

Funding programme administered by the Vienna Business Agency

Innovation

Objectives

Securing and reinforcing the focus on innovation in the Viennese economy depends to a significant extent on enterprises' willingness and ability to innovate, especially given the city's high proportion of small and medium-sized enterprises (SMEs). This is because SMEs face major substantive and financial challenges.

This funding programme therefore aims to support the implementation of development and innovation projects at Viennese SMEs. These projects range from the development of new and/or significantly improved processes to the creation of new or significantly improved products and services.

The funding should contribute to strengthening the competitive ability and future viability of Viennese SMEs, putting them in a better position to prepare for future challenges and changes, become more competitive in their market and/or tap into new markets. Furthermore, the funding should also increase SMEs' willingness to embark on high-risk, ambitious, long-term development projects.

This funding programme shares the general aims (economic effects, focus on innovation and social benefits) of the "Framework Guidelines 24+ on Monetary Economic Promotion of the Vienna Business Agency" ("Framework Guidelines" or "FG").

This programme also addresses the following focus topics listed in the preamble of the Framework Guidelines:

- Climate protection/environmental targets
Regardless of the intended outcomes, applicants must clearly and plausibly demonstrate how the topic of climate protection is incorporated in the planning and implementation of their project.
- Diversity
Regardless of the intended outcomes, applicants must clearly and plausibly demonstrate how the topic of diversity is incorporated in the implementation of their project.

Target group

This funding programme is targeted at existing SMEs and enterprises currently being established that aim to develop new or significantly improved products, services, processes or procedures in Vienna.

With regard to partnership-based funding applications, associations and other legal entities (pursuant to Section 2 of the Framework Guidelines) from the social, research and education sectors are also eligible for funding, subject to the condition that the lead partner is an existing enterprise or an enterprise being established in Vienna.

Eligible projects

Funding is available for innovation projects at SMEs in Vienna which aim to support the development and, ultimately, the commercial exploitation of new or significantly improved products, services and processes. These projects must be implemented with a significant share of development work carried out at the Viennese establishment and be subject to technical, substantive and economic risks.

In addition to having unique characteristics, innovation projects should also contribute to the development of expertise in an enterprise, deliver positive market effects for the enterprise and promote long-term economic value creation in Vienna.

Furthermore, the planned innovation project should not only produce direct (short-term) effects but also assist the enterprise in taking into its innovation activities to the next level over the medium to long-term (increasing the degree of technological maturity, structural effects, learning effects, knowledge effects).

Key information about the funding programme

The following table provides an overview of key information about the funding programme. This funding programme is subject to the Framework Guidelines. The table below lists sections from the Framework Guidelines that describe specific conditions or restrictions, along with other aspects relevant to this funding programme.

<p>Legal framework (see FG Section 1)</p>	<p>The Framework Guidelines and this funding programme were noted at the sitting of the Vienna City Council of 18/10/2023 under eRecht reference 1171017-2023.</p> <p>The legal basis under EU law on state aid comprises: General Block Exemption Regulation (GBER) Articles 22, 25, 28 and 29 De Minimis Regulation</p>																		
<p>Funding eligibility conditions (see FG Section 2)</p>	<p>Eligible applicants: Small and medium-sized enterprises with an existing or planned establishment in Vienna. Simplified definition:</p> <table border="1" data-bbox="566 1104 1449 1395"> <thead> <tr> <th></th> <th>Number of employees</th> <th></th> <th>Annual turnover</th> <th></th> <th>Balance sheet total</th> </tr> </thead> <tbody> <tr> <td>Small enterprise</td> <td>< 50</td> <td>and</td> <td>max. €10m</td> <td>or</td> <td>max. €10m</td> </tr> <tr> <td>Medium-sized enterprise</td> <td>< 250</td> <td>and</td> <td>max. €50m</td> <td>or</td> <td>max. €43m</td> </tr> </tbody> </table> <p>Entrepreneurs planning to open a permanent establishment and implement their project in Vienna must demonstrate that they have established a premises in Vienna within 6 months of funding approval.</p> <p>In addition to the enterprises listed above, associations and other legal entities (within the meaning of Section 2 of the Framework Guidelines) from the social, research and education sectors in Vienna are also eligible for funding as project partners in partnership-based applications. Associations, research institutions and educational institutions are not subject to any SME-related regulations. Project partners are subject to the same percentage rates as the lead partner submitting the application.</p>		Number of employees		Annual turnover		Balance sheet total	Small enterprise	< 50	and	max. €10m	or	max. €10m	Medium-sized enterprise	< 250	and	max. €50m	or	max. €43m
	Number of employees		Annual turnover		Balance sheet total														
Small enterprise	< 50	and	max. €10m	or	max. €10m														
Medium-sized enterprise	< 250	and	max. €50m	or	max. €43m														
<p>Funding type (see FG Section 3)</p>	<p>Funding awarded in the context of the Framework Guidelines is provided in the form of non-repayable grants.</p>																		

<p>Project start, duration and extension; recognition period for expenses (see FG Subsection 4.2)</p>	<p>The maximum project duration is 2 years. The project must not have begun before the application is submitted.</p> <p>The application must also be submitted prior to any orders being placed, deliveries being received, services rendered, invoices issued and/or payments made in relation to the project. When submitting the application, applicants must state the planned end date for the project. If funding is approved, the project must begin as promptly as possible. The recognition period for expenses can begin, at the earliest, on the date of submission of the application and end, at the latest, upon expiration of the maximum project duration (subject to possible extensions). The maximum recognition period for expenses runs from the planned project start date as stated in the application, or the altered start date if reported to and approved by the Vienna Business Agency, to the end of the project period (subject to possible extensions).</p> <p>The Vienna Business Agency can only approve extensions to the maximum project duration in the following cases:</p> <ul style="list-style-type: none"> ● If the procurement of items to be included in the enterprise's fixed assets may be significantly delayed for objectively legitimate reasons (e.g. missing permits, unforeseen delays to delivery periods). ● If the person responsible for project management at a small enterprise (in accordance with the definition of an SME) restricts or discontinues their activities in order to meet their caregiving responsibilities. Evidence of this must be provided. Extensions of up to a year may be granted. Caregiving responsibilities include, in particular, caring for children or other close relatives.
<p>Eligible costs (see FG Subsection 5.2)</p> <p>Only costs incurred after the application is submitted and the project begins are eligible for funding.</p>	<p>In particular, this includes the following costs, which must be directly attributable to the project:</p> <p><u>Personnel</u> Eligible personnel costs include costs for</p> <ul style="list-style-type: none"> ● Employees ● Independent contractors ● Shareholders or owners of small enterprises <p>Hourly rates: See Annex 2 of the Framework Guidelines</p> <p><u>External services</u></p> <ul style="list-style-type: none"> ● Consultancy and development ● Initial obtainment, validation and defence of patents and other intangible assets ● Initial product, system, process and corporate certifications, standards, technical documentation and validation <p><u>Tangible and intangible investments</u></p> <ul style="list-style-type: none"> ● Machinery, plant, equipment, instruments, licences and property rights <p><u>Material expenses</u></p> <ul style="list-style-type: none"> ● Materials for prototype construction, experimental series and test series

	<p><u>Construction-related measures</u></p> <ul style="list-style-type: none"> ● Renovation work necessary for the installation of machinery and plant <p>All investments, material expenses and construction-related expenses are recognised exclusively on the basis of the De Minimis Regulation or, if applicable, Article 22 GBER.</p>
Ineligible costs (see FG Subsection 5.3)	<ul style="list-style-type: none"> ● Own work capitalised ● Ongoing business expenses ● Taxes, public fees and financing costs ● Procurement of land and buildings ● Invoices with net eligible costs below EUR 200 ● Machine hours ● Hospitality, travel costs, expense allowances ● Pre-marketing and marketing
Overhead rate (see FG Subsection 5.4)	Funded personnel costs are awarded with an overhead rate of 20%. The overhead rate covers all overhead costs (e.g. rent for general spaces, operating costs, maintenance, office materials, administration, accounting/controlling, payroll accounting, IT). These costs may not be listed as direct costs.
Assessment basis/ minimum assessment threshold (see FG Section 6)	The sum of all recognised project costs serves as the assessment basis for the funding. Minimum assessment threshold: EUR 30,000
Maximum funding rate (see FG Subsection 7.1)	45% for small enterprises 35% for medium-sized enterprises
Maximum funding amount (see FG Subsection 7.2)	EUR 300,000
Bonus (see FG Subsection 7.3)	<p><u>Start-up bonus</u></p> <p>The start-up bonus is exclusively available to founders and enterprises that were founded no more than one year prior to the date the application was submitted. The start-up bonus of EUR 5,000 is paid out either with the advance payment or with the final payment, subject to evidence of an eligible foundation date being provided. A maximum of one start-up bonus can be paid to each funded enterprise.</p> <p><u>Women's bonus</u></p> <p>The women's bonus is EUR 10,000. This bonus is awarded to projects demonstrably led by a suitably qualified woman (as evidenced by their CV) employed by the enterprise (or, for partnership-based applications, by the lead partner) or, alternatively, by a suitably qualified female managing shareholder. It is paid with the final payment, subject to fulfilment of the requirements.</p>

Funding application – General requirements (see FG Subsection 9.1.1)	<p>Funding applications can only be submitted via the Vienna Business Agency website. Applicants must complete the online forms accurately and in full.</p> <p>The following documents must be attached to each application:</p> <ul style="list-style-type: none"> ● Application confirmation ● De minimis declaration ● Most recent annual financial statement and/or cash-method accounting statement
Partnership-based funding applications (see FG Subsection 9.1.2)	Partnership-based applications are permitted.
Type of assessment and selection process (see FG Subsection 9.2.3)	<p>The process operates on a competitive basis.</p> <p>The application questions and assessment criteria for this funding programme are available on the Vienna Business Agency website.</p>
Progress reports (see FG Subsection 9.5.1)	A progress report must be submitted every six months.
Final report, incl. final account (see FG Subsection 9.5.3)	A detailed final report – including a final account listing actual project costs – must be submitted online immediately after the funded project ends, at the latest within 3 months of the end of the project.
Advance payments (see FG Subsection 9.6.1)	The payment schedule includes an advance payment of max. 50% of the approved funding amount.
Final payment (see FG Subsection 9.6.3)	<p>After the final report and final account have been submitted and examined, the funding will be recalculated on the basis of the costs actually incurred in the funded project and recognised as eligible.</p> <p>If the calculated funding a recipient is due falls below the maximum funding amount stated in the funding decision, the advance payment will be deducted from the calculated funding amount – not from the maximum funding amount.</p> <p>A positive balance will be transferred to the funding recipient; a negative balance must be repaid within 14 days of request. In the event of repayment delays, interest of 9% p.a. will be applied to the sum due.</p>
Funding payments for partnership-based applications (see FG Subsection 9.6.4)	<p>The total funding amount for all partners is paid to the authorised lead partner with discharging effect. The lead partner must transfer the shares of the funding amount due to the other project partners immediately, in accordance with the written disclosure submitted to the Vienna Business Agency.</p> <p>The final funding amount due to each project partner will be recalculated on the basis of the final calculation and is subject to the provisions of EU law on state aid as well as the provisions of the Framework Guidelines and this</p>

	<p>programme documentation. The total funding amount is limited to the maximum subsidy amount.</p>
<p>Period of validity (see FG Section 14)</p>	<p>The application period runs from 01/01/2023 until 31/12/2026. Application deadlines are announced on the Vienna Business Agency website.</p>