

RESEARCH Funding Program
Food Products R&D Call 2021
Supporting the Value Chain
Open Call

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1. Name of Open Call

Food Products R&D Call 2021

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 City of Vienna funding guidelines "Research/18 21+ guidelines". These guidelines (henceforth referred to as such) are available for download at: www.wirtschaftsagentur.at. The Food Products R&D Call 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 Regulation¹ (henceforth referred to as GBER), section 4 of the European Commission and the Treaty on the Functioning of the European Union to de minimis aid² (in short: "de minimis reg.").

3.1. Food Products R&D

With their nearly 9,500 employees, the approximately 300 Vienna-based food product producers don't just make an important contribution to the value creation of the location,³ they also play a strategic role in supplying the city and its inhabitants with food.

Cities, being where more than half of the world's population live, take on an especially relevant role in mastering future systemic challenges around "food production." It is thus essential to secure permanent, fair, and realizable sources of safe, local, and nutritious food for city inhabitants.⁴

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.: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:352:0001:0008:DE:PDF>) of 18 December 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 2019 revenue in Vienna: 11,389 million EUR or 1,550 million EUR (source: Statistik Austria)

⁴ See also Milan Urban Food Policy Pact <http://www.milanurbanfoodpolicypact.org/text/> (13.11.2020)

Doing so requires a complex value chain surrounding the resource “food.” Alongside primary production,⁵ this includes, production, processing, packaging, quality control, as well as logistics and recycling.

We must therefore seize the opportunity to not only make these essential fields competitive and ready for the future, but also to strengthen and develop key advantages for the production location in the sense of sustainable and regional expansions.

In doing so, the increasing demands on, and surrounding, the resource “food” are enormous.

Beside the well-known UN Sustainable Development Goals⁶ for the sustainable preservation of earth’s resources, special attention has been given to considerations on how to advance local production in order to avoid fragile supply chains (keyword “global vs. regional supply chains”) due to the current pandemic. The complexity of the circumstances, especially surrounding the resource “food,” are reflected in the discussions in favor of a European supply chain law⁷ or EU-wide animal welfare label.⁸ Innovative ideas are sought that aim to master increasing demands amid this complex situation.

The fact that these topics are also relevant on the local municipal level is demonstrated by the Food Products Implementation Plan, ratified by the Vienna city council in January 2020.⁹ It envisions, among other things, public procurement guidelines (ecological criteria catalog, minimum requirements for animal welfare) as well as various measures for municipal facilities (waste prevention, raising the quota for organic products).

All of the abovementioned challenges for, and demands on, the topic of “food products” share one common denominator: They will only succeed if the development of innovative ideas for new and improved products, services, and processes, is deliberately supported.

Applied research and development is the most relevant “breeding ground” or driver of innovation at this juncture and along the complex food products value chain. The available resources provided by Vienna-based research facilities lay the foundation for ideal conditions for collaboration in the sense of the transfer of knowledge and technology to the economy.¹⁰

⁵ Please note that initial production is not included in the funding criteria from the perspective of funding law. Please refer to the funding options available from the Vienna Chamber of Agriculture (Landwirtschaftskammer Wien): <https://wien.lko.at/f%C3%B6rderungen+2500++2284152>

⁶ See also <https://sdgs.un.org/goals> (13.11.2020)

⁷ See also <https://www.handelszeitung.at/handelszeitung/wozu-brauchen-wir-globale-lebensmittel-lieferketten-201768> (13.11.2020)

⁸ *Schach der “Geiz ist geil”-Mentalität*, Austrian Life Sciences – chemireport.at – Österreichs Magazin für Wirtschaft, Technik und Forschung, 2020.2, p. 24

⁹ See also <https://www.wien.gv.at/umweltschutz/nachhaltigkeit/lebensmittelpunkt.html> (13.11.2020)

¹⁰ In particular with supplemental reference to the COMET centers [FOQOSI](#) and [D4dairy](#) with Viennese participation.

The relevant and closely connected food industry service providers are equally key players for food production in this context (they include the fields of measurement technology, hygiene and ICT solutions, processes and facility management, as well as concepts for waste prevention/energy saving, traceability, etc.).

3.2. Food Products in the City: Utilizing and Developing Opportunities

Modern, urban food production can and must therefore find opportunities along the entire value chain in order to advance local advantages as well as sustainable solutions for the abovementioned challenges.

These are situated, for example, in the following thematic fields:

- Significant optimization of processes of food production and food processing via ICT solutions (such as Digital Twin or Predictive Maintenance solutions)
- Digitalization and designation of origin, i.e. traceability of food products (IoT, Embedded Systems) in the sense of
 - quality control
 - (Further) development of soft or hardware solutions in the field of agriculture in the sense of agroinnovation
- Development of new preservation processes for food products in order to increase quality (higher nutritional value, better constancy, etc.)
- Development of new production or recycling processes for applications such as waste prevention
- Development of innovative measurement and control technologies as well as machinery along the value chain
- Improved breeding conditions for livestock or solutions for the growing resistance to antibiotics
- Development of sustainable packaging solutions in the field of food products such as circular economy concepts ^[1]
- Optimized processes in logistics and storage
- New recycling options for food product waste

This call is therefore intended to deliberately support all Vienna-based businesses or service providers along the food products value chain that, with their innovative R&D-based

^[1] See also, a new EU-wide circular economy action plan, particularly for packaging in the food industry (*Der Masterplan*, Das österreichische Industriemagazin, 04/2020, p. 64)

developments (research and development projects) in the fields of products, processes, and services, help improve of the competitiveness of Vienna as a location.

3.3. Specific Focus of the Call

Research and development projects by Vienna-based businesses as well as service providers along the value chain are supported within the framework of the R&D Food Products 2021 call.

We are looking for innovative projects that lead to new/improved products, services, and process optimizations in the field of food products. This encompasses the entire value chain, especially processing, production, packaging, quality control, logistics, as well as recycling, including businesses that explicitly provided services to these fields.

Example fields:

Food production¹¹, plant manufacturing, measurement and control technologies, packaging, logistics, test laboratories, and waste management.

4. Formal Criteria of the Call

This open call supports research and development projects of extant Vienna-based businesses or those that are in the process of establishing that *aim to develop a new/improved product, service, or process optimization along the food production value chain of food.*

Projects related to primary production are excluded.

In terms of content, the aims of the endeavored projects must exceed the current state of technology or knowledge and directly or indirectly lead to new or significantly improved products, procedures/processes, or services.

4. Participants

Please review pt. 4 of the prevailing Research/18 – 21+ guidelines to determine if you are eligible to apply. In accordance with pt. 4.1. and pt. 4.2. of the prevailing Research/18 – 21+ guidelines, only Vienna-based business and founders are eligible to apply as lead partners.

¹¹ incl. animal feed for livestock, excl. pet food.

5. Open Call Criteria

5.1. Basic Criteria

In accordance with the framework of the Food Products R&D Call 2021, the following R&D projects administered by Vienna-based businesses are eligible for funding:¹²

- 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).¹³

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.

5.2. Eligible Costs

All project-related costs such as project-related personnel, such as R&D-related personnel costs, that the business (or business partners in case of a joint application) may incur as internal or external personnel expenses¹⁴ (and/or project-related material costs or investment expenses) are eligible. A detailed list of these can be found under pt. 6 of the Research/18 –21+ guidelines.

¹² The eligible minimum project duration is 1 year, the maximum is 5 years.

¹³ See article 2, clause 84-86 of the GBER or appendix VII of the Research/18 – 21+ guideline.

¹⁴ *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.

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

Expenses incurred by small and mid-sized businesses related to the protection of proprietary research and development results are also subject to funding¹⁵.

5.3. 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.

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).

5.4. Cooperation Projects

In the case of cooperation projects, businesses may receive a bonus of up to 15%¹⁶, 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.

¹⁵ 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.

¹⁶ Eligible up to a maximum of 80%. See also pt. 8 of the Research/18 – 21+ guidelines.

The endeavor must furthermore either include cooperation with at least one SME or be international in nature or. 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.

5.5. 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/12 – 21+ guidelines).

6. Maximum Funding

Maximum funding per project is € 500,000.¹⁷

7. Available Budget

The total budget available for this open call is € 2,000,000.

8. Contracting Party

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

9. Application Period

Applications for this call can be submitted from Thursday, December 10th 2020, 12am until Wednesday, April 7th, 2021, 11.59pm at <https://cockpit.wirtschaftsagentur.at>.

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

¹⁷ The minimum assessment basis is 50,000 euros. Projects with smaller budgets are not eligible.

must be signed by an authorized member of your business, is due by the application deadline and should either be sent by registered mail (date of postage stamp) or hand delivered to the Vienna Business Agency, 1070 Vienna, Mariahilfer Strasse 20. 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.¹⁸ 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.

¹⁸ In order to obtain basic eligibility, a project must score at least 30% of total evaluation points.

12. Funds

a) 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.

b) 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.¹⁹

c) 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 conditions.²⁰

13. Further Information

Information about this open call as well as supporting documents (in particular the Research/18 – 22 guidelines and the evaluation system) can be found at www.wirtschaftsagentur.at. For additional information, please contact Mag.^a Karin Dögl or Dr. Jonas Ramoni by email doegl@wirtschaftsagentur.at or ramoni@wirtschaftsagentur.at or telephone T +43-1-25200-423 or DW 426.

¹⁹ According to pt. 8.5. of the Research/18 – 21+ guidelines.

²⁰ According to pt. 16.3., 17.4. and 17.5. of the Research/18 - 21+ guidelines