

Investment Promotion in Austria ^{*)}

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^{*)} **Note:** This brief information only provides an overview of the main prerequisites to qualify for funding. Experts in the promotion agencies together with ABA-Invest in Austria offer support in identifying which funding opportunities exist for specific cases as well as how funding can be structured.

Targeted funding for a maximum impact

Austria offers foreign investors a broad spectrum of funding programs embedded in EU-wide thematic priorities: funding of research, technology and innovation, funding programs for small and medium-sized enterprises, startups, medium-sized and large companies, promotion of tourism and environmental grants, export financing, and funding for the creative industries.

The funding portfolio ranges from cash grants and low interest loans or interest subsidies to loan guarantees.

This extraordinarily large offering enables enterprises to take advantage of incentive programs tailored to their individual requirements.

National promotion measures including EU co-financing schemes

In addition to national promotion measures, additional financial assistance from the European Union is available provided that the relevant investments correspond to the regulations and objectives of the EU Structural Funds Program. These resources are financed by the European Regional Development Fund (ERDF co-financing during the Structural Funds programming period 2014 – 2020).

Thematic objectives

In Austria, direct subsidies are possible based on the following considerations:

- Strengthening research, technological development and innovation
- Improving the competitiveness of small and medium-sized enterprises (SMEs)¹⁾
- Promoting education, continuing education and training
- Environmental protection and efficient use of resources

¹⁾ EU definition of SMEs (→page 5)

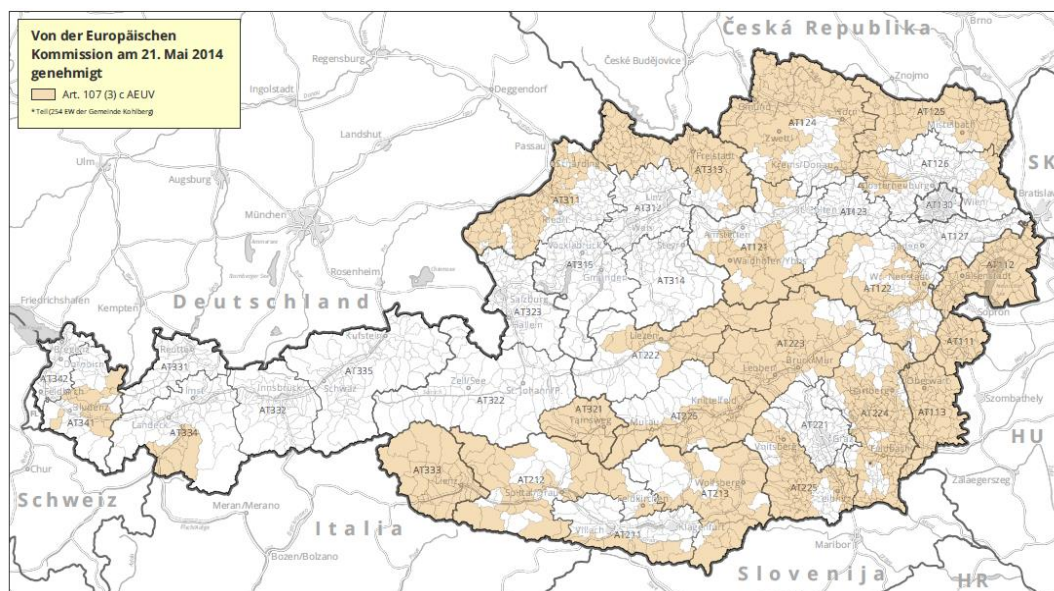
Funding criteria

Regional funding schemes 2014 - 2020

The regional aid map for Austria defines the regions eligible for national regional investment aid under EU state aid rules and establishes the maximum aid levels ("aid intensities") for companies in the eligible regions.

The regional aid map applies for the period July 1, 2015 to December 31, 2020.

Austrian regional aid map 2014 - 2020 under EU state aid rules:



The Austrian regional aid map covers close to 26 percent of the population.

What are the maximum aid levels?

In Austrian regions eligible for aid ("c" areas), the maximum levels of aid (aid intensities) that can be granted to investment projects amount to 10 percent of the total fundable costs for large enterprises, 20 percent for medium-sized enterprises, and 30 percent for small enterprises (=SME bonus)¹⁾.

¹⁾ EU definition of SMEs (→page 5)

What projects are eligible for regional aid?

Only “initial investments” are eligible for funding. This includes investments in both tangible and intangible assets for the

- creation of a new business establishment
- capacity expansion for an existing business establishment
- diversification of the activities carried out by an existing business establishment (product diversification)
- modification of the production process (process innovation)
- acquisition of assets of a business establishment that would have been shut down

In Austrian regions eligible for aid, the only investment projects carried out by large enterprises that are eligible for aid are initial investments in new business activities (new business establishments or new four-digit NACE code in an existing business establishment).

Additional criteria for regional aid

- Minimum investment value
 - for process innovations:
Depreciation of capital assets over the last three years for all assets related to the process innovation
 - for product diversification projects:
Triple the book value of all continuing assets (according to the balance sheet)
- Minimum share of own funding at 25 percent (without any aid)
- Investment holding period:
Five years for large enterprises; three years for SMEs after project completion
- Reduced aid intensities for large projects
Large project = single investment of more than EUR 50 million, in which case projects in the same region which commenced in the previous three-year period are to be included
 - Maximum aid level:
Investment of up to EUR 50 million: 10 percent
Investment between EUR 50 million and EUR 100 million: 5 percent

What projects are not eligible for regional aid?

- Projects where the aid application is not submitted in time before the start of the project.
- Relocation of production within the European Economic Area (EEA) in a period ranging from 2 years before application to 2 years after project completion.
- Enterprises in financial difficulties.
- Investment projects in the sectors of
 - Energy generation and distribution (including infrastructure)
 - Transport and transport infrastructure (including airports)
 - Fishing and aquaculture, agriculture
 - Steel and synthetic fibers industry, coal, synthetic fibers, shipbuilding
 There are special regulations on state aid for these sectors.

SME funding programs 2014 - 2020

Small and medium-sized enterprises (SMEs) can benefit from specific funding programs or higher funding for investments, research and development projects and environmental projects.

What is an SME?

The basis for classifying the size of a company is the SME definition of the European Union. The decisive factors are:

1. **the number of employees** and
2. either **revenues** or **the balance sheet total**

A small enterprise

is defined – in accordance with EU competition law - as a company which employs fewer than 50 people, with annual revenues not exceeding EUR 10 million or a balance sheet total of not more than EUR 10 million.

A medium-sized enterprise

is defined – in accordance with EU competition law - as a company which employs fewer than 250 people, with annual revenues not exceeding EUR 50 million or a balance sheet total of not more than EUR 43 million.

If applicable, these funding thresholds also include the data of affiliated companies (at 100 percent) and partner companies (partial).

“De-minimis” grants 2014 - 2020

“De-minimis” grants are funding amounts,

- that a company / a group of associated companies
- may receive within a period of three years and that
- may amount to a maximum financing volume of EUR 200,000 (EUR 100,000 for road freight transport).

In the context of the de minimis rule, all companies that are associated with each other directly or on multiple levels are considered to be one single enterprise.

This period of 3 years applies to the current year as well as the two previous fiscal years. The date of the binding grant commitment is considered to be the grant date.

The maximum financing volume of EUR 200,000 (EUR 100,000 for road freight transport) refers to the sum of the funding cash value (gross subsidy equivalent) that may be significantly below the grant’s face value, e.g. in case of loans or guarantees.

The most important funding programs in Austria (an overview) ^{*)}

General information

Austria offers foreign investors a broad spectrum of funding programs. Obtaining customized funding for investments in Austria is only possible in close cooperation with federal and provincial business development and funding agencies. They are the direct contact for submitting an aid application.

Overview of all responsible funding agencies in Austria (→page 32)

Key criteria for investors:

- In-depth business plan and project description
- Early contact with the funding agencies

Aid applications must be submitted before the project begins!

The maximum financing value for a project essentially depends on the:

- Location of the investment (e.g. EU regional aid map¹⁾)
- Size of the company (e.g. higher funding rate for small and medium-sized enterprises ²⁾)
- Character of the investment (priority funding)

Key funding instruments include the following:

- Grants
- Low-interest loans
- Guarantees (e.g. export guarantees)
- Equity capital (risk capital)
- Tax incentives

Funding is provided from public funds.

^{*)} The following pages provide a rough overview of the most important funding programs offered by the Austrian business development and funding agencies.

Some few documents are available for download only in German language.

¹⁾ Area eligible for regional aid in line with EU state aid rules (→page 3)

²⁾ EU definition of SMEs (→page 5)

Promotion of research, technology and innovation

Research, technology and innovation are the fundamental elements of a competitive economy.

The following business development and funding agencies target companies interested in conducting research by offering an extensive range of funding measures and services:

- **Austrian Research Promotion Agency (FFG)** → www.ffg.at/en

The Austrian Research Promotion Agency is the central research promotion institution for promoting and funding application-oriented research, technology and innovation.

- **Austria Wirtschaftsservice (aws)** → www.aws.at/en

The federal investment and promotion bank of the Republic of Austria, aws, supports companies in implementing their innovative projects on the basis of low-interest loans, grants and guarantees. This is particularly the case when the required level of funding cannot be raised by other forms of financing. In addition to financial assistance, aws provides specific information, consulting and other services for future, existing and expanding companies.

Research is promoted directly by means of grants, loans and guarantees and indirectly by means of the research premium, which provides preferential tax treatment of research and development expenditures.

The criteria applying to research promotion are independent of the type of research projects and the size of the company.

Research tax incentive:

- **Research premium**
→ www.ffg.at/forschungspraemie

Companies are entitled to claim a research premium of **14 percent** for research and experimental development expenditures after the costs have been incurred.

An application for the research premium can be submitted by taxable companies in Austria with operating income, which either

- conduct in-house research in a domestic company or a domestic business establishment or
- award research contracts to facilities or companies which are involved in research projects and experimental development projects and which are headquartered in a member state of the European Union or the European Economic Area.

With respect to contract research, the research premium can be claimed for expenditures (outlays) up to a maximum of EUR 1 million per year.

An expert opinion prepared by the FFG is required to enable a company to claim the research premium for in-house research.

The research premium will be credited to the tax account of the taxable company.

The most important FFG research promotion programs

→ www.ffg.at/en/content/our-current-funding-opportunities

The extensive portfolio of the FFG ranges from the general funding program facilitating the startup of research and development activities to the promotion and financing of top-level research and centers of excellence. All enterprises with a registered office in Vienna are eligible to receive funding, including subsidiaries of foreign companies.

➤ **SME Package:** The R&D path for an SME or startup

→ www.ffg.at/en/sme-package

With the SME Package, FFG bundles its synchronized funding offering for small and medium-sized enterprises as well as startups. This enables FFG to targetedly promote innovation projects. Companies can take advantage of the funding programs independently of one another. Fundamentally speaking, it is possible to join the program in every stage.

The cornerstones of the SME Package are as follows:

1) Start of research:

➤ **Innovation Voucher:** Idea generation

→ www.ffg.at/en/innovation-voucher

The Innovation Voucher is designed to generate ideas and facilitates the entry of SMEs into the world of research and innovation. The Innovation Check helps to finance consulting services provided by research institutions.

Services costing up to EUR 12,500 can be funded on the basis of a 20 percent deductible and an Innovation Voucher with a maximum value of EUR 10,000.

➤ **Feasibility Study**

→ www.ffg.at/en/feasibility-study

FFG promotes the implementation of feasibility studies requested by small and medium-sized enterprises and startups. 60 percent of the total project costs – at least 80 percent of the eligible costs, are for external expenses of the scientific partner.

The maximum funding volume is EUR 48,000.

➤ **Patent.Voucher:** The direct path to patent registration

→ www.ffg.at/en/patent-voucher

This FFG funding program enables payment for services such as the quick clarification whether patent protection is possible at all as well as services related to patent registration and patent monitoring. Costs can amount to a maximum of EUR 12,500.

The FFG provides funding as a grant of up to 80 percent of the total costs up to a maximum amount of EUR 10,000.

2) Project start:

- **Projekt.Start:** Preparation for a specific R&D project
→ www.ffg.at/en/projektstart

The FFG supports preparatory work involved in submitting a specific R&D project. This should create a sound basis for high quality R&D projects. Within the context of Projekt.Start, total project costs up to a sum of EUR 10,000 are recognized.

Funding amounts to 60 percent of total costs, but is limited to a maximum of EUR 6,000.

3) Individual project:

- **General Program:** Funding of R&D projects in the company
→ www.ffg.at/en/general-programme-further-information

Refer to information provided below for more details.

4) Market launch:

- **Markt.Start:** Market launch of innovations
→ www.ffg.at/en/marktstart

Building upon an R&D project funded by the FFG, the Markt.Start program enables the FFG to support small, young and innovative companies with the market launch of their products by providing a startup loan of up to EUR 1 million.

- **FFG General Program (Individual project – Experimental development):**
→ www.ffg.at/en/general-programme-further-information

The FFG General Program funds research, development and innovation projects implemented by companies of all sizes and all sectors. Applications for funding can be submitted on an ongoing basis. There are no limitations with respect to the specific research topic or project size.

The funding is designed to intensify corporate research and innovation activities. It encourages companies to implement innovative ideas from all fields of technology and all industries as well as to create specific successful products and services.

Funding criteria:

- Technological innovation
- Technological development risk
- The project must have a specifically defined objective and a detailed work plan
- Market prospects (potential)
- Possibility of commercial realization of the innovation
- Economic viability of the company

Target groups:

- Startups
- Small and medium-sized companies
(in line with the EU definition of SMEs - refer to page 5)
- Large companies

Fundable projects/costs:

Financial assistance is provided for all relevant R&D project costs (staff costs, costs for using the R&D infrastructure, material costs, third-party services costs, travel costs and costs related to patent applications in the project).

Type and scope of funding:

Single experimental development projects receive financial assistance of up to 50 percent of the total project costs in the form of grants, low-interest loans, and bank loan guarantees as well as interest subsidies. Most federal states in Austria use additional provincial financial resources to increase the level of funding.

➤ **Startup Funding:**

→ www.ffg.at/en/startups

The FFG startup funding scheme consists of measures designed to support young, innovative and technology-oriented companies in all sectors and industries which were founded no more than five years before the application is submitted.

The underlying objective is to enable an improved type of project financing or funding and thus to further improve development conditions for establishing high-tech companies.

Target groups:

- Startups
- Small and medium-sized companies

Pere-requisites:

- Company founding dates back no more than five years
- Small and medium-sized companies (in line with the EU definition of SMEs – refer to page 5)
- Innovation of the company
- Innovative and technology-oriented

Fundable projects:

Research and development projects are funded without any limitations or preferences for specified fields of technology.

Type and scope of funding:

The FFG funds up to 70 percent of the legitimate R&D-relevant project costs (material and staff costs) in the form of non-repayable grants and low-interest loans.

➤ **Fronrunner Program:**

→ www.ffg.at/en/fronrunner-programm

The Fronrunner funding targets companies whose registered seat is in Austria and which have gained a top technological position or are on the verge of doing so, and which would like to strengthen their position based on an offensive fronrunner strategy. Fronrunners are internationally active and successful companies which are technology, innovation or competence leaders in their respective market niches.

Fronrunner characteristics:

- **Technology leadership:**
Features a superior technical production process and generally the most technologically advanced production technology. These companies focus on optimizing production processes with respect to their quality and efficiency.
- **Innovation leadership:**
The priority in this group is to develop new product or service innovations.

Target groups:

- Startups
- Small and medium-sized companies
(in line with the EU definition of SMEs – refer to page 5)
- Large companies

Fundable projects:

Research and development projects are funded without any limitations or preferences for specified fields of technology.

Type and scope of funding:

Funding takes place as non-repayable grants, amounting to a maximum of 45 percent of project costs for small firms, 35 percent for medium-sized enterprises and 25 percent for large companies.

➤ **COMET (Competence Centers for Excellent Technologies):**

→ www.ffg.at/en/comet-competence-centers-excellent-technologies

The COMET (Competence Centers for Excellent Technologies) program promotes the establishment of competence centers or centers of excellence featuring a joint high-level research program defined by the scientific and business communities at its core. Based on their claims and size, there are three types of competence centers:

- **COMET Centers (K2)**
A center based on a consortium with at least one scientific partner and a minimum of five corporate partners.
Duration: eight years
Funding: national funding of up to EUR 4 million per year
Funding intensity: maximum of 55 percent of costs
- **COMET Centers (K1)**
A center based on a consortium with at least one scientific partner and a minimum of five corporate partners.
Duration: eight years
Funding: national funding of up to EUR 1.7 million per year
Funding intensity: maximum of 55 percent

- **COMET projects:**

A cooperative research project with at least three companies and one scientific partner.

Duration: three-four years

Funding: national funding of up to EUR 0.45 million per year

Funding intensity: maximum of 45 percent

In general, all centers and projects supported by the COMET Program are tendered out in thematically open competitions.

- **COIN Networks (Cooperation and Innovation):**

→ www.ffg.at/en/coin-cooperation-and-innovation

The primary aim of the program is to improve the innovative capabilities of Austrian companies (especially SMEs) on the basis of technology and know-how transfer in networks. Innovative SMEs which carry out no research and development at all or only sporadically should be given systematic access to external know-how (e.g. institutions focusing on research and knowledge dissemination or also from corporate partners).

Objectives:

- Buildup and expansion of sustainable innovation networks, organized in the form of a consortium
- Structured cooperation between companies, optionally including institutions focusing on research and knowledge dissemination
- Implementation of specific innovation projects (products, processes and/or services)

Target groups:

- Companies:
Startups, small and medium-sized companies, large companies
- Institutions for research and knowledge dissemination
- Non-economic institutions

Fundable projects:

Application-oriented cooperation and network projects between companies (especially SMEs) as well as between companies, institutions for research and knowledge dissemination and other non-economic institutions in which innovative products, processes or services are newly or further developed on the basis of technology transfer.

Type and scope of funding:

- Non-payable grants
- Thematically open (no thematic limitations)
- Maximum funding of EUR 500,000 (per project)
- Project duration of up to three years
- An equity stake may be acquired by foreign partners.

➤ **BRIDGE – Know-How Transfer:**

→ www.ffg.at/en/bridge

The BRIDGE funding program represents a joint initiative of the FFG and the Austrian Science Fund (FWF) designed to fund projects at the interface between basic scientific research at research institutions and experiment development in companies.

The BRIDGE program is a thematically unspecified program, which means that project applications are not thematically restricted.

Target groups:

- Startups
- Small and medium-sized companies
- Large companies
- Universities and universities of applied sciences
- Competence centers
- Research facilities

➤ **BRIDGE 1:**

→ www.ffg.at/bridge1

The funding line BRIDGE 1 is offered within the context of the BRIDGE program. Funding is available for all research topics. This funding line aims to fund near-basic research projects. In this case, the majority of project costs (at least 80 percent) must be borne by the scientific partner. The participating companies contribute to the project by providing financial support as well as performance in kind and manpower (up to 20 percent) to the project.

The objective of the BRIDGE 1 funding line is to jointly further develop the potential of fundamental research and experimental development. BRIDGE 1 contributes to deepening the research cooperation between the scientific and business communities, facilitates access to scientific research on the part of small and medium-sized enterprises (SMEs), facilitates the transfer of researchers from universities to economic research and intensifies research performance in the fields of high quality industrial research and experimental development.

➤ **Global Incubator Network (GIN):** (→refer to page 24)

→ www.ffg.at/en/global-incubator-network

Global Incubator Network is a joint initiative of Austria Wirtschaftsservice (aws), the Austrian Research Promotion Agency (FFG), Vienna Business Agency, the Foreign Trade Promotion Organization of the Federal Economic Chamber and ABA-Invest in Austria.

GIN supports innovative startups with respect to research cooperation. The network contributes towards further improving the economic and financial infrastructure for startups, investors and startup agencies in Austria. GIN enables access to information about innovative young companies, business incubators, business angels, venture capital funds, support measures offered by business promotion and funding agencies and possibilities for technology transfer. It provides relevant contacts on both a national and international level.

➤ **goAustria:**

As part of the Global Incubator Network, goAustria offers a funding line with two sets of funding options featuring different types of vouchers for international startups:

➤ **goAustria individual:**

"goAustria individual" is part of the Global Incubator Network (GIN). Based on a specific research and development project, participants selected by a jury of experts can integrate a variety of service providers such as incubators/accelerators or other service companies in developing individual internationalization plans. The total funding amounts to a maximum of EUR 5,000.

→ www.ffg.at/en/goaustria-funding-criteria

➤ **Thematic Programs:**

→ www.ffg.at/en/content/thematic-programmes

On the basis of its thematic programs, the FFG establishes research priorities in strategic thematic areas. In this way, it makes targeted investments in future issues. These thematic areas are subject to calls for tender once or twice a year.

FFG provides assistance for **cooperative R&D projects** (funding of up to EUR 2 million), **investigations** (funding of up to EUR 200,000) and **key projects** (funding of up to EUR 2 million depending on the available tender budget).

Thematic priorities:

- Life Sciences
- Information technology
- Material and production
- Energy and environment
- Mobility
- Space
- Safety and security

Target groups:

- Companies:
Startups, small and medium-sized firms, large companies
- Research organizations:
Universities, non-university R&D institutes
- Non-economic institutions:
Municipalities, non-profit organizations

Pre-requisites and type of funding:

- The submitted projects address the specific focal points of the tender.
- Cooperative character of the project is demonstrated by cooperative agreements.
- The amount of funding is oriented to the particular research category (industrial research or experimental development) and the size of the company.
- Funding is provided as non-repayable grants.
- An equity stake may be acquired by foreign partners.

➤ **R&D Competences for Industry:**

→ www.ffg.at/en/rd-competences-industry

The FFG promotes the buildup, deepening and expansion of competencies. Companies (primarily SMEs) are supported in the systematic development and higher qualification of their existing research and innovation staff. A further focus of the program is to promote the embedding of company-relevant research priorities at Austrian universities and universities of applied sciences.

Three funding instruments focus on different target groups:

- **Increased expertise: Qualification seminars**
Entry into new technology fields based on short-term, time-limited and customized qualification seminars.
Target groups: Small and medium-sized enterprises
Funding amount: Max. EUR 50,000
Duration: Maximum of six months

- **Deepening of expertise: Qualification networks**
Buildup of innovation competencies based on medium-term, time-limited and customized qualification networks between companies and universities or universities of applied sciences.
Target groups: Small and medium-sized enterprises, large companies
Funding amount: Max. EUR 500,000
Duration: 1-2 years

- **Expertise enhancement in applied research: Innovation courses**
Long-term qualification network, sustainable establishment of business-related topics at a high scientific level which have not been previously addressed.
Target groups: Small and medium-sized enterprises, large companies
Funding amount: Max. EUR 1 million
Duration: Minimum of 2 and maximum of 4 years

The most important R&D funding programs of Austria Wirtschaftsservice

➤ **aws Seedfinancing:**

→ www.aws.at/foerderungen/seedfinancing

aws Seedfinancing funding takes place on the basis of non-repayable grants. aws provides financial assistance for the founding and development of innovative high-tech companies. This financing offering addresses companies in all high-tech fields, for example focusing on information and communications technology (ICT), physical science and life sciences.

Pre-requisites:

- Technological intensity and innovation
- High growth potential of the company
- High level of commitment and risk propensity on the part of company founders
- Presentation of a business plan
- Classification as an SME (in line with the EU definition)
- At least one of the company founders must
 - be a resident of Austria
 - work 100 percent of the time in the company and
 - hold a stake of at least 25 percent in the company

Fundable projects:

Costs arising from establishing a high-tech company and/or business development costs of an existing enterprise that is no older than five years are eligible for funding.

Fundable costs:

- Founding and market entry costs
- Staff costs
- Studies and concept costs
- Fees for external consultants
- Operating equipment/materials
- Costs for property rights (patents, brands)

Type and scope of funding:

- Provision of financial resources for establishing and developing a high-tech company
- Consulting and support services during the funding phase

Funding is based on a success-oriented refundable grant paid in installments. The maximum amount of funding is EUR 800,000.

Duration:

Payment period: 1 to 2 years

Repayment period: Up to 12 years depending on the project

➤ **aws PreSeed Financing:**

→ www.aws.at/foerderungen/aws-preseed

aws PreSeed supports the pre-startup phase of technologically sophisticated companies in the high-tech field. The aws PreSeed Financing program focuses on information and communications technology (ICT), physical science, life sciences and nanotechnology.

Pre-requisites:

- Pre-startup phase
- High technological intensity and international innovation
- High potential of commodification
- High level of commitment and risk propensity on the part of company founders
- High market potential
- Pre-startup phase

Fundable projects:

The aws PreSeed Financing program provides assistance for pre-startup costs arising from the scientific implementation as well as evaluation of and preparation for the economic exploitation of the project.

Fundable costs:

- Staff costs
- Studies and concept costs
- Costs for supplies

Type and scope of funding:

Funding is based on non-refundable grants. The maximum financing volume is up to EUR 200,000. The funding is paid as performance-based installments.

Duration:

18-24 months

➤ **aws Guarantee R&D&I:**

→ www.aws.at/foerderungen/aws-garantien-fuer-investitionen-in-oesterreich

The objective is to enable or facilitate the financing and promotion of promising research, development and innovation projects of domestic companies, especially when there is no or sufficient bank collateral.

Target groups:

- Companies of all sizes

Fundable projects/costs:

- Research projects
- Development and innovation projects
- Construction of pilot and demonstration facilities
- Investments in a high-quality research infrastructure

Type and scope of funding:

Assumption of guarantees for investment and operating loans at a guarantee rate of up to 80 percent of the financing amount.

In individual cases, aws can assume liability for a commitment (=loan value the same as the guarantee rate) of EUR 25 million if investment and operating loans are combined.

Duration:

Up to 10 years as a rule (maximum of 20 years).

Startup and growth promotion

Austria Wirtschaftsservice (aws) and the Austrian Research Promotion Agency (FFG) offer funding and consulting programs for projects ranging from their startup to growth phase. Depending on the planned investment, financial support is based on low-interest funding loans, loans, guarantees, grants and equity-strengthening measures. This spectrum enables individual and tailor-made assistance to be provided.

Regional funding: ¹⁾

This funding measure is available to companies investing in an Austrian region eligible for national regional investment aid. The application for grants from EU funding takes place together with national funding. It is not necessary to submit a separate EU funding application.

➤ **FFG Regional Funding EFREtop**

→ www.ffg.at/efre

FFG is participating in the EFRE program "Investments in Growth and Employment in Austria 2014 -2020", and makes funding available from the European Fund for Regional Development (EFRE) for corporate research projects within the framework of the regional development promotion program EFREtop.

Financing of the funded projects consists of EFRE financial resources and national funding. The funding line is thematically open, and applications can be submitted at any time.

Target groups:

- Small and medium-sized firms
- Large companies

Fundable projects:

EFREtop promotes projects in the field of industrial research and experimental development.

- Individual projects on industrial research can be funded with a cash value of up to 50 percent regardless of the company size.
- Individual experimental development projects can be funded up to the legally maximum permissible cash value, which is oriented to the company size. In cases of research partnerships, a funding level of up to 40-50 percent is possible.

Duration:

12 months

¹⁾ Regional aid areas pursuant to EU state aid rules (→page 3)

Funding program for small and medium-sized enterprises (SMEs ¹⁾ and midcaps:

Small and medium-sized enterprises in the service and commercial sectors, especially companies in the manufacturing sector and production-related service companies and retailers are the driving force of the Austrian economy.

A broad range of funding programs exist for them:

- **Grants** support the challenging ramp-up phase of startup projects and serve as incentives for growth-oriented
- **Low-interest ERP loans** facilitate access to financing, improve the financing structure and reduce financing costs.
- **Guarantees for bank loans** expand financing flexibility and reduce the economic risk.

➤ **aws ERP-Growth and Innovation Loan:**

→ www.aws.at/foerderungen/aws-erp-wachstums-und-innovationskredit

Support is provided to innovation and growth projects of small and medium-sized enterprises and medium-sized corporates (mid-caps). The financing offering is oriented to growth-oriented companies operating in the following sectors: industrial and commercial production, research and development, transport and traffic, processing companies for agricultural products in first-stage processing and the retail sector. One special priority is the field of environmental and energy technology as well as digitalization and Industry 4.0.

Target groups:

- Growth-oriented small and medium-sized enterprises (in line with the EU definition of SMEs)
- Medium-sized corporates (midcaps with up to 3,000 employees)

Fundable projects:

- Startups and business relocations
- Product and process innovations
- Innovative services through implementing in-house research findings
- Acquisition and adaptation of new technologies
- Purchase and adaptation of new technologies
- Startup/expansion of startup and innovation centers
- R&D-projects

Fundable costs:

Fundable costs are investments and capitalized services (in machines, machine equipment, IT hardware, special tools etc.), building investments, land acquisition in the case of a startup or locating company operations, costs for intangible investments (patents, licenses etc.).

Type and scope of funding:

Low-interest ERP loan of up to EUR 30 million

Duration:

Six to ten years (including two or three redemption-free years);

Infrastructure projects: up to 15 years (including five redemption-free years);

R&D projects: six to 12 years (including three to five redemption-free years).

¹⁾ EU definition of SMEs (→page 5)

➤ **aws erp-Small Loan Program:**

→ www.aws.at/foerderungen/aws-erp-kleinkredit

The aws erp-Small Loan program is an instrument to improve the financing structure of small enterprises.

Target groups:

Economically independent, small commercial enterprises of all sectors.
The EU definition of SMEs applies.

Fundable projects:

- Modernization and expansion investments
- Launching entirely new or substantially expanding existing services or business fields

Fundable costs:

Costs for tangible and intangible investments.

Type and scope of funding:

aws erp loan for investments ranging from EUR 10,000 to EUR 500,000, covering up to 100 percent of all eligible costs

Duration:

Six to ten years, including a half-year redemption-free grace period.

➤ **aws SME Guarantee:**

→ www.aws.at/foerderungen/aws-garantien-fuer-investitionen-in-oesterreich

This program aims at enabling or facilitating the financing and promotion of promising projects carried out by small and medium-sized companies in Austria, particularly in cases where the projects do not have any or only insufficient bank collateral.

The program finances measures of startup/expansion/modernization/innovation of a company in Austria, company purchases or acquiring equity stakes.

Target groups:

Small or medium-sized enterprises in the following sectors:
industrial or commercial production, research and development, services, tourism and recreation, transportation industry, trade and enterprises processing agricultural products.

Fundable projects/costs:

- Investments
- Non-investment growth and innovation projects (working capital financing)

Type and scope of funding:

Assumption of guarantees for investment and operating loans at a guarantee rate of up to 80 percent of the financing amount.
In individual cases, aws can assume liability for a commitment (=loan value the same as the guarantee rate) of EUR 25 million if investment and operating loans are combined.

Duration:

Up to 10 years for investments, up to 5 years for working capital.

➤ **aws Guarantee - Innovation & Growth:**

→ www.aws.at/foerderungen/aws-garantien-fuer-investitionen-in-oesterreich

This program aims at enabling or facilitating the financing and promotion of promising projects carried out by medium-sized corporates in Austria (midcaps), particularly in cases where the projects do not have any or only insufficient bank collateral.

Measures of startup/expansion/modernization/innovation of a company in Austria, company purchases or acquiring equity stakes are eligible for funding.

Target group:

Medium-sized corporates (midcaps with up to 3,000 employees) in the following sectors:

Industrial or commercial production, research and development, services, tourism and recreation, transportation industry, trade and enterprises processing agricultural products.

Fundable projects/costs:

- Investments as well as corporate takeovers and company succession (including equity stake in a company in Austria)
- Non-investment growth and innovation projects (working capital financing)

Type and scope of funding:

Assumption of guarantees for investment and operating loans at a guarantee rate of up to 80 percent of the financing amount.

In individual cases, aws can assume liability for a commitment (=loan value the same as the guarantee rate) of EUR 25 million if investment and operating loans are combined.

Duration:

Up to 10 years for investments, up to 5 years for working capital.

➤ **SME Package (FFG):** (→refer to page 8)

→ www.ffg.at/programme/kmu-paket

The SME package puts suitable funding programs at the disposal of innovative small and medium-sized companies as well as startups in every phase of their research and development activities.

Funding program for startups:

Startups are of great significance for Austria as a business location. They initiate new projects, and are key innovation and growth drivers of any sustainably successful economy.

Austria Wirtschaftsservice (aws) and FFG focus on startups and provide entrepreneurs with an extensive range of funding instruments in the startup phase.

Overview of the most important funding programs for startups:

➤ **aws erp-Small Loans for Startups:**

→ www.aws.at/foerderungen/aws-erp-gruendungskleinkredit

Low-interest loan for founders and economically independent, commercial and small companies in all sectors which were established/taken over up to six years before submission of the application

Fundable projects:

- Founding and takeover of companies
- Modernization and development investments
- Build-up of new services of business areas or substantial expansion of existing ones

Fundable costs:

Tangible and intangible investments

Type and scope of funding:

aws erp loan for investments ranging from EUR 10,000 to EUR 500,000, covering up to 100 percent of all eligible costs.

Duration:

Six to ten years, including a half-year redemption-free grace period.

➤ **aws Guarantee for Young Companies:**

→ www.aws.at/foerderungen/aws-garantien-fuer-junge-unternehmen

Assumption of guarantees for the financing of the startup or takeover of economically independent, commercial small firms in all sectors (with the exception of companies operating in the tourism and leisure industry)

Target groups:

Newly-founded and newly taken over small companies, startups

Fundable projects/costs:

- Tangible and intangible investments (e.g. machinery, furnishings, hardware and software, construction measures)
- Company takeovers and company succession (e.g. goodwill, takeover/purchase of existing investments)
- Operating equipment/materials (e.g. purchase of goods, marketing and rental costs)

Type and scope of funding:

Assumption of guarantees for investment loans and loans designed to finance company startups (e.g. business acquisitions) up to a maximum amount of EUR 2.5 million as well as operating loans. The guarantee rate is up to 80 percent of the financing volume.

In individual cases, aws can assume liability for a commitment (=loan value the same as the guarantee rate) of EUR 2 million if investment and operating loans are combined.

Duration:

Up to 10 years for investments, up to 5 years for working capital.

➤ **aws Industry-Startup.Net:**

→ www.aws.at/foerderungen/aws-industry-startupnet

aws provides startups with contacts to SMEs and corporates interested in cooperating in the following areas:

- New sales channels
- Accelerated market access
- Access to strategic partners
- R&D resources (e.g. for prototypes)
- Sector know-how for operating activities (e.g. logistics)

Target group:

Startups in all sectors and established companies

Startups have to fulfill the following criteria:

- Innovative technologies, services and products
- Operating on the market no longer than six years
- Verifiable need and willingness to cooperate
- Pre-selection on the basis of available documentation (business plan)

Type of funding:

Matching services (no costs are incurred)

- **aws Seedfinancing:** (→refer to page 16)
→ www.aws.at/foerderungen/seedfinancing
- **aws PreSeed Financing:** (→refer to page 17)
→ www.aws.at/foerderungen/aws-preseed
- **aws Founders Fund:** (→refer to page 25)
→ www.gruenderfonds.at/en
- **aws Business Angel Fund:** (→refer to page 26)
→ www.aws.at/foerderungen/aws-business-angel-fonds
- **aws i2 Business Angels:** (→refer to page 26)
→ www.aws.at/foerderungen/aws-i2-business-angels
- **aws Venture Capital Initiative:** (→refer to page 26)
→ www.aws.at/foerderungen/aws-venture-capital-initiative

➤ **Global Incubator Network:**

- www.gin-austria.com
- www.aws.at/foerderungen/global-incubator-network
- www.ffg.at/en/global-incubator-network

The Global Incubator Network (GIN), a joint initiative of the Austrian Research Promotion Agency (FFG) and Austria Wirtschaftsservice (aws), is the main point of contact for startups, investors and incubators focusing on the internationalization of innovative Austrian startups as well as the locating and financing of international startups in Austria.

The objective of the program is to promote Austria as a startup hub and at the same time to ensure improved international networking.

Assistance provided to selected startups takes place on the basis of customized measures and support in the form of partnerships, equity stakes and founding initiatives on the part of Austrian institutions. GIN links national incubators and international institutions and creates valuable national and international contacts for investors.

➤ **Startup Package of FFG:**

- www.ffg.at/en/Start-up/FFG-Funding

The Austrian Research Promotion Agency (FFG) promotes innovative startups in every phase of their research and development activities.

➤ **Startup Funding of FFG:**

- www.ffg.at/en/startups

The FFG startup funding scheme provides sustainable support to young innovative entrepreneurs in their efforts to implement technically risky and economically interesting research and development projects, from the initial idea to near-series prototypes.

Target groups:

- Startups
- Small and medium-sized companies

Pre-requisites:

- Company founding dates back no more than five years
- SME (in line with the EU definition of SMEs)
- Innovation of the company
- Innovative and technology-oriented

Fundable projects:

Research and development projects are funded without any limitations or preferences for specified fields of technology.

Type and scope of funding:

The FFG funds up to 70 percent of the legitimate R&D-relevant project costs (material and staff costs) in the form of non-repayable grants and low-interest loans.

Financing and promotion of venture capital

Venture capital funding instruments present an alternative form of financing for innovative, growth-oriented enterprises. In general, they are designed to provide assistance to young research and technology-oriented companies in their startup or growth phase, primarily small and medium-sized enterprises.

These initiatives are managed by the promotion bank Austria Wirtschaftsservice (aws) which does not only allow access to other aws promotion programs but also supports young entrepreneurs up to private investors. The provision of equity or quasi-equity resources at market-compliant conditions perfectly complements existing promotion programs.

Austria Wirtschaftsservice provides an extensive spectrum of measures to promote Austria's venture capital market.

- **Partnerships:** aws Founders Fund, aws Mittelstand Fund, aws Business Angels Fund, Venture Capital Initiative
- **Provision of venture capital:** aws i2 Business Angels
- **Guarantees for companies:** Double Equity Guarantee Fund

➤ **aws Founders Fund:**

→ www.gruenderfonds.at/en

aws Founders Fund is an Austrian venture capital fund. As co-investors, the fund invests in Austrian high-growth startups in their founding and initial growth phases. It offers both startup and follow-up financing in its role as a long-term partner.

Target groups:

Startups

Type and scope of funding:

Open or silent partnership;
Shareholding of between EUR 100,000 and EUR 3 million

Duration:

Long-term, up to 10 years.

➤ **aws Midcap Fund:**

→ www.mittelstands-fonds.at

The aws Midcap Fund participates in growth projects carried out by medium-sized corporates (midcaps) during their expansion phase and invests long-term growth capital, offering follow-up financing for high growth companies.

Target groups:

Medium-sized corporates (midcaps)
(up to 1,000 employees, minimum revenue of EUR 2 million)

Type and scope of funding:

Open or silent partnership;
Shareholding of between EUR 300,000 and EUR 5 million

Duration:

Up to 10 years

➤ **aws Business Angel Fund:**

→ www.aws.at/foerderungen/aws-business-angel-fonds

Business angels are private investors providing capital for innovative projects as well as extensive business know-how and valuable networking contacts for the development of an associate company. They often take a share at a very early stage, when there is only an idea or initial concept and the risk is extremely high.

The aws Business Angel Fund doubles the venture capital of business angels provided for young and innovative small and medium-sized enterprises (of all sectors).

Target groups:

The Business Angel Funds finances innovative SMEs and startups indirectly via selected business angels.

Financing volume:

Starting at EUR 250,000

Duration:

Up to 10 years

➤ **aws i2 Business Angels:**

→ www.aws.at/foerderungen/aws-i2-business-angels

aws i2 Business Angels is the independent business angel network in Austria for placing young, innovative and equity-seeking enterprises with private investors.

Target groups:

Small and medium-sized enterprises (SMEs), startups

Type and scope of financing:

Intermediary service;
Financing volume of up to EUR 500,000 (private venture capital)

Duration:

Long-term equity

➤ **aws Venture Capital Initiative:**

→ www.aws.at/foerderungen/aws-venture-capital-initiative

The aws Venture Capital Initiative supports the mobilization of private venture capital to finance the startup and growth phase of young research and technology-oriented enterprises by means of co-investments with venture capital investors.

Target groups:

Young, research and technology-oriented companies

Type and scope of funding:

Supply of venture capital,
financing volume at an individually set level

Duration:

Agreement on a case by case basis

➤ **aws Double Equity:**

→ www.aws.at/foerderungen/aws-double-equity

Assumption of guarantees to double private equity capital for innovation and growth projects of newly-founded or early-phase small and medium-sized enterprises.

Target groups:

Newly-founded or acquired SMEs (up to six years old)

Type and scope of funding:

Assumption of up to 80 percent of the guarantee for loans with a loan sum of up to EUR 2.5 million.

Duration:

Up to 10 years

Export financing

Companies based in Austria but focused on foreign trade benefit from a highly-developed export promotion system, particularly attractive financing opportunities available to export businesses from Austria's export credit agency, Oesterreichischen Kontrollbank AG (OeKB) and the Export Fund. The receivables from the export business of companies based in Austria can be protected based on federal guarantees as well as private loan insurers.

➤ **OeKB: Export Financing Schemes:**

→ www.oekb.at/en/export-services/financing

Oesterreichische Kontrollbank (OeKB) is Austria's central financing and information provider of the export industry. It finances the exports of goods and services, primarily with medium-term and long-term payment periods, giving special consideration to exports of Austrian capital goods.

The Export Financing Scheme of Oesterreichische Kontrollbank (OeKB) offers enterprises the opportunity of refinancing exports and acquiring stakes in companies abroad. However, this depends on a sufficient credit rating according to criteria defined by OeKB. Moreover, the transactions to be financed are required to comply with legal requirements and need to be carried out within the framework of OeKB's standard procedures for handling transactions.

Financing is based on the following criteria:

- A federal guarantee in which liability is assumed by OeKB in accordance with Austrian export promotion laws
or
- an assumption of liability by a private credit insurer
or
- a guarantee provided by Austria Wirtschaftsservice Gesellschaft mbH
or
- a guarantee provided by an international organization.
- Deliveries/services must directly or indirectly contribute towards improving Austria's balance of payments

➤ **Austrian Export Fund - Export Fund Loan:**

→ www.exportfonds.at/exportfondskredit

The Export Fund supports small and medium-sized enterprises (SMEs) based in Austria by offering global credit facilities as well as loans for developing new markets. This measure enables the funding of continuous export orders and receivables while securing additional liquidity.

Export companies contracting with foreign partners to deliver domestic goods (goods with primarily Austrian value creation) or to provide services abroad are eligible for financing.

The Export Fund requires continuous export activity to grant low-interest global loans up to 30 percent of the previous fiscal year's export revenues or the anticipated export revenues of the current fiscal year. The loan is processed by the company's principal bank.

Tourism promotion

Austria's tourism and recreation industries benefit from numerous targeted and efficient promotion measures. The spectrum of incentives ranges from catalyst project funding and regional project-related support to special EU promotion programs for projects of specific significance to tourism.

➤ **Austrian Hotel and Tourism Bank (ÖHT):**

→ www.oeht.at

Österreichische Hotel- und Tourismusbank Gesellschaft m.b.H. (ÖHT), the Austrian Hotel and Tourism Bank, is a specialized financial institution focusing on the financing and promotion of investments in the field of tourism. The promotion portfolio encompasses grants, low-interest erp loans and the assumption of liabilities to EU co-financing. Moreover, the Austrian Hotel and Tourism Bank offers consulting services primarily in the field of investment and financing. The target groups of the promotion initiative are small and medium-sized enterprises in the tourism and recreational industries.

The promotion measures focus on providing support related to corporate take-overs, business formations, support in modernization, portfolio development, business size optimization, and active assistance in company restructuring.

Environmental promotion

In Austria, corporate environmental promotion is a key federal funding instrument for enterprises investing in environmental and climate protection measures. Investment subsidies are designed as incentives to implement environmental and climate protection projects.

➤ **Kommunalkredit Public Consulting (KPC):**

→ www.publicconsulting.at/eng

Kommunalkredit Public Consulting (KPC) manages environmental support programs on behalf of the Republic of Austria. The portfolio of funding and promotion measures targets companies based in Austria regardless of their size.

The program supports measures with a positive environmental impact (particularly CO₂ reduction and energy saving measures), such as using renewable energy sources, increasing energy efficiency, mobility measures but also projects for preventing or reducing air pollutants, noise or hazardous wastes.

The financing value is calculated by Kommunalkredit Public Consulting and is based on fundable costs and several other factors, including legal requirements, type of measure, and scale of the intended environmental impact. The exact financing value may only be calculated after all required documents have been submitted.

➤ **aws Guarantee Environment:**

→ www.aws.at/foerderungen/aws-garantien-fuer-investitionen-in-oesterreich

Austria Wirtschaftsservice (aws) finances and promotes promising projects aimed at manufacturing environmentally relevant products as well as general environmental protection and energy efficiency measures, particularly in cases where the projects do not have any or only insufficient bank collateral.

The program supports small and medium-sized enterprises as well as medium-sized corporates (midcaps with fewer than 3,000 employees) in the following sectors: industrial or commercial production, research and development, services, tourism and recreation sectors, the transportation industry and enterprises processing agricultural products.

Fundable projects/costs:

- Initial investments aimed at manufacturing environmentally relevant products
- Environmentally relevant application investments, e.g. energy efficiency measures, use of renewable energy sources
- Working capital financing related to project with a clearly-defined environmental focus

Type and scope of funding:

Assumption of guarantees for investment and operating loans at a guarantee rate of up to 80 percent of the financing amount.

In individual cases, aws can assume liability for a commitment (=loan value the same as the guarantee rate) of EUR 25 million if investment and operating loans are combined.

Duration:

Up to 10 years

Creative industries promotion

Thanks to their strong innovative and transformational power, the creative industries comprise a significant driver of growth and innovation in the Austrian economy.

The creative industries strategy of the Federal Ministry for Digital and Economic Affairs focuses on strengthening the competitiveness of the creative industries, intensifying the transformational effect of the creative industries on other sectors, enhancing the strength of the Austrian innovation system and reinforcing the international image of Austria as a creative country of culture and innovation.

Implementation partners are:

Creative Industries Austria: → www.kreativwirtschaft.at/en

Creative Austria represents the interests of the creative industries, offering service and consulting as well as networking activities.

Austria Wirtschaftsservice (aws): → www.aws.at/aws-kreativwirtschaft

aws Kreativwirtschaft is the federal promotion program for the creative industries. Austria Wirtschaftsservice (aws) provides assistance for enterprises of the creative industries and seeks to visualize the relevance of the creative sector in the economy. The promotion offering ranges from funding and education, continuing education and further training offers to targeted awareness measures.

➤ **aws impulse XS:**

→ www.aws.at/foerderungen/aws-impulse-xs

Grant for innovation projects in their early development phase in the context of the creative industries. The target groups are small and medium-sized enterprises of all sectors (existing/startup) and natural persons.

➤ **aws impulse XL:**

→ www.aws.at/foerderungen/aws-impulse-xl

Grant for innovation projects in their development and implementation phase in the context of the creative industries. The target groups are small and medium-sized enterprises of all sectors (existing/startup).

➤ **aws Creative Industries Check:**

→ www.aws.at/foerderungen/aws-kreativwirtschaftsscheck

Promotion of existing small and medium-sized enterprises of all sectors implementing innovation projects in cooperation with the creative industries.

➤ **aws impulse Training:**

→ www.aws.at/foerderungen-1/aws-kreativwirtschaft

Customized education, continuing education and further training offerings for young enterprises in the creative industries. aws impulse lectures are offered to increase their economic competence.

➤ **Film Industry Support Austria (FISA):**

→ www.filmstandort-austria.at

Federal initiative designed to implement film productions, Austrian-foreign co-productions and co-financing.

Funding and promotion agencies in Austria (an overview)

ABA – Invest in Austria does not only work closely with the federal and provincial funding and promotion agencies in Austria but also supports foreign investors on their way to receive funding.

➤ **Förderpilot:**

→ www.foerderpilot.at

The search platform Förderpilot enables the targeted search for suitable funding and services, providing an overview of the funding offerings of Austria's funding and business promotion agencies. The Förderpilot is operated jointly by Austria Wirtschaftsservice (aws) and the Austrian Research Promotion Agency (FFG) and is being gradually expanded to include the offerings of other federal and provincial companies.

➤ **Funding Compass:**

→ www.foederkompass.at

The Funding Compass of the Austrian Ministry for Transport, Innovation and Technology bundles all research promotion programs on one single Website, thus presenting an overview of all relevant promotion measures.

➤ **National companies:**

Austria Wirtschaftsservice GmbH (aws / erp-Fund):

→ www.aws.at

Corporate business promotion

Austrian Research Promotion Agency (FFG):

→ www.ffg.at

Business-oriented research, technology and innovation promotion

Oesterreichische Kontrollbank AG / Export Fund:

→ www.oekb.at, www.exportfonds.at

Export financing

Austrian Hotel and Tourism Bank:

→ www.oeht.at

Funding investments in the tourism and recreation industries

Kommunkredit Public Consulting GmbH (KPC):

→ www.publicconsulting.at

Funding of environmental and energy projects

➤ **Provincial and regional companies:**

Burgenland:

Wirtschaft Burgenland GmbH (WiBuG): → www.wirtschaft-burgenland.at

Carinthia:

BABEG - Carinthian Agency for Investment: → www.babeg.at

Carinthian Economic Promotion Fund (KWF): → www.kwf.at

Carinthia Startup Center: → www.build.or.at

Lower Austria:

ECO-Plus - Business Agency of Lower Austria: → www.ecoplus.at

Office of the Provincial Government of Lower Austria: → www.noe.gv.at

Lower Austrian Guarantees and Investments: → www.noebeg.at

Lower Austrian Border Region Promotion Agency: → infonet.grenzland.at

Upper Austria:

Business Upper Austria: → www.biz-up.at

Office of the Provincial Government of Upper Austria: → www.land-oberoesterreich.gv.at

Upper Austrian Loan Guarantee Company: → www.kgg-ubg.at

Salzburg:

Innovation and Technology Agency Salzburg (ITG): → www.itg-salzburg.at

Office of the Provincial Government of Salzburg: → www.salzburg.gv.at

Styria:

Styrian Business Promotion Agency (SFG): → www.sfg.at

Central Promotion Service - Austrian Economic Chamber in Styria:

→ www.foerderungsservice.at

Tyrol:

Standortagentur Tirol – Location Agency Tyrol: → www.standort-tirol.at

Office of the Provincial Government of Tyrol: → www.tirol.gv.at

Center for Academic Spin-Offs Tyrol: → www.cast-tyrol.com

Vorarlberg:

Wirtschafts-Standort Vorarlberg: → www.wisto.at

Vienna:

Vienna Business Agency: → www.viennabusinessagency.at

LISAVienna - Life Science Austria: → www.lisavienna.at

Vienna Loan Guarantee Company: → www.wkbg.at