

RESEARCH Funding Programme

Start Tech Vienna 2016 Call

Call for Proposals

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Vienna, May 2016

“This directive has been translated from German into English. Please be aware that only the German language version of the directive is legally binding.”

1. Name of Call

Start Tech Vienna 2016 Call

2. Legal Bases

This call for proposals tendered by the *Vienna Business Agency*. A service offered by the City of Vienna (Hereinafter: “Vienna Business Agency”) is based on the guideline of the City of Vienna “FIT15 Plus – Research, Innovation, and Technology Promotion for Vienna 2015-2017” (by resolution of the Vienna Municipal Council November 26th, 2014 ref. Pr.Z. 03039-2014/0001-GFW). This guideline (hereinafter “Guideline”) is available for downloading at www.wirtschaftsagentur.at. The Start Tech Vienna 2016 Call is carried out in the framework of the RESEARCH programme. The programme is treated in accordance with the provisions of section 4 of the General Block Exemption Regulation¹ (GBER) of the European Commission.

3. Background

Vienna is a city of entrepreneurs. According to a study from 2013, 8,403 companies have been founded in Vienna.² Particularly fast-growing types of new companies are Start-ups. Right now, one in thirteen newly established companies in Vienna are innovative, technology-intensive and based on a growth-oriented business model. Accordingly, 638 Viennese companies have been established as Start-ups in 2013. 70% of all Start-ups are founded in Vienna, which makes Vienna Austria’s Start-up city.

Start-up entrepreneurs represent a new understanding of business. They are highly qualified innovators who are positioning Vienna as a business and information centre and promoting its international visibility.

This does not just keep talent and excellent research in Vienna. International companies are made aware of Vienna through Start-ups. They move where they can find know-how and economic success. The city has established itself as an economically important location for entrepreneurship through its young, technology-oriented Start-ups. Given its central location in Middle Europe, it is also an ideal location for innovators who want to reach clients easily.

¹ Regulation (EC) No. 651/2014 of the Commission from 17 June, 2014 for determining the compatibility of certain categories of aid with the domestic market in application of Articles 107 and 108 of the Treaty on the Functioning of the European Union (“General Block Exemption Regulation”, hereinafter referred to by the acronym GBER)

² Start-up study for Vienna; (<https://www.wien.gv.at/arbeit-wirtschaft/Start-up-studie.html>; 23/02/2016).

Vienna currently has a vibrant Start-up scene and a spirit of optimism that is supported by the Vienna Business Agency.

The Vienna Business Agency is strengthening its engagement in supporting Start-ups through its “Start-up City Vienna” branding. In addition to established measures, which consist of comprehensive coaching and networking assistance, the Start Tech Vienna 2016 Call places the focus on advanced technology and promotes Vienna as an attractive location for business and knowledge. Through these additional measures, the Vienna Business Agency intends to strengthen Start-ups.

More than three quarters of the newly founded companies are in technology, life sciences and ICT/IT. The most innovative Start-ups can be seen in these areas. Cutting-edge technology is based on research that is highly innovative and internationally visible. High-tech Start-up companies are characterized by taking technological risks and expecting technological progress.

Start-ups focusing on cutting-edge technology are at the centre of this call. Top-notch technology and new innovative companies are indispensable for research and development in Vienna. Young high-tech companies are especially important because the degree of innovation and orientation toward knowledge is disproportionately high in the high-tech sector, and the likelihood of producing new products or processes with exceptional potential is therefore higher than in other sectors. However, cutting-edge technology is not confined to one industry – it is characterized by high technological standards, above-average innovativeness and above-average risk. High-tech companies are usually trend setting and far ahead of their time. These kind of cutting-edge technology can be found, among others, in automotive, biotechnology, ICT, chemistry, and nanotechnology.

The Vienna Business Agency wants to use this call to support High-Tech Start-ups in their development, perfecting their technologies. A breakthrough towards marketable innovation represents a unique selling point and a competitive advantage for these Start-ups and entrepreneurs who are crucial for Vienna as a business and technology centre.

4. Focus and objective

Only R&D projects by Start-ups are eligible for funding. Start-ups are newly-founded companies up to 5 years old,³ innovative and technology-intensive, based on a growth-oriented and scalable business model. Their technology is trend-setting and ahead of its time.

Ideally projects are characterized by their high versatility and feature technologies that cut across borders. Projects of an interdisciplinary and cross-technology nature are particularly welcome. Expenditures for R&D projects are usually above average of a normal innovation project. Cost drivers usually are long times of development and difficulties in assessing chances for success. High-Tech Start-ups are often closely linked to scientific research. Submissions by companies pairing with scientific institutions (universities, technical colleges, university and non-university research institutions etc.) are highly recommended and represent the spirit of cooperation between science and business as well as the exchange of knowledge that is strongly supported by this call.

In the application, the “state of the art” has to be described clearly, and the submitted project and related research and development have to demonstrate a significant step forward beyond the current state of technology.⁴

The call includes projects from all industries and is open to all fields of technology as well as companies that do potentially disruptive research.

Some examples of current advanced technology include biotechnology, nanotechnology, materials technologies, optical technologies, air and space technology, ICT and applications for transportation, the environment and energy.⁵

3 Derived from the EU definition; Official Journal of the European Union; Regulation (EU) No. 651/2014 of the Commission; chapter 3, section 3, article 22 (<http://eur-lex.europa.eu/legal-content/DE/TXT/?uri=CELEX%3A32014R0651>); 15/03/2016).

4 “An invention is considered new if it is not part of the current state of technology. Everything that has been made available to the public by written or oral description, by use, or in any other way is the current state of technology”, Austrian Patent Law 1970; §3. (<https://www.ris.bka.gv.at/GeltendeFassung.wxe?Abfrage=Bundesnormen&Gesetzesnummer=10002181>); 03/2016).

5 Examples can be found in the Appendix.

5. Participants

The lead applicants have to be Viennese newly-found Start-ups up to 5 years old. The founding date of the company is defined as the date of entry into the commercial registry or the issue date of the tax number.

Established companies (older than 5 years) can be involved in Start-ups up to a maximum of 50%. A change of legal form in relation to an existing operation or a mere change in person of the owner is not a re-establishment of the company according to the present call by the Vienna Business Agency.

Under observance of the above-mentioned requirements, all “eligible applicants” in accordance with point 2.3 of the underlying FIT15 Plus Guideline are eligible to participate.

6. Terms and conditions of the Call for Proposals

In the framework of the Start Tech Vienna 2016 Call, eligible R&D projects are defined as projects carried out by Viennese companies

- dealing with current research questions going beyond mere product development and the current state of technology,
- with a basic business-implementation strategy, deriving future economic value for the City of Vienna,
- and leading to mediate or immediate products, services, or process innovations.

Eligible projects must fall under the EU definitions of “industrial research” (IR) or “experimental development” (ED).⁶

According to the definition in the Frascati Manual of the OECD,⁷ R&D is a

“creative work undertaken on a systematic basis in order to increase the stock of knowledge [or] the use of this stock of knowledge to devise new application”.

⁶ See GBER article 2, point 84-86 or FIT15 Plus Guideline, section 2.1.2.

⁷ See OECD; Frascati Manual 2015; (<http://www.oecd-ilibrary.org/docserver/download/9215001ec004.pdf?expires=1456756502&id=id&accname=guest&checksum=18DDD25283787B59618D00D23881B497>; 15/03/2016).

The 2015 Manual identifies 5 characteristics of R&D activities:

1. “Novel”: new knowledge, new information, new application
2. “Creative”: based on new concepts, hypotheses
3. “Uncertain”: risk concerning objectives, cost, time
4. “Systematic”: project organisation, no coincidences
5. “Transferable/reproducible”: results are reproducible or transferable

The leading company must carry out major parts of the project-related R&D activities themselves and carry the substantial part of the risk associated with the implementation of the project, particularly the risk associated with the implementation of the R&D results in business.

Eligible Costs

Only R&D and project-related personnel costs that the company (or the partners of a joint submission) incur as internal or external personnel costs⁸ are eligible.

For small and medium-sized companies,⁹ the costs associated with the protection of the company’s own research and development results (IPR) are eligible as well.¹⁰

Funding Rate

The funding rate depends on the classification of research according to the EU: Parts of the project (work packages) defined as experimental development (ED) are subject to a funding rate of 25% for large companies, 35% for medium-sized companies and 45% for small companies. Parts of the project (work packages) defined as industrial research (IR) are subject to a funding rate of 50% for large companies, 60% for medium-sized companies and 70% for small companies.

⁸ Internal personnel costs are costs for the applicant company employees who are directly involved with R&D work. For small companies, the value of work done by owners and parties directly involved in the project may also be included.

External costs are allocable costs associated with contracted R&D work by third parties or - only for SMEs - in connection with the obtaining, validation process, and defence of patents and other intangible assets in the course of the implementation of the project. On this, see FIT15 Plus Guideline, pt. 1.1.2. and pt. 2.4.2. (personnel costs) and pt. 2.4.3. (costs for external services).

⁹ Definition of company sizes: On this, see FIT15 Plus Guideline, pt. 2.1.1. or GBER, appendix I, article 2.

¹⁰ Costs related to the acquisition, validation or defence of patents and other intangible assets are subject to a funding rate of 50%. See FIT15 Plus Guideline, pt. 1.1.2.

Cooperative Projects

For cooperative projects, there is a possible supplement of up to 15%,¹¹ if the following conditions are met: *Cooperatives*, in contrast to contractual relationships, are not operated according to the principle of performance and counter-performance but are carried out of a common interest where the rights and obligations of each partner are defined in the context of the cooperative. All partners of a cooperative research project bear costs and receive rights to the research results.

For cooperative projects involving at least two (stand-alone) companies, no single company may defray more than 70% of the eligible costs. In addition, cooperative projects must involve cooperation with at least one small or medium-sized company or cross borders. For cooperation between a company and a research facility, the research facility must bear at least 10% of the eligible costs, and it must have the right to publish the results of the work insofar as the institution conducts the work.

Joint Submission/ Partner Application

If a project is carried out jointly with one or more partners, cooperation partners from any sector and without any geographical limitations are permitted as a rule. If, however, this cooperation partner wants to include their own project costs in the context of a joint submission, they must be an eligible partner in accordance with FIT15 Plus Guideline, pt. 2.5.8. Only in this case is it possible to include the partner's costs in the basis for the assessment of funding.

¹¹ Permitted up to a maximum of 80%. See also FIT15 Plus Guideline, pt. 1.1.2 and 2.2.4.

7. Maximum Funding

The maximum funding per project is EUR 500,000.

8. Available Budget

The total budget made available for this call is EUR 2,000,000.

9. Managing Authority

The Call is managed by the Vienna Business Agency, Mariahilfer Straße 20, 1070 Vienna. The necessary funds are provided by the City of Vienna.

10. Deadlines

Applications for this call may be submitted from Tuesday, 31 May, 2016, 00:00 until Wednesday, 14 September, 2016, 24:00 at <https://cockpit.wirtschaftsagentur.at>.

The application is to be completed in German or English within the above-mentioned period and submitted online to the Vienna Business Agency. After registration at <https://cockpit.wirtschaftsagentur.at> application documents will be available from the announcement of this call until its deadline. The signed “Ansuchenechtheitszertifikat”, which is legally binding for the company, is to be submitted as soon as possible and in original form to the Vienna Business Agency, Mariahilfer Straße 20, 1070 Vienna.

11. Evaluation

Applications must comply with the above objectives and terms of the Call and will be evaluated in accordance with the evaluation indicators listed in the FIT15 Plus Guideline, section 2.6.3 according to a standardized evaluation system available at www.wirtschaftsagentur.at. The assessment will be carried out by a jury of international experts. An applicant company is allowed to exclude a maximum of up to two persons or institutions from the evaluation of the application by providing their names and addresses if there are circumstances that may call impartiality into question. The contents of applications, as well as the detailed results of the evaluation, are available only to the managing authority of the call and the jury members. The name of the project, a short description and the amount of the grant will be published.

12. Subsequent procedure

After the evaluation process the applications that meet the requirements for the call will be ranked according to their quality and be nominated in accordance with budget limitations by the Executive Committee of the Vienna Business Agency. The maximum funding rate in accordance with EU regulations will be observed.

On the basis of these recommendations, the Magistrate of the City of Vienna will make the final choice regarding funding. Communication of this decision will follow in writing. The funding amounts named are always maximum amounts.

13. Funding

a) Cash Allowance as R&D Funding

Cash allowances are provided for the implementation of the best R&D projects. Funding is made according to the ranking of the applications. Supplements are provided in the amount listed below until the allotted budget for these supplements is exhausted.

The amount of the supplements is calculated, following FIT15 Plus Guideline, section 1.1.2, according to the nature of the project costs and the eligible funding for project costs established in the course of the evaluation.

b) Awards

The application ranked first is awarded a prize of EUR 15,000 in addition to the funding; the application ranked second receives a prize of EUR 10,000, and the application ranked third receives a prize of EUR 5,000.

c) Bonus

Projects led by an appropriately qualified woman¹² working for the lead or partner company¹³ will receive a bonus of EUR 10,000 in the event that funding is awarded.

¹² This applies to an employee of an applicant company or, in a partner application, a partner eligible to apply, in accordance with 2.5.8. FIT15 Plus Guideline.

¹³ According to FIT15 Plus Guideline, pt. 2.5.8.

13. Further Information

Information about this call, as well as the supporting documents (in particular, FIT15 Plus Guideline and the Evaluation System), are available at www.wirtschaftsagentur.at. Please make an appointment with Ms. Lieselotte Schleicher, MA, by e-mail at schleicher@wirtschaftsagentur.at or by phone at + 43-1-4000-86169.

Appendix

Examples of High-Tech Trends:¹⁴

- Natural computing
 - Nature as a model
 - Malleable nature
 - E.g. self-learning algorithms or silicon-free computers (renewable resources)
- Clean tech
 - Emission reduction & resource protection
 - Solution - energy conservation/collection/storage
 - E.g. solar cells based on vegetal substances (in conjunction with natural computing)
- Programmable material
 - Form-changing material
 - Dynamic physical rendering
- Brain OS
 - Neural prosthetics, robot arms
 - Human-machine interaction
 - Brain-computer interfaces
- Nano-technologies (*nano-technologies are not limited to a specific field of science*)
 - Nano-materials
 - Nano-optics
 - Nano-measurement technology
 - Nano-biotechnologies
 - Nano-process technology
 - Nano-medicine
 - Nano-scale medicines (e.g. targeted medication via nano-carriers)
 - Implants with nano-structures
- Advanced & smart materials
 - New material connections
 - Meta-materials

¹⁴ Trend Book 2015; Das Zukunftswörterbuch der wichtigsten Trendbegriffe.