

INTERREG SIV

D.T4.5.2

Policy Report
Austria
(PP5 Caritas Vienna, PP10 WU Vienna)

Version 1
November 2021



Content

1. Introduction.....	3
1.1. Specific situation of the target group: Emergence of new target groups	3
1.2. New methods are needed: The SIV approach	4
1.3. First stakeholder analysis: Who is working on employment-related issues in Austria?.....	4
1.3.1. Public labour market integration measures	4
1.3.2. Activating private stakeholders on the labour market via the voucher-based approach.....	6
1.4. Second stakeholder analysis: Focus on private funding for employment-related issues	6
1.4.1. Examples of social impact investment for labour market integration in Austria	6
1.4.2. Involvement of private investors within the framework of SIV	7
2. Methods and ideas on how to keep up the good work	7
2.1. Flexible solutions and instruments	7
2.2. Enable participation on the labour market by coding training	8
2.3. Lessons learned	8
3. The European Social Fund PLUS (ESF+)	9
3.1. Focus on specific topics at Member State Level: ESF Plus in Austria	9
3.1.1. Country Specific Recommendations (CSR) for ESF PLUS.....	10
3.1.2. Caritas Involvement in the ESF PLUS	10
3.1.3. Possibilities within ESF Plus in Austria to set priorities that would enable ESF Funding for SIV Projects	Hiba! A könyvjelző nem létezik.
3.1.4. Possibilities within the already given frame to apply for ESF Plus funding for SIV Projects	10
3.2. Conclusion.....	11
4. The European Regional Development Fund (ERDF).....	11
4.1. Focus on specific topics at Member State Level	11
4.1.1. Structure of ERDF in Austria.....	11
4.1.2. Current status of the ERDF Operational Programme in Austria	12
4.1.3. Caritas Vienna Role in the ERDF	12
4.1.4. Possibilities within ERDF in Austria to set priorities that would enable ERDF Funding for SIV Projects	Hiba! A könyvjelző nem létezik.
4.1.5. Possibilities within the already given frame to apply for ERDF funding for SIV Projects ...	13



4.2. Conclusion.....	13
5. Further funding ideas.....	13
5.1. Funding through the European Investment Bank (EIB)	13
5.2. Further European or other funding possibilities	13
5.2.1. The European Social Catalyst Fund (ESCF).....	13
5.2.2. European Funding Instruments for allevating the effects of the Covid-19 pandemic	14
6. Conclusion.....	14
7. Sources	15



1. Introduction

In the recent past, the situation on the labour market changed drastically. Starting from a very promising employment situation prior to the Covid-19 pandemic, new challenges arose over night as a result of the pandemic invading every aspect of social life, both on an individual and a societal scale. In view of these rapid and all-encompassing changes, quick and precise reactions were needed, in order to try to counteract negative effects of the pandemic, such as rising unemployment or bankruptcy. From a fiscal perspective, this represents a double burden for the state, as on one hand low revenues from income taxes and social insurance contributions had to be expected due to rising inactivity, and on the other hand state financial support in form of short-time work or hardship funds had to be set up for the upkeep of employment and economic activity to the best possible extent. Specifically, in the year 2020 state expenditures increased by a total amount of 26 billion Euro compared to the year before. At the same time, the reduction in state revenues is estimated at around 16,5 billion Euro for 2020. These developments are the catalysts for a deep recession amounting to a deficit of 10,5% of the gross domestic product. Furthermore, the government debt ratio is calculated to increase from 70,5% to 85% of the 2019 gross domestic product in 2020 alone, which indicates that the recovery will be slow (Pitlik 2020: 22).

1.1. Specific situation of the target group: Emergence of new target groups

Apart from the fiscal effects, the Covid-19 pandemic triggered massive societal changes, which are clearly noticeable both on macro- and microeconomic levels. Groups that were already disproportionately affected by poverty and the risk of exclusion before Covid-19 are currently more affected of the economic and social consequences of the pandemic compared to the average population. For instance, foreign nationals now register above average unemployment rates. Furthermore, also new groups that were up to this point not the focus of the poverty and exclusion research emerged, such as self-employed (Heitzmann 2020: 61). When looking at the impact of the pandemic on the income situation of private households in 2020 it becomes clear that persons distant from employment and unemployed persons were least affected by loss of income due to Covid-19. Among the working population, loss of income occurred primarily for persons who became unemployed and with previous income above the maximum basis for assessment of unemployment benefits or due to cuts as a result of short-time work. Thus, around 6% of the population experiences a loss of available income of at least 5% (Fink, Moreau, Rocha-Akis 2020:45).

But what does this mean for the situation on the labour market? The upward trend on the labour market ended suddenly in March 2020 as a direct consequence of the pandemic. In spite of successful measures installed to combat the effects of the pandemic such as short-time work, Covid-19 led to a massive and sudden decline of employment amounting to 4,9% respectively 182.000 persons compared to March 2019. At the same time, the unemployment rose at an unprecedented rate of 52,5% respectively 194.000 individuals compared to March 2019. The pandemic affected several economic sectors, but most of all the service sector. Sectors already affected by high fluctuation before the pandemic registered very high unemployment, such as the accommodation and food service sector and the construction sector, with respective increases in unemployment of 145,1% and 94,8% (Eppel, Huemer, Mahringer 2020: 151).

Since the initial shock, the labour market could partially recover in some aspects. From those persons that became unemployed during the lockdown, 41% managed to already reenter the labour market by June 2020 (Eppel, Huemer, Mahringer 2020: 51). Now, more than one and a half years later, the unemployment rate continues to rapidly drop. In October 2021, 83.000 persons less were registered



as unemployed or in training compared to October 2020. Furthermore, the positive developments of the past few months are also comparable to the situation in 2019, prior to Covid-19. Currently, around 13.000 persons less than in October 2019 are registered as unemployed or in training. On the other hand, long-term unemployment tends to decrease more slowly. Nonetheless, there have also been positive developments in this regard, as nowadays around 34.000 persons less are registered as long-term unemployed compared to the level before the pandemic (AMS 2021).

1.2. New methods are needed: The SIV approach

Thus, these transformations show that the labour market is being confronted with new, unforeseen challenges, such as the emergence of new groups previously unaffected or affected to a very small extent by unemployment. Suddenly, the focus of labour market integrations measures should for instance not lie on long-term unemployed persons anymore, as they are less affected by the pandemic because they continue to receive their social benefits. Rather, new measures had to be developed that target new groups, such as the self-employed or high-earning persons previously employed in the service sector.

This is where the our voucher-based approach that was established within the framework of the Interreg CE “Social Impact Voucher” (SIV) project can come in and open new possibilities. The main advantage of a voucher-based approach is its flexibility, as it can fulfil innovative purposes and can for instance be easily implemented in combination with other instruments; in order to cover additional services that are still missing in the initial service package. This makes voucher-based approaches easier to adapt to new and constantly changing requirements and frameworks, such as it is the case due to the current crisis, and thus allows for quick and targeted reactions to newly arisen issues and demands.

Specifically, social impact vouchers and for example cover training costs for up-skilling or re-skilling of freshly emerged unemployed persons that can no longer work in the service sector. At the same time, the need to reduce social contacts due to the pandemic gave the development of other sectors such as the information technology sector a considerable push. This makes that mission of the Austrian voucher programme implemented by everyone codes in collaboration with Caritas Vienna that more important and promising, as the programme focuses on training unemployed persons to become coders. In view of this aspect, we can safely state that our voucher programme has the potential to make a significant contribution to social and financial post-crisis rehabilitation and thus reinforce the upwards recovery trend the we are currently witnessing.

1.3. First stakeholder analysis: Who is working on employment-related issues in Austria?

1.3.1. Public labour market integration measures

Current labour market policy in Austria includes a wide range of passive and active instruments designed to ensure that people can subsist during periods of unemployment on one hand, and on the other designed to promote the better functioning of the labour market.

Passive labour market policy in Austria contains, but is not limited to, the following measures (Arbeitsmarktservice n.d.):

- Wage replacement benefits, such as unemployment benefit (Arbeitslosengeld) and unemployment assistance (Notstandshilfe), funded by unemployment insurance in the case of unemployment.



- Means-tested minimum income - this is a benefit provided by the provinces.
- Insolvency compensation - a wage replacement benefit if an employer becomes insolvent.
- Advances on a pension - money paid for reasons of old age as well as due to reduced ability to work or inability to work.

The Public Employment Service (AMS) is not only responsible for managing unemployment insurance, which is mainly funded by wage-related contributions made by employers and employees, but also for measures of active labour market policy. The Austrian active labour market policy includes actions and measures concluded by means of a contract between the Public Employment Service and those affected.

The most important measures of active labour market policy are (Bundesministerium für Arbeit n.d.a):

- Increasing the transparency of the market by processing various items of information with the aid of state of the art information technology: Job matching, careers information and advice
- Subsidisation of initial and further vocational training in order to adapt the skills of the labour force to the needs of the market
- Promotion of the mobility of the workforce, e.g. by providing assistance in finding suitable child care
- Support in overcoming personal problems or obstacles, which make it difficult to advance oneself in employment (advice and support in cases of addiction, debt, homelessness, physical and mental disabilities etc.)
- Removing barriers to employment related to a physical or mental disability
- Temporary subsidised employment via recruitment grants to facilitate entry into working life.

Furthermore, there is a number of activating measures, which are a strong point of Austrian labour market policy. They may be assigned to active labour market policy, but are financed by funding earmarked for passive labour market policy.

Examples of activating measures are (Bundesministerium für Arbeit n.d.a):

- Part-time benefit for older workers: this is a benefit from unemployment insurance, which is paid to the employer for a maximum of five years, so that older workers can reduce their working hours. If the conditions for the so-called corridor pension (possible from the age of 62 at the earliest) are fulfilled, from 1 January 2016 a partial pension has also been available as a special form of part-time benefit for older workers
- Various benefits to help ensure people's livelihoods during initial and further training: training unemployment benefit and unemployment assistance, unemployment benefit during rehabilitation, foundation unemployment benefit and further education benefit.

Additionally, a series of additional measures was created for combatting the effects of the Covid-19 pandemic, such as:

- Short-time work for companies that are financially affected by Covid-19. It follows the goals to maintain jobs as well as liquidity within companies and to provide alternative occupation for times of inactivity, such as trainings (Bundesministerium für Arbeit n.d.b)

The New Start Bonus (Neustartbonus) aimed at unemployed persons looking to take up at least part-time employment during the Covid-19 pandemic. This financial support is aimed to compensate for temporary loss of income due to part-time employment in companies that are still recovering and are not yet operating at full capacity (Bundesministerium für Arbeit n.d.c.).



- The Corona-Job Offensive consisting of an extensive package of training and qualification measures aimed to combat the effects of Covid-19 on the labour market (Bundesministerium für Arbeit n.d.d.).

1.3.2. Activating private stakeholders on the labour market via the voucher-based approach

Especially in times of such high employment volatility and with regards to the high diversification of issues on the labour market, complementary approaches that seek to provide innovative and flexible solutions to these challenges are in high demand. Such an approach is the voucher programme currently being implemented within the framework of the Interreg CE “Social Impact Voucher” (SIV) project. The distinguishing feature of the voucher programme is its aim to involve private labour market stakeholders into the implementation of labour market integration measures.

Specifically, an important component of the voucher programme is to build up cooperations with potential employers active in the IT sector, which should provide internship or even entry-level job opportunities to the programme graduates. After successful placement, the employers can choose to pay back a success fee, thus also contributing financially to finding solutions for labour market integration.

Furthermore, everyone codes, the training institution implementing the voucher programme, is also a private company conducting labour market integration activities. Therefore, in addition to involving private actors on the job-supply side, private service providers focusing on training measures can also have an important contribution to complementing existing public labour market policies and instruments.

1.4. Second stakeholder analysis: Focus on private funding for employment-related issues

1.4.1. Examples of social impact investment for labour market integration in Austria

Although still relatively small, there is a growing market for social impact investments in Austria. At the start of 2018, the considerable amount of 15.2 billion Euros was estimated to have went into sustainable investments in Austria. This is around 8 percent of the total investment volume in Austria of around 175 billion Euros. However, the growth rate of 16% compared to the previous year, while impressive on paper, was actually below the average annual growth rate of 23% since 2005 (FNG 2018). Furthermore, it is unclear how much of this amount was actually invested into enterprises operating in Austria, since this number reflects only the funds put into sustainable investments overall and not strictly the money used inside the country. These numbers have to be taken with a grain of salt, because the term impact investment is used for a number of financial activities, as different definitions apply.

Nonetheless, there are some sporadic, albeit prominent examples of impact investments initiatives for labour market activities in Austria. For instance, Imfino attempts to support the development of this area in Austria by connecting impact investors and sustainable entrepreneurs. This is carried out via their “Imfino Resolve” platform, aimed at matching businesses and investors with similar interests and know-how (Imfino n.d.). Another means of conducting impact investment is through social banking. Erste Bank Sparkasse has its own social banking division that operates in Austria as well as in other Central and Eastern European countries. They specialize in granting microcredits with advantageous interest rates for small enterprises and in supporting social businesses by accessing funds of the European Investment fund. Moreover, they also engage in cooperation with charity organizations and NGOs (Erste Bank Sparkasse n.d.). In addition, there are also a number of



crowdfunding platforms which aim to provide NPOs and social entrepreneurs with enough capital for operation. Most notably here are crowdfunding.at and gemeinwohlprojekte.at.

However, especially in the area of labour market integration, social impact investment does not solely rely on private resources. In fact, a common characteristic of social impact investment in Austria is the mixture of public and private funding. A combination of public and private impact investments were also used for the creation of the first social impact bond in Austria. By definition, a social impact bond is a co-financing cooperation form between public and private (public-benefit) investors. For this form of impact investment, a financial return is only expected after the successful implementation of the social goals (Sozialministerium 2019). Based on this type of financial instrument, the Austrian pilot project called “Perspektive: Arbeit” or “Economic and social empowerment for women affected by violence” was carried out between September 2015 and August 2018 and had a total budget of around 800,000 EUR. The program aimed to integrate women that have been subjected to domestic violence into the labour market with a stable job of at least 20 hours per week. The bond was implemented in Upper Austria by the government in coordination with NPOs and in collaboration with private companies, charitable organizations and foundations. The program offered individual support to the beneficiaries - abused women in need of occupation. The offers ranged from general assistance over education and training to job placements and career guidance. The progress of the project was subject to evaluation by a third-party evaluating authority. Private investors carried the risk until the third party evaluator can confirm the achievement of the predefined goals (Sozialministerium 2019).

1.4.2. Involvement of private investors within the framework of SIV

The social impact investment market in Austria is becoming more and more diverse and more applications for labour market integration measures emerge. The voucher programme currently implemented within the Interreg CE “Social Impact Vouchers” (SIV) project could demonstrate additional possible approaches for involving private investors in labour market activities.

The potential employers active in the IT sector play a double role: On one hand as private labour market actors supporting employment measures and on the other hand as private investors due to the success fees that they chose to pay back to the voucher programme upon successful placement.

Furthermore, we also approached private foundation and pitched them the idea of supporting employment by means of innovative, flexible and targeted voucher programmes. By tackling the topic of unemployment in a holistic way and looking at both economic and social benefits of labour market integration measures, both on an individual and a societal level, new aspects are being emphasized that could prove to be particularly interesting for foundations.

Another key aspect that defines the SIV approach is the attempt to secure private investments on a transnational level. For this purpose, several SIV partners are collaborating for establishing a transnational fund that should serve as a vehicle to foster cross-border cooperation.

2. Methods and ideas on how to keep up the good work

2.1. Flexible solutions and instruments

The range of instruments to tackle unemployment in Austria are quite strict and limited in contrast to the individual problems of unemployed. Single parents, 50plus, NEETS, people with disabilities or longterm unemployed are categories that are addressed with special instruments. But within these



groups there are huge differences regarding the individual obstacles to get (back) into the labour market.

The SIV Model allows flexible ways for all groups of disadvantaged groups for the integration into the labour market. E.g. in the Austrian Model it is possible get access to the everyone codes training programme without being classified to one of the above mentioned groups. The only pre-requisite beside being jobless, lies in the personal competence for the coding training. Therefor single parents, migrants or longterm unemployed have the chance to participate in the training.

In addition to that the labour market is becoming more and more dynamic and is subject to major changes within a short period of time. SIV Models have the potential to react in a flexible way to these changes. New ways of integration into labour market can be implemented without the delay of political decision making processes.

Furthermore SIV promotes transnational solutions to labour market instruments that can fill the gaps in national programmes. By scaling up best practice projects in different countries the positive impact can be easily transferred to other countries.

2.2. Enable participation on the labour market by coding training

Digitalisation as a megatrend that creates an increasing demand of appropriate skills within companies. According to a study by the Austrian Industrial Science Institute (IWI) in 2021 around 24,000 Jobs for IT-specialists are vacant. Therefore building up digital skills training capacities for unemployed people is very likely to be fruitful. That is also shown by the fact that nearly **70% of the graduates** from the Everyone codes programme **found a job** as junior developer within 6 month.

As digitalisation will be an ongoing trend for the next years, by scaling up the number of Vouchers in Austria will create an even bigger impact for both former unemployed people as well as companies.

2.3. Lessons learned

State what your organisation has learned from the pilot phase of the voucher programs: What was particularly difficult to implement? What needs did you identify?

The cooperation for Austrian Voucher programme with everyone codes started in April 2020. The first intake of 23 participants began in October 2020 and lasted until May 2021 with 18 graduates. After the training programme different placement activities were undertaken. Following we have differentiated between general learnings and specific learnings from the Austrian model.

General learnings:

- Voucher models are well received by stakeholders/external partners due to their flexibility. They can be easily and quickly adapted to suit changes on the labour market which was an advantage when considering e.g. the effects of the Covid-19 pandemic.
- In addition to that voucher models can have different goals such as training, covering personnel costs, supporting placement by matching employees and employers. That also facilitates the adaption to specific groups or regional characteristics.



- Employers are willing to become involved in labour market measures as long as they can also follow own interests. E.g. if they gain access to well-trained future employees, benefit from time saved for recruitment and training activities.
- Impact assessment shows that voucher programmes do not only impact their primary beneficiaries (unemployed persons), but several other stakeholders such as public institutions, employers and their partners, the community etc.

Specific learnings from the Austrian Voucher model:

- There is a heavy demand for junior developers on the labour market. Except from difficulties in the core phase of the pandemic, it was therefore quite easy for graduates from the training programme to find a job as junior developer.
- The fact that a majority of participants in the training programme does not have relevant experience on the labour market or in that field, makes some potential employers hesitate to hire graduates.
- In order to gain companies to employ graduates it is crucial to involve companies even at the beginning of the programme, for instance via mentoring programmes.
- Although companies have a huge demand for employees with coding skills, they are not willing to pay a commission or fee to the fund.

3. The European Social Fund PLUS (ESF+)

The European Social Fund (ESF) is Europe's main tool for promoting employment and social inclusion in Europe. It has now a new name: ESF PLUS

Although the ESF is investing locally in measures to help people cope with economic and social challenges, the type of projects on local, regional and national level, as well as their aims, size and target groups vary greatly.

The main objective of the ESF PLUS is to contribute to a social Europe and to implement the European Pillar of Social Rights into practice.

In the new 2021-2027 funding period, ESF PLUS will focus even more on the idea of a more social Europe, bringing together the previous European Aid Fund for the Most Deprived (FEAD), the Youth Employment Initiative (YEI) and the EU Programme for Employment and Social Innovation (EaSI).

3.1. Focus on specific topics at Member State Level: ESF Plus in Austria

The administrative authority for the ESF in Austria is based in the Federal Ministry of Labor, Social Affairs, Health and Consumer Protection (BMASGK). The new program for the ESF + is still being negotiated with the European Commission. The main components were explained in the 2019 country report. Proven elements of the current ESF period 2014-2020 will also be included in the new program. The ESF + builds on the experiences of the last funding period, but with focus and adjustments on the basis of the accompanying evaluation. The program was developed intensively in cooperation with experts at the federal and state level, with technical experts and other ESF stakeholders and published for public consultation in August 2020.



3.1.1. Country Specific Recommendations (CSR) for ESF PLUS

The following priorities are planned for the ESF 2021-2027:

- Equality for women and men - including innovative childcare offers
- Active aging - including topics of digitization
- Active inclusion - improving professional participation
- Support for young people in schools and during the transition from school to training to work
- Access to lifelong learning - including digital skills
- Social innovation
- Just Transition Fund in certain regions particularly hard hit by the effects of greening the economy

In addition, the topics of sustainability, digitization, equality between women and men and non-discrimination should be taken into account as cross-sectional goals in EVERY program and project phase.

3.1.2. Caritas Involvement in the ESF PLUS

Caritas Vienna has been in the role of applicant in ESF period 2014-2020 and will be in the current period 2021-2027. Within the last ESF period Caritas Vienna has been partner in the following projects:

- **Basic education for persons entitled to asylum:** 01.07.2015-31.12.2021
- **Cambro:** Labor market integration for Roma: 01.01.2016-30.06.2019
- **Integration in Lower Austria:** 01.06.2016-30.05.2017
- **Youth college:** 01.06.2016 - 30.06.2019
- **WerkStart:** Basic education project for women: 01.01.2019-30.11.2021
- **JuBita:** Preparation for the secondary school leaving certificate: 01.01.2019-31.12.2021
- **Trajo:** Labor market integration for Roma: 01.07.2019-31.12.2022

3.1.4. Possibilities within the already given frame to apply for ESF Plus funding for SIV Projects

The following statements refer to in interview held with Ms Bibiana Klingseisen from the Federal Ministry of Labor, Social Affairs, Health and Consumer Protection (BMSGK) as administrative authority for the ESF+ in Nov 2021.

As the framework for the ESF+ in Austria has already been worked out there is no possibility to set priorities that would enable ESF Funding for SIV Projects.

Regarding an application within the already given framework of ESF+ Ms Klingseisen saw the following opportunity:

The BMSGK is planning to set up a new instrument within ESF+. This programme scheme called *social innovation* is in preparation at the moment. The programme will have two priorities:

1. Poverty reduction
2. Access to lifelong learning

For both topics projects that contain radical or incremental innovations are eligible. Projects should have elements that allow participation of stakeholders and affected groups. The funding rate of the projects in this section will be 95%. The total funding per year will be around € 13 million.



According to Ms Klingseisen the SIV Voucher Model could fit with this instrument. Details of the programme will be announced in spring 2021 and published on the Website of the BMASGK. For projects in Vienna the WAFF (Viennese workers' advancement fund) will be the responsible authority for the relevant Call.

3.2. Conclusion

Caritas Vienna has made relevant and positive experiences with ESF projects in the last period with 7 projects in different fields. As Caritas Vienna is also a well-known stakeholder the new funding scheme with social innovation projects could be a realistic approach in one of the funding priorities. Still we have to wait for the final draft of the Call to give a detailed evaluation if the Voucher Models fit into the funding guidelines.

4. The European Regional Development Fund (ERDF)

The European Regional Development Fund (ERDF) aims to strengthen economic, social and territorial cohesion in the European Union by correcting imbalances between its regions

In 2021-2027 it will enable investments in a smarter, greener, more connected and more social Europe that is closer to its citizens.

Within the new funding period EU pays only 55% (not 80%) in most countries

National and regional authorities in the Member States share the financial responsibility with the Commission

Member States' administrations choose which projects to finance and take responsibility for day-to-day management

The regions are responsible for implementing ERDF funding

For each funding period, they draw up a so-called Operational Program, which describes the funding strategy and the planned funding measures of the respective region.

4.1. Focus on specific topics at Member State Level

4.1.1. Structure of ERDF in Austria

In the 2014-2020 period Austria has ERDF funds of about EUR 793.3 million at its disposal. Of this amount, EUR 536 million have been allocated to the "Investments in Growth and Employment 2014-2020" (IGE) objective and EUR 257.3 million to the cooperation of regions of various EU and non-EU Member States under the "European Territorial Cooperation" (ETC).

The responsibilities for the management of ERDF in Austria are regulated through the agreement according to Article 15a of the Austrian Federal Constitutional Law on the management and control system for the implementation of operational programmes under the Investments in Growth and Employment goal and the European Territorial Cooperation goal for the 2014 - 2020 period. The BMNT takes the role of the corresponding "ERDF-fund Ministry" and is responsible for the coordination in ERDF affairs between the European Commission and Austria as well as for the coordination inside Austria.



Austria's managing authority for the IGJ/ERDF 2014-2020 funding programme is responsible for the overall management, coordination and evaluation of the programme. Austria's federal and provincial governments have implemented an ERDF reform agenda to streamline the administrative processes. As a result of these changes, in the current programming period the programme is now coordinated by only one managing authority, namely the Austrian Conference on Spatial Planning (ÖROK) Office. There are 16 funding agencies (implementing bodies) that are responsible for granting ERDF project funding to specific beneficiaries. The managing authority monitors and supervises the tasks delegated to these funding agencies.

4.1.2. Current status of the ERDF Operational Programme in Austria

A total of 741 million euros (in current prices) are available to the ERDF in Austria in the period 2021-2027, from which a national program with the objective of "Investing in jobs and growth" as well as participation in cross-border and transnational programs (objective "European territorial cooperation" get supported:

1. Objective "Investing in jobs and growth"

The focus of investment in regional development will very clearly be on Policy Objectives 1 and 2. Depending on the relative wealth of the Member States, 65-85% of ERDF and Cohesion Fund resources will be allocated to these priorities. 6% of the ERDF funds are earmarked for sustainable urban development. As in the 2014-2020 funding period, there will again be a joint Austrian program for this objective in the new period. EU funds for Austria: 521.4 million euros

2. Objective "European Territorial Cooperation" (INTERREG)

Cross-border cooperation in Europe is an important part of EU cohesion policy. The new generation of interregional and cross-border cooperation programs in the upcoming funding period will help Member States to overcome cross-border obstacles and develop common services. Austria will again take part in the following INTERREG programs in 2021-2027:

- 7 cross-border ETC programs with Austria's neighboring countries
- 3 transnational ETC programs (Danube region, Alpine region and Central Europe), as well as
- 4 interregional network programs

EU funds for Austria: EUR 219.7 million ERDF are available for participation in these programs.

4.1.3. Caritas Vienna Role in the ERDF

Caritas Vienna has been Partner in 3 Interreg projects within the period 2014-2020.

The projects are as follows:

- Interreg Central Europe SIV (Social impact Vouchers): 02.2019 - 02.2022
- Interreg Central Europe SIForREF (Social Impact for Refugees) 02.2019 - 02.2022
- Interreg Danube D-CARELABS (Developing Labs to Facilitate Home Care Innovation and Entrepreneurship in the Danube Region) 07.2020 - 12.2022

For the upcoming period 2021-2027 Caritas Vienna is planning to project partner again. In this context Caritas Vienna (Clemens Foschi and Julia Tauber-Lewis) have joined the national kick-off event in Austria organized by the Austrian Conference on Spatial Planning (ÖROK) on Oct 13th 2021 in Vienna. The upcoming calls will be screened by our funding team on a regular basis.



4.1.5. Possibilities within the already given frame to apply for ERDF funding for SIV Projects

The following statements are based on an interview held with Mag. Andrea Wallner, programme planning of the Austrian Conference on Spatial Planning - ÖROK, managing authority of ERDF in Austria.

Regarding the possibility for the new funding period for Austria to set priorities that would enable ERDF Funding for SIV Projects the 1st Objective "Investing in jobs and growth" could be a possibility.

According to Andrea Wallner

4.2. Conclusion

5. Further funding ideas

5.1. Funding through the European Investment Bank (EIB)

The European Investment Bank offers a wide range of financial instruments for supporting both the public and private sectors. Next, we will focus primarily on the private sector. Here, the EIB provides loans in form of debt or hybrid debt financing to private sector entities to finance projects or investment programmes aligned with the EIB priorities (European Investment Bank n.d.a). Furthermore, it also supports SMEs and mid-caps with intermediated loans (European Investment Bank n.d.b) as well as micro firms via microfinancing mechanisms (European Investment Bank n.d.c). In addition to loans, the EIB also makes equity investments in SME and mic-cap funds. The European Investment Fund, which invests in venture capital and private equity funds that support high-growth and innovative small businesses in Europe, is also part of the EIB Group (European Investment Bank n.d.d).

5.2. Further European or other funding possibilities

5.2.1. The European Social Catalyst Fund (ESCF)

Another European funding instrument that supports programmes with socially innovative approaches, not limited to but also in the field of labour market integration, is the European Social Catalyst Fund (ESCF). The objective of the ESCF is to bring together public and private resources to improve social services to enable people who need support to live as valued and participating members of their communities. Specifically, the ESCF provides financial and capacity building support to develop plans and scale proven social service innovations. The ESCF was established and co-funded by the European Union's Horizon 2020 Research and Innovation Programme, Genio (Ireland), the Robert Bosch Foundation (Germany) and the Kind Baudouin Foundation (Belgium) (European Social Catalyst Fund n.d.).



5.2.2. European Funding Instruments for alleviating the effects of the Covid-19 pandemic

While each individual national state reacted to the negative impacts of the Covid-19 pandemic on the labour market by creating own support mechanism, the EU provides a suitable framework to harbor these measures.

With the European instrument for temporary Support to mitigate Unemployment Risks in an Emergency (SURE), the EU provides financial assistance of up to 100 billion Euros in form of loans for its member states that need to mobilize significant financial means to fight the negative economic and social consequences of the Covid-19 outbreak on their territory. To finance the instrument, the European Commission has been issuing social bonds (European Commission n.d.)a.

Also, the European Commission launched a comprehensive and ambitious recovery plan following the Covid-19 pandemic, the REACT-EU, which stands for Recovery Assistance for Cohesion and the Territories of Europe. The REACT-EU package amounts to 50.6 billion Euros. These additional resources should be used for projects that foster crisis repair capacities in the context of the Covid-19 crisis, as well as investments in operations contributing to preparing a green, digital and resilient recovery of the economy (European Commission n.d.b).

6. Conclusion

Despite all-encompassing transformation on the labour market and in society as a whole as a result of the Covid-19 pandemic, we could also observe several quick, targeted and innovative solutions emerging from this framework. This is conclusive proof that labour market integration measures must fit the current conditions and requirements on the labour market and, if this is not the case, they should be rethought and adapted to the framework that is constantly changing. By means of the SIV voucher programmes, we are pursuing this mission. However, quite rigid legal frameworks do not make this an easy task. In our attempts, we came to learn that it is not always easy to implement social innovations due to either lacking or outdated legal regulations. Especially cross-boarder cooperations have proven to be particularly difficult to realize, as the establishment of a transnational social impact fund harbored within a separate legal entity was unfortunately unsuccessful in several partner countries. Among the main challenges that we faced during this process were limitations in cross-border transactions due to national legal regulations as well as defining labour market-related activities as public-benefit activities.

At the same time, the impact analysis accompanying the SIV project implementation shows the potential of the voucher programmes in terms of generated social impact. More closely, we could identify strong impacts for several involved stakeholder groups such as the direct beneficiaries of the voucher programmes, the unemployed people, but also the employers and their cooperation partners, the public institutions and the society as a whole. The impacts range from individual impacts, such as improved participation in social life and improved quality of life for the unemployed people, to impacts on a broader scale, such as awareness raising in the broader social environment of the unemployed people on the issues of unemployment, poverty and social exclusion. The identification of such valuable social impacts could provide additional incentives for potential investors to finance similar causes.



7. Sources

- Arbeitsmarktservice (2021): Übersicht über den Arbeitsmarkt. Oktober 2021. Available online: https://www.ams.at/content/dam/download/arbeitsmarktdaten/%C3%B6sterreich/berichte-auswertungen/001_uebersicht_aktuell_1021.pdf (last accessed: 16.11.2021)
- Arbeitsmarktservice (n.d.): Geld vom AMS. Available online: <https://www.ams.at/arbeitsuchende/arbeitslos-was-tun/geld-vom-ams> (last accessed: 16.11.2021)
- Bundesministerium für Arbeit (n.d.a): Arbeitsmarktpolitik. Available online: <https://www.bma.gv.at/Themen/Arbeitsmarkt/Arbeitsmarktpolitik.html> (last accessed: 16.11.2021),
- Bundesministerium für Arbeit (n.d.b): FAQ: Kurzarbeit. Available online: <https://www.bma.gv.at/Services/News/Coronavirus/FAQ-Kurzarbeit.html> (last accessed: 16.11.2021)
- Bundesministerium für Arbeit (n.d.c): FAQ: Neustartbonus. Available online: <https://www.bma.gv.at/Services/News/Coronavirus/FAQ-Neustartbonus.html> (last accessed: 16.11.2021)
- Bundesministerium für Arbeit (n.d.d): Corona-Joboffensive. Available online: <https://www.bma.gv.at/Services/News/Coronavirus/Corona-Joboffensive.html> (last accessed: 16.11.2021)
- Eppel, R.; Huemer, U.; Mahringer, H. (2020): Arbeitslosigkeit. In: BMSGPK (Ed.): Covid-19: Analyse der sozialen Lage in Österreich. 150-174. Available online: https://www.sozialministerium.at/dam/jcr:5f807a53-5dce-4395-8981-682b5f1dc23b/BMSGPK_Analyse-der-sozialen-Lage.pdf (last accessed: 16.11.2021)
- Erste Bank Sparkasse (n.d.): Social Banking. Available online: <https://www.sparkasse.at/erstebank/wir-ueber-uns/social-banking> (last accessed: 16.11.2021)
- European Commission (n.d.a): SURE. The European instrument for temporary Support to mitigate Unemployment Risks in an Emergency. Available online: https://ec.europa.eu/info/business-economy-euro/economic-and-fiscal-policy-coordination/financial-assistance-eu/funding-mechanisms-and-facilities/sure_en (last accessed: 16.11.2021).
- European Commission (n.d.b): REACT-EU. Available online: https://ec.europa.eu/regional_policy/en/newsroom/coronavirus-response/react-eu (last accessed: 16.11.2021)
- European Investment Bank (n.d.a): Loans for the private sector. Available online: <https://www.eib.org/en/products/loans/private-sector.htm> (last accessed: 16.11.2021)
- European Investment Bank (n.d.b): Intermediated loans for SMEs, mid-caps and other priorities. Available online: <https://www.eib.org/en/products/loans/sme-mid-caps.htm> (last accessed: 16.11.2021)
- European Investment Bank (n.d.c): Microfinance. Available online: <https://www.eib.org/en/products/loans/microfinance/index.htm> (last accessed: 16.11.2021)
- European Investment Bank (n.d.d): Investments in SME and mid-cap funds. Available online: <https://www.eib.org/en/products/equity/sme-mid-caps-funds/index.htm> (last accessed: 16.11.2021)
- European Social Catalyst Fund (n.d.): About the ESCF. Available online: <https://www.euscf.eu/about> (last accessed: 16.11.2021).



- Fink, M.; Moreau, C.; Rocha-Akis, S. (2020): Auswirkungen der Covid-19-Krise auf die Einkommenslage der privaten Haushalte. In: BMSGPK (Ed.): Covid-19: Analyse der sozialen Lage in Österreich. 44-59. Available online: https://www.sozialministerium.at/dam/jcr:5f807a53-5dce-4395-8981-682b5f1dc23b/BMSGPK_Analyse-der-sozialen-Lage.pdf (last accessed: 16.11.2021)
- FNG (2018): Marktbericht 2018. Available online: https://stiftungsmarktplatz.eu/wp-content/uploads/2018/06/fng-marktbericht_2018-online.pdf (last accessed: 16.11.2021)
- Heitzmann, K. (2020): Armut und soziale Ausgrenzung während der COVID-19 Pandemie. In: BMSGPK (Ed.): Covid-19: Analyse der sozialen Lage in Österreich. 60-87. Available online: https://www.sozialministerium.at/dam/jcr:5f807a53-5dce-4395-8981-682b5f1dc23b/BMSGPK_Analyse-der-sozialen-Lage.pdf (last accessed: 16.11.2021)
- Imfino (n.d.): Imfino Resolve. Connecting sustainable entrepreneurs with impact investors. Available online: <https://imfino.com/en/> (last accessed: 16.11.2021).
- Pitlik, H. (2020): Makroökonomische Entwicklungen seit dem Lockdown: Fiskalische Effekte. In: BMSGPK (Ed.): Covid-19: Analyse der sozialen Lage in Österreich. 21-28. Available online: https://www.sozialministerium.at/dam/jcr:5f807a53-5dce-4395-8981-682b5f1dc23b/BMSGPK_Analyse-der-sozialen-Lage.pdf (last accessed: 16.11.2021)
- Sozialministerium (2019): Social Impact Bond. Available online: <https://www.sozialministerium.at/Themen/Soziales/Soziale-Themen/Soziale-Innovation/Social-Impact-Bond.html> (last accessed: 16.11.2021)
- Interview via MS-Teams with Ms Bibian Klingseisen - BMASGK - Sektion III - Arbeitsmarkt - Gruppe A/ Abteilung 9 - ESF Verwaltungsbehörde: Nov 15th 2021.