

Durability of Investments in Austria, Example: touristic accommodation projects



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Durability requirements for investments in Austria

RDP 14-20	CAP Strategic Plan 23-27
Retention obligation of 5 years (Article 71 of Regulation (EU) No 1303/2013)	Same (§ 72 Austrian GAP Strategic Plan Application Regulation "GSP-AV")
Only for productive investments	New: includes non-productive investments
A retention period of 10 years applies to local heating projects	The retention obligation can be extended to up to 10 years for specific measures
<p>Change in ownership structure possible, sale not possible Change of entrepreneur or manager possible if the remaining retention obligation can be fulfilled by the transferee and the transferee fulfils the personal eligibility requirements.</p>	
<p>Sanctions: Yes Reclaim aliquot for the time during which the retention period was not observed</p>	<p>Slight aggravation (§ 98 GSP-AV) Violation within 2 years of the retention obligation leads to full repayment of the grant and is reclaimed on a pro rata basis from this period onwards</p>
Insolvency: limitation of reclaims to cases of fraud-related insolvency only	Insolvency: no limitation to reclaims to fraud-related insolvency

Other durability considerations

subsidy rates: relatively low

- own funds to be contributed by the funding applicant

Eligibility rules:

- high quality standard required for construction

Example: intervention rural road construction: Apply guidelines and regulations for road construction – laid out for 30 years duration of use

- Economic efficiency calculations – business plan

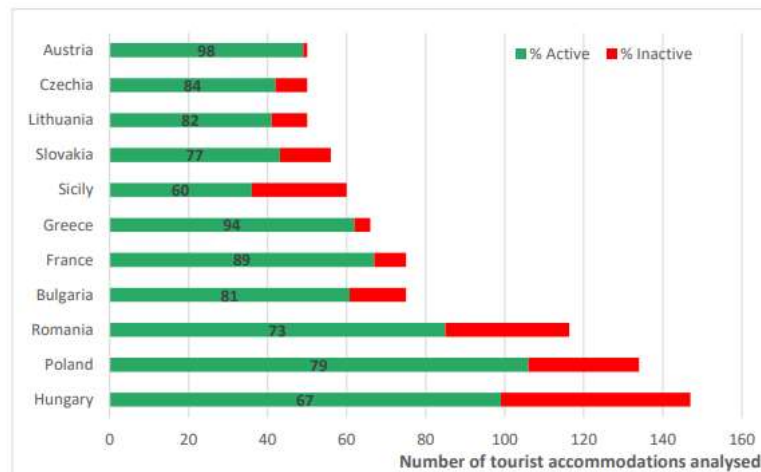
Selection criteria:

- Based on needs

Auditors court special report on durability: touristic accommodation projects

- sample of accommodation projects in Austria (investments in diversification activities)
 - **98 % of Austrian projects were still offering accommodations** (80% from EU wide sample)

Figure 8 – Share of active tourist accommodation projects



Source: ECA.

Why good result?
Pure luck? ;-)

Eligibility rules regarding durability in the diversification intervention

- subsidy rate of 25%
- **Business plan required**
 - Calculation and analysis of the initial situation of the agricultural business, in particular with regard to business and labour management
 - Presentation of the positive economic efficiency regarding the overall agricultural business (comparison of initial situation with new alignment)
 - all branches, not just the diversification one (exemption for small projects)
 - Interaction between the branches (e.g. labour management)
 - financial feasibility of the project applied for
- **Prohibition of changing the intended use within five years** of receipt of a subsidy as well as **renting to long-term tenants.**

Holistic funding strategy

- **investment measure is not a singular funding measure on its own**
- specific **advice tools** for farmers, who want to invest in touristic accommodations (RDP 14-20: measure M2, CAP Plan: Article 78-01 interventions)
 - Example: Introductory advice for farm holidays

<https://noe.lfi.at/landingpage+2400+++2759?env=ZG9fc2VhcmNoPXMlcyZzdGljaHdvbnQ9VXJsYXViK2FtK0JhdWVybmlhZiZzdGF0ZT1OaWVkbXIIQzMIQjZzdGVyemVpY2gmcHJvZlZlZm91cF9ibGs9>

- Further **specific training measures** (RDP 14-20: measure M1; CAP Plan Article 78 interventions)
 - marketing, price calculation, etc.

<https://noe.lfi.at/zertifikatslehrgang-urlaub-am-bauernhof+2500+1056787>

Holistic funding strategy

- **Networking and cooperation of farms that are members of holiday on the farm:**
 - quality assurance, common brand image, booking platform (RDP 14-20: measure M16; CAP Plan: Article 77-02 intervention)

- “holiday on the farm”



https://www.urlaubambauernhof.at/de?gclid=EAlaIQobChMIwYe884P7ggMVmYdQBh0sGAgAEAAAYASA_AEgJ3YPD_BwE

- **external circumstances** that cannot be influenced:
 - Austria popular as a tourist destination
 - good economic development in general
 - Negative: Covid-19 Lockdowns

Contact details

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