rehabilitation	61	6.841.134											
5.3 Social infrastructure	10	32.250											100
5.4 Other													
6. Technical assistance	only 81 analysed (not 85, 86)	8.747.434											
Total		246.856.486	732	23	2.794	75	4.091	3.918	25.891	2.350	110	651	5.659

Source: ERDF-Monitoring May 2010, own calculations, planned figures based on approved projects

Annex Table I – Allocated and committed ERDF funds by policy area, total of 5 ETC cross-border programmes

Policy Areas	FOI-Codes relevant for 5 OPs	Allocated ERDF	in % of total	Committed ERDF	in % of planned
1. Enterprise environment		62.194.351	19,0	24.415.131	39,3
1.1 RTDI and linked activities	1, 2, 5, 74	23.335.702	7,1	15.892.683	68,1
1.2 Support for innovation in SMEs	3, 4, 6, 9, 14, 15	28.901.278	8,8	4.957.790	17,2
1.3 Other investment in firms (in AT: including tourism)	8	0	0,0	0	
1.4 ICT and related services	11, 13	9.957.371	3,0	3.564.658	35,8
2. Human resources		41.177.143	12,6	32.314.023	78,5
2.2 Education and training	62, 63, 64, 72, 73	12.450.093	3,8	6.217.222	49,9
2.2 Labour market policies	65-71, 80	28.727.050	8,8	26.096.800	90,8
3. Transport		50.737.153	15,5	16.133.558	31,8
3.1 Rail	16	5.011.030	1,5	922.815	18,4
3.2 Road	23	17.044.501	5,2	9.590.248	56,3
3.2 Other	24-31	28.681.622	8,8	5.620.495	19,6
4. Environment and energy		55.331.085	16,9	29.314.025	53,0
4.1 Energy infrastructure	40-43	14.389.082	4,4	8.937.485	62,1
4.2 Environmental infrastructure	44-54	40.942.003	12,5	20.376.540	49,8
5. Territorial development		76.802.385	23,5	39.782.487	51,8
5.1 Tourism and culture	55-60	54.823.910	16,7	27.845.916	50,8
5.2 Planning and rehabilitation	61	7.831.745	2,4	742.434	9,5
5.3 Social infrastructure	10, 75-79	14.146.730	4,3	11.194.137	79,1
5.4 Other	82-84				
6. Technical assistance		41.252.932	12,6	21.959.434	53,2
Total ETC cross border 5 OPs		327.495.049	100,0	163.918.659	50,1

Source: ERDF-Monitoring May 2010, own calculations

The following CBC programmes are covered: Austria-Czech Republic, Slovakia-Austria, Deutschland/Bayern-Österreich, Austria-Hungary, Alpenrhein-Bodensee-Hochrhein (ABH). The ERDF funds refer to the whole programme area (and not just to the Austrian part)

ANNEX

Overview of Regional development strategies

Regional development strategies of the *Länder* which constitute the “groundwork” for the Operational Programmes 2007–2013 (besides other strategies and guidelines at national and EU-level:

- Burgenland (PHO): Landesentwicklungskonzept 2006
- Kärnten: Integrierte Regionalstrategie Kärnten (IRS.KTN) 2005; FTI Strategie Kärnten 2009, Strategiepapier Kärnten 2010+, Weißbuch Tourismus Kärnten, Tourismus Masterplan, Wintererschließungskonzept Kärnten.
- Niederösterreich: Landesentwicklungskonzept – WIN (Wir in Niederösterreich) Strategie 2004, RIS-NÖ, Technologiekonzept 2002, Kursbuch Tourismus 2010, Euro-Fitness-Programm.
- Oberösterreich: Strategisches Programm Innovatives Oberösterreich 2010, SRO OÖ, Kursbuch Tourismus- und Freizeitwirtschaft OÖ 2003–2010.
- Salzburg: Wirtschaftsleitbild Salzburg, Wissenschaftsleitbild Salzburg, Landesentwicklungsprogramm Salzburg
- Steiermark: Technologiepolitisches Konzept Steiermark, Forschungsstrategie Steiermark 2005 plus, Landesentwicklungsleitbild Steiermark
- Tirol: ZukunftsRaum Tirol
- Vorarlberg: Wirtschaftsleitbild Vorarlberg 2006, Strategisches Programm Vorarlberg 2005 plus, Energiekonzept 2010, Tourismuskonzept Vorarlberg 2006
- Wien: STEP05–Stadtentwicklungsplan für Wien; Wien denkt Zukunft – Wiener Forschungs-, Technologie- und Innovationsstrategie 2007

Overview on competences for regional development issues in Austria

Regional Development	Central Government	State Government	Local Government	Social security funds	Public companies
Basic infrastructure					
Transport	X	X	x		x
Telecommunications & information society	X	x			
Energy	x	x			
Environment & water	x	x	X		x
Health	x	X	x	X	X
Human Resources					
Education	X	X	x		
Training	x	x			
RTD	X	x			
Productive environment					
Industry	X	x			
Services	X	x	x		
Tourism	x	X	x		x
Others (housing, health, security)	x	x		x	x

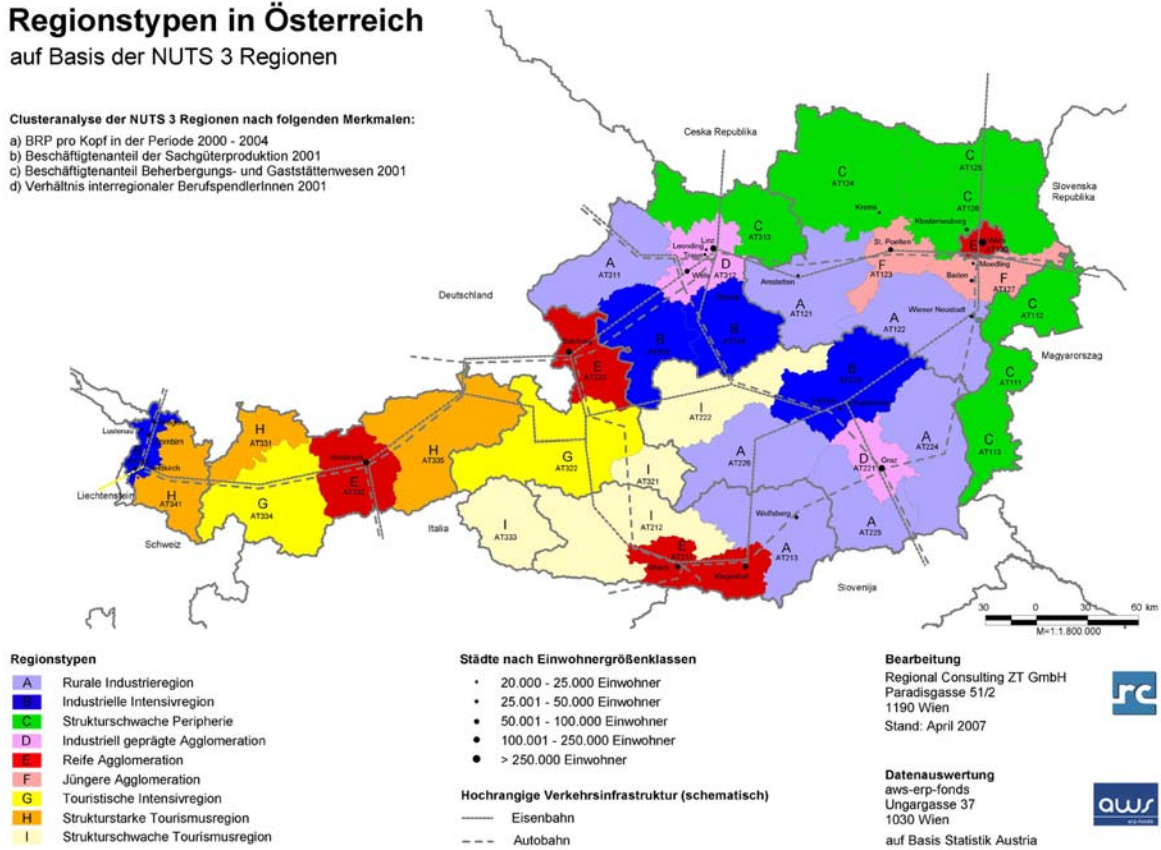
Source: Bröthaler, Resch (2009). X=main competence, x= secondary competence

Types of NUTS-3 regions in Austria

Regionstypen in Österreich auf Basis der NUTS 3 Regionen

Clusteranalyse der NUTS 3 Regionen nach folgenden Merkmalen:

- a) BRP pro Kopf in der Periode 2000 - 2004
- b) Beschäftigtenanteil der Sachgüterproduktion 2001
- c) Beschäftigtenanteil Beherbergungs- und Gaststättenwesen 2001
- d) Verhältnis interregionaler BerufspendlerInnen 2001



Source: RC ZT, AWS-ERP funds 2007

Categorisation of expenditure

Categories are listed which are relevant for Austria.

FOI Code	Priority Theme
	Research and technological development (RTD), innovation and entrepreneurship
01	R&TD activities in research centres
02	R&TD infrastructure (including physical plant, instrumentation and high-speed computer networks linking research centres) and centres of competence in a specific technology
03	Technology transfer and improvement of cooperation networks between small businesses (SMEs), between these and other businesses and universities, postsecondary education establishments of all kinds, regional authorities, research centres and scientific and technological poles (scientific and technological parks, technopoles, etc.)
04	Assistance to R&TD, particularly in SMEs (including access to R&TD services in research centres)
05	Advanced support services for firms and groups of firms
06	Assistance to SMEs for the promotion of environmentally-friendly products and production processes (introduction of effective environment managing system, adoption and use of pollution prevention technologies, integration of clean technologies into firm production)
07	Investment in firms directly linked to research and innovation (innovative technologies, establishment of new firms by universities, existing R&TD centres and firms, etc.)
08	Other investment in firms
09	Other measures to stimulate research and innovation and entrepreneurship in SMEs
	Information society
10	Telephone infrastructures (including broadband networks)
11	Information and communication technologies (access, security, interoperability, risk-prevention, research, innovation, e-content, etc.)
14	Services and applications for SMEs (e-commerce, education and training, networking, etc.)
15	Other measures for improving access to and efficient use of ICT by SMEs
	Transport
26	Multimodal transport
28	Intelligent transport systems
30	Ports
	Energy
40	Renewable energy: solar
41	Renewable energy: biomass
42	Renewable energy: hydroelectric, geothermal and other
43	Energy efficiency, co-generation, energy management
	Environmental protection and risk prevention
53	Risk prevention (including the drafting and implementation of plans and measures to prevent and manage natural and technological risks)
	Tourism
55	Promotion of natural assets
56	Protection and development of natural heritage
57	Other assistance to improve tourist services
	Culture

58	Protection and preservation of the cultural heritage
59	Development of cultural infrastructure
60	Other assistance to improve cultural services
	Urban and rural regeneration
61	Integrated projects for urban and rural regeneration
	Improving access to employment and sustainability
68	Support for self-employment and business start-up
69	Measures to improve access to employment and increase sustainable participation and progress of women in employment to reduce gender-based segregation in the labour market, and to reconcile work and private life, such as facilitating access to childcare and care for dependent persons
70	Specific action to increase migrants' participation in employment and thereby strengthen their social integration
	Improving the social inclusion of less-favoured persons
71	Pathways to integration and re-entry into employment for disadvantaged people; combating discrimination in accessing and progressing in the labour market and promoting acceptance of diversity at the workplace
	Investment in social infrastructure
75	Education infrastructure
	Mobilisation for reforms in the fields of employment and inclusion
80	Promoting partnerships, pacts and initiatives through the networking of relevant stakeholders
	Strengthening institutional capacity at national, regional and local level
81	Mechanisms for improving good policy and programme design, monitoring and evaluation at national, regional and local level, capacity building in the delivery of policies and programmes.
	Technical assistance
85	Preparation, implementation, monitoring and inspection
86	Evaluation and studies; information and communication