

Recommendation regarding the use of funding from the National Foundation for Research, Technology and Development (NSFTE) for 2012

Background

Based on the resolution adopted by the Board of Trustees on 27 September 2011, the Austrian Council for Research and Technology Development has once again been invited by the head of the National Foundation for RTD (in accordance with § 11 para. 1 subpara. 1 of the Austrian act governing the National Foundation for Research, Technology and Development) to put forward a recommendation regarding the use of foundation funding for the year 2012 based on the applications submitted by the beneficiaries.

In times of tight public-sector budgets the National Foundation acquires special significance, which finds expression in the provision of support for longterm, interdisciplinary research (cf. § 2 National Foundation for Research, Technology and Development Act). The Council has thus reiterated the need for a funding volume of EUR 125 million, the sum that was originally intended when the foundation was set up.

The allocation of funding was carried out according to the strategic significance and socio-political relevance of the projects submitted and their categorisation in the global context of Austrian research promotion. The following key areas were additionally laid down for 2012:

- strengthening of the national human potential basis
- support for cooperative high-risk/high-gain initiatives between basic research, applied research and experimental development
- strengthening of the research infrastructure by focusing on initiatives with relevant critical mass and risk potential
- strengthening of venture capital
- excellence in basic research
- strengthening of Austria as a site for companies actively engaged in research.

Given the considerable disparity between the total funding volume applied for and the foundation resources likely to be available the beneficiaries were asked to prioritise the projects and programmes submitted.

Recommendation of the National Foundation for Research and Technology Development 2012

Following detailed examination of the applications, the Austrian Council for Research and Technology Development recommends allocating funding for 2012 as follows:

Institution	Amount in EUR mn.	Programme or Initiative
FFG	19.1	BRIDGE and Competence Headquarters
FWF	14.1	Priority Programmes (SFB, DK)
CDG	4.5	CD Laboratories
LBG	4.1	LB Institute for Cancer Research
ÖAW	8	Impulse Programme PI Plus and Junior Groups
aws	5.2	Venture Capital Initiative
Total	55.0	

Further details of the recommendation made by the Austrian Council are given below, whereby it should be noted that the key areas additionally laid down for 2012 and the order of priority provided by the beneficiaries have been taken into account in the discussion.

In the Council's view one central, long-term strategic concern of Austrian research policy is to improve the interface between science and industry in order to translate research results into marketable products with an economic and socio-political significance. For this reason it recommends offering aid totalling EUR 10 million to the **FFG**'s BRIDGE programme. To safeguard Austria's future through research, development and innovation the programme line 'Competence Headquarters' should receive funding amounting to EUR 9.1 million.

Given the foundation's current endowment levels in 2012 full funding of the **FWF** key area programmes by the foundation does not seem very realistic. With the aim of supporting the development of areas of excellence for research and teaching at Austrian universities and non university-based research institutes, they are making a special contribution to ensuring excellence in the field of basic research. To safeguard this key function the Council thus recommends endowing the **FWF** with EUR 14.1 million.

The Council attaches great importance to initiatives and programmes which reinforce the link between higher education, non university-based research and private enterprise. For this reason the prioritised funding requirement for eight Christian Doppler Laboratories is set to receive funding of EUR 4.5 million in the framework of the Christian Doppler Research Association (**CDG**).

Life Sciences is a field of research with great social significance and major potential for development. The Council therefore recommends allocating EUR 4.1 million to **LBG** to fund the LB Institute for cancer research for four of the seven years of the contractual term originally applied for. If the

evaluation is positive, the objective will be to provide full funding for the remaining period.

Qualitative and quantitative expansion of the human capital base is an essential prerequisite for ensuring excellence in research and innovation in Austria on a long-term basis. The development and availability of well-trained research staff has thus always been a concern of the Council, for instance as demonstrated in the key areas prioritised in the Strategy 2020 position paper and the current work programme 2011+. The initiatives applied for by the Austrian Academy of Sciences (**ÖAW**) are particularly aimed at ensuring long-term funding for junior researchers in Austria.

Given the restricted financial resources of the **NSFTE** it is only possible to fund part of the projects. The Council therefore recommends providing financing of EUR 8 million to two PI-Plus Groups for a period of five years. Depending on the availability of further funding, finance for one or two Junior Groups should also be envisaged.

Compared with other countries, Austria's below-average availability of venture capital for new, innovative companies is one of the main reasons that Austria remains in the position of an innovation follower. The Council has therefore already spoken out several times in the past for the national venture capital (VC) structures to be strengthened and supported the VC initiative of aws for 2010 in its recommendation of 2009. In view of Austria's known structural weakness in this regard, it should be made clear that in future even greater support must be given to this initiative. Given the constraints on funding, the Council therefore recommends financing a smaller VC fund of EUR 5.2 million. Should resources exceed the current availability, a larger fund of EUR 10.4 million could be provided. In addition, the establishment of a seed fund at aws, specifically aimed at technology-based and academic start-ups, should be analysed for further National Foundation tranches for venture capital and to top up or round out existing VC initiatives.