

RESEARCH Funding Program

Call Zero Emission Cities 2022

Open Call

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1. Name of Open Call

Call Zero Emission Cities 2022

2. Legal Framework

This open call – administered by the Vienna Business Agency. A service offered by the City of Vienna. (henceforth referred to as: "Vienna Business Agency") – is based on the Vienna Business Agency funding guidelines "Research/18 – 21+ Guidelines". These guidelines (henceforth referred to as such) are available for download at: www.wirtschaftsagentur.at. The Call Zero Emission Cities 2022 will be administered from within the framework of the RESEARCH funding program. The funding program will be treated in accordance with the provisions of the General Block Exemption Regulation ¹ (henceforth referred to as GBER), section 4 of the European Commission and the Treaty on the Functioning of the European Union to de minimis aid ² (in short: "de minimis reg.").

3. Content Orientation and Objectives

3.1 Utilising Challenges of Climate Change as a Driver of Innovation

An above-average number of hot days and tropical nights; heat island effects in urban areas with negative health consequences; sustained dry periods that threaten city trees, put stress on the forests, and allow forest fires to get out of control; and heavy precipitation, storms, and tornados are just some of the clear indications of the climate crisis. All of these are phenomena that not only reach the city of Vienna through news coverage, but also became an immediate reality in some cases in 2021 – whether within the city limits, in the Viennese Alps, or in the greater surrounding region on the Austrian-Czech border. The ecological and socioeconomic effects of climate change are noticeable and will become even more so in the future, as the potential scenarios between now and the end of the century ³ are frightening. Recent studies dealing with the macroeconomic costs of failing to act in the climate sector project value creation losses of up to one billion euros per year for Vienna in the period around 2030, and

¹ Commission Regulation (EU) no. 651/2014 (GBER 2014: <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014R0651&from=FE>) of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty, published in the Official Journal of the European Union L 187/1 on 26.06.2014 (in short: "GBER 2014") together with the Commission Regulation (EU) 2017/1084 (regulation 2017: <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32017R1084&from=DE>) of 14 June 2017 amending Regulation (EU) No 651/2014, published in the Official Journal of the European Union L 156/1 on 20.06.2017 (in short: "AGVO regulation 2017") – together in short: "GBER". The following sections are particularly relevant: article 22 and 25, paragraph 2, sections b and c, 28 as well as 29 of the GBER.

² Commission Regulation (EU) no. 1407/2013 (de minimis reg.: <https://eur-lex.europa.eu/legal-content/DE/TXT/PDF/?uri=CELEX:32013R1407&from=LT>) of 18 Dezember 2013 on the application of Articles 107 and 108 of the EC Treaty to de minimis aid; published in the Official Journal of the European Union L 352/1 on 24.12.2013 (in short: „de minimis reg.“).

³ See CLIMA-MAP – Climate Change Impact Maps for Austrian Regions (2018): <https://data.ccca.ac.at/group/climamap> (10.01.2022) and IPCC (2021): Climate Change 2021: The Physical Science Basis

another significant rise in the costs for weather- and climate-related damages is predicted up to the middle of the century.⁴

Cities play a significant role in climate change. According to current estimates, urban areas and their high concentration of (economic) activities are responsible for roughly 75% of global greenhouse gas emissions, with the transport and building sectors being among the biggest polluters⁵. However, cities are also incubators for sustainable technologies and social innovations and have the chance to position themselves through the development of solutions for climate change and to make a globally relevant contribution through the implementation of these solutions. With their compact spatial structures, high population density, efficient technical infrastructure, and the existing, networked knowledge distributed across various stakeholder groups, cities are much more climate-efficient than rural areas as measured by their population figures and are thus already well positioned for a sustainable, climate-friendly transformation.

Vienna has set the goal of achieving climate neutrality while maintaining a consistently high quality of life by 2040⁶ and aims to take on a pioneering role in this area at the international level⁷. On the path to creating a climate-friendly and resilient living space and economic area, the research and development of innovative products, services, and processes that lead to relevant reductions of greenhouse gas emissions in various segments or to the mitigation of negative effects on ecosystems are essential. At the same time, we also need inventive solutions for adapting existing urban structures and processes to the unavoidable consequences of climate change and minimising the associated social risks.

In order to support companies and entrepreneurs at the business location Vienna in developing new approaches, slowing climate change through real emissions reductions, and driving adaptations to existing climatic changes, the new call Zero Emission Cities 2022 is being conducted to provide funding for private-sector research and development (R&D) projects.

3.2 Specific Focus of the Call Zero Emission Cities 2022

One key priority of the call is to support R&D projects that address **climate protection** and particularly the reduction of carbon dioxide or other greenhouse gas emissions and/or **climate change adaptation** and promise a **positive, traceable climate and social impact**. The most important climate-relevant effects intended to be achieved by the R&D project must be validated in qualitative terms and/or explained in quantitative terms in the application. It is also

⁴ Only quantifiable impact chains; see Haas et. al (2017): *Die Auswirkungen des Klimawandels für Wien: eine ökonomische Bewertung* (The Effects of Climate Change for Vienna: An Economic Assessment), p. 14ff., and Steininger et. al (2020): *Klimapolitik in Österreich: Innovationschance Coronakrise und die Kosten des Nicht-Handelns* (Climate Policy in Austria: The Coronavirus Crisis as an Opportunity for Innovation and the Costs of Failing to Act), p. 7f.

⁵ See UN Environment Programme (2022): Cities and Climate Change. <https://www.unep.org/explore-topics/resource-efficiency/what-we-do/cities/cities-and-climate-change> (10.01.2022)

⁶ See Vienna City Administration (2020): *Die Fortschrittskoalition für Wien* (The Progress Coalition for Vienna). <https://www.wien.gv.at/regierungsabkommen2020/lebenswerte-klimamuster-stadt/der-wiener-klimapakt/> (10.01.2022); a comprehensive Vienna Climate Road Map has been developed, see City of Vienna (2022): *Wiener Klima-Fahrplan. Unser Weg zur klimagerechten Stadt* (Vienna Climate Road Map. Our Path to a Climate-friendly City). (21.01.2022)

⁷ See City of Vienna (2019): *Wien 2030. Wirtschaft und Innovation* (Vienna 2030. Economy and Innovation), p. 13ff.

possible to develop or refine a basis for quantification and/or calculation that can be used to measure the climate impact in the course of the project implementation. In this case, a road map must already be presented as part of the application.

In the course of the implementation of the **R&D project**, new solutions should preferably be developed for urban areas and, if possible, demonstrated in pilot applications in Vienna with the inclusion of relevant partners. In this context, the Vienna Business Agency offers the possibility of exchange and cooperation with the City of Vienna or downstream institutions. This can significantly increase the impact of the newly developed products or services. The call is not limited to projects from individual technological fields, but the following climate-relevant topics are addressed with a focus on the urban context:

- Existing and newly constructed buildings as well as (urban) infrastructure
- Transport, mobility, and logistics
- Energy generation, use, and storage
- (Urban) production processes and value chains
- Resource management and circular economy

4. Open Call Criteria

4.1 Basic Criteria

Under the *Zero Emission Cities 2022* call, following R&D projects ⁸ of companies that are located in Vienna or will establish a business location in Vienna for the purposes of implementing the project are eligible:

- Projects that also address current research questions and thus reach beyond pure product development and the current state of technology;
- Projects that demonstrate a basic strategy for economic implementation from which the city of Vienna has the potential for future economic gain;
- Projects that directly or indirectly result in product, service or process innovations.

In any case, the projects must have a primarily technological research and development content, with discernible risks of failure during implementation.

In accordance with EU definitions, eligible projects must fall within the fields of either "industrial research" (IR) or "experimental development" (ED) ⁹. Applicant businesses must come up with significant parts of the project-related R&D in-house and must also shoulder the majority of the risk associated with the realization of the project, in particular the risk associated with the economic implementation of the obtained R&D results.

⁸ The eligible minimum project duration is 1 year, the maximum is 5 years.

⁹ See article 2, clause 84-86 of the GBER or appendix VII of the Research/18 – 21+ Guidelines (effective from 01.01.2022).

4.2 Eligible Costs

Funding is provided for project-related costs such as R&D-related personnel costs that are incurred by the company (or by the cooperation partners in the case of a joint submission) in the form of internal or external personnel costs¹⁰, project-related material costs, and investment costs. A detailed list can be found in item 6 of the Research/18 – 21+ Guidelines. It is particularly relevant to note that costs¹¹ related to the development of measurable indicators for the depiction of the climate impact are eligible up to a maximum amount of € 50,000.

All expenses must naturally stand in direct relation with the R&D project.

Expenses incurred by small and mid-sized businesses related to the protection of proprietary research and development results are also subject to funding¹².

4.3 Funding Rate

Funding rates are dependent on research-grade classification as defined by EU provisions: Project elements (working packages) that are classified as experimental development (ED), are subject to a funding rate of 25% for large businesses, 35% for mid-sized businesses and 45% for small businesses. All project elements (working packages) classified as industrial research (IR) are subject to a funding rate of 50% for large businesses, 60% for mid-sized businesses, and 70% for small businesses.¹³

Endeavors should cause applying businesses to adopt maximum sustainability practices. Projects should furthermore be conducted using largely in-house research and development work, with the understanding that the applying business shall shoulder all associated technical and economic risks. Research facilities are thus only eligible as project partners. As knowledge transfer partners, research facilities are only eligible for a standard funding rate of 80%. Additional bonuses are not available to research facilities (see also pt. 8 of the Research/18 – 21+ Guidelines).

5. Participants

Please review pt. 4 of the prevailing Research/18 – 21+ Guidelines to determine if you are eligible to apply. Viennese, national, and international companies and companies in formation that meet the conditions defined in items 4.1. and 4.2. of the specified guidelines are eligible to submit applications as the lead partner¹⁴.

¹⁰ *Personnel costs* are defined as the costs necessary to maintain employees for the applying business that are in direct relationship to R&D work. In the case of small businesses, the value of work performances by business owners and shareholders that are actively working on a project can be taken into consideration. *Expenses for external services*: see pt. 6 of the Research/18 – 21+ Guidelines.

¹¹ This applies to personnel costs and/or costs for external services.

¹² Costs in connection with the attainment, validation, or defense of patents and other immaterial assets are subject to a funding rate of 50%. See pt. 8 of the Research/18 – 21+ Guidelines.

¹³ For further information please refer to the Research/18 – 21+ Guidelines.

¹⁴ The companies must have a business site in Vienna at the latest upon the start of the project; see item 4.2.a. of the Research/18–21+ Guidelines as well as Annex II of the specified guidelines.

5.1 Cooperation Projects

In the case of cooperation projects, businesses may receive a bonus of up to 15 percentage points ¹⁵, provided they fulfill the following criteria: Unlike contractual relationships, cooperation projects are not defined by the principal of paid service and service in return, but rather by mutual interest, whereby each partner within the framework of a cooperation contract predefines the rights and obligations assumed by each party. All partners of a jointly conducted research endeavor thus share the costs of and rights to all research results.

In instances of cooperation between at least two (independent) businesses, none of the individual businesses may bare more than 70% of the eligible costs. The endeavor must furthermore either include cooperation with at least one SME ¹⁶ or be international in nature. In instances of cooperation between a business and a research facility, the research facility must shoulder at least 10% of eligible costs and, given that the investigation has been carried out in their facility, must be granted the right to publish results. In such cooperation arrangements, substantial portions of the engineering work and know-how development must be completed by the lead applicant.

5.2 Joint Application / Partner Application

If the proposed project is to be undertaken in cooperation with one or more partners, it is generally permissible to choose partners from all sectors and all geographic regions. It is, however, only possible to include the project costs of said cooperation partners in the joint funding application if the eligible partner is Vienna-based (for an exact definition see pt. 4.2 of the Research/18 – 21+ Guidelines).

6. Maximum Funding

Maximum funding per project is € 500,000.

7. Available Budget

The total budget available for this open call is € 3,000,000.

8. Contracting Party

This open call is administered by the Vienna Business Agency, 1070, Mariahilfer Strasse 20. The funds available are provided by the Vienna Business Agency.

9. Application Period

Applications for this call can be submitted from Wednesday, April 6th, 2022, 12 am, until Monday, July 25th, 2022, 11.59 pm at <https://cockpit.wirtschaftsagentur.at>.

¹⁵ Eligible up to a maximum of 80%. See also pt. 8 of the Research/18 – 21+ Guidelines.

¹⁶ See pt. 4.2, note 2 of the aforementioned Research/18 – 21+ Guidelines

Applications can be completed in German or English and must be submitted online to the Vienna Business Agency within the period mentioned above. Application materials will be supplied upon successful registration at <https://cockpit.wirtschaftsagentur.at> from the time that this call is announced until the end of the application deadline. The original copy of the "Certificate of Application Authenticity" (located on the last page of the online form), which must be signed by an authorized member of your business, is due by the application deadline and should be printed out, signed with a legally binding, authorized signature, scanned and attached to the digital submission. The certificate can also be sent via email to the Vienna Business Agency when a qualified electronic signature is used.

10. Evaluation

Applications must comply with the abovementioned objectives and requirements for submission. Applications will be evaluated according to evaluation criteria stated in pt. 14 of the Research/18 – 21+ Guidelines, and according to a standardized evaluation system that can be found at www.wirtschaftsagentur.at. The evaluation will be made by an expert jury. Should there be doubts on behalf of an applicant regarding the impartiality of potential evaluators they have the option to exclude a maximum of two individuals or institutions by submitting the names and addresses of the same. The contents of the applications and the detailed evaluations will be accessible solely by the contracting party (i.e. Vienna Business Agency) and the jury members. The contracting party reserves the right to publish the names of applicants who receive a positive grant decision. The project title, a short project description, the grant amount, and the jury's statement may likewise be published.

11. Further Procedure

Following the completion of the evaluations of applications that have met the open call requirements, applications will be ranked according to quality and recommended by the Vienna Business Agency committee for funding in accordance with the stipulations of the budgetary framework. In accordance with EU regulations, maximum aid intensities are hereby taken into consideration.

The municipal administration of the City of Vienna will award grants based on these recommendations. The specified subsidies are all maximum amounts.

12. Funds

12.1 Cash subsidies for R&D

Cash subsidies will be awarded for the realization of the best R&D projects. The allocation of funds will follow the rank assigned to the evaluated applications. Subsidies will be provided in the following amount until the budget for those subsidies has been depleted.

The subsidy amount will be calculated according to project type and the eligibility of project costs as determined during the evaluation process and pursuant to the Research/18 – 21+ Guidelines.

12.2 Bonus for Women

In the case of a positive funding decision, projects that can be proven to be led by qualified females who are employed by the Vienna-based applicant businesses (lead applicants) will receive a € 10,000 bonus.¹⁷

12.3 Rental Allowance for Business Sites Established by International Companies

The *Zero Emission Cities call* is also aimed at providing foreign companies or startups with special incentive to establish new business sites in Vienna. In addition to the arrangements defined in the underlying Research/18–21+ Guidelines, such enterprises will therefore receive an allowance of € 5,000 as aid for the establishment of a business site in Vienna if they are granted funding¹⁸.

This allowance is limited to the first year of the project implementation and will be paid out after the first year on the basis of actually incurred rental costs in the amount of at least € 10,000 and submission of a valid, long-term lease¹⁹. This is a form of aid pursuant to the de minimis regulation of the European Union²⁰.

12.4 Payment

The 50% advance payment and final payment shall be disbursed upon successful completion of the final accounting statement and presentation of the final report. Installments are possible under certain conditions²¹.

13. Further Information

Information about this open call as well as supporting documents (in particular the Research/18 – 21+ Guidelines and the evaluation system) can be found at www.wirtschaftsagentur.at. For additional information, please contact Alexandra Pintilie by email pintilie@wirtschaftsagentur.at or Petra Zwirn by email zwirn@wirtschaftsagentur.at.

¹⁷ According to pt. 8.5. of the Research/18 – 21+ Guidelines.

¹⁸ The definition of the Viennese business site is based on Annex II of the Research/18 – 21+ Guidelines.

¹⁹ The rental allowance will be paid out directly to the company that has established a new business site.

²⁰ Commission Regulation (EU) no. 1407/2013 (de minimis reg.: <https://eur-lex.europa.eu/legal-content/DE/TXT/PDF/?uri=CELEX:32013R1407&from=LT>) of 18 Dezember 2013 on the application of Articles 107 and 108 of the EC Treaty to de minimis aid; published in the Official Journal of the European Union L 352/1 on 24.12.2013 (in short: „de minimis reg.“).

²¹ According to pt. 16.3., 17.4. and 17.5. of the Research/18 – 21+ Guidelines