

Recommendation regarding the use of funding provided by the National Foundation for RTD for 2017

Preamble

On the basis of the Foundation Council's decision of 27 September 2016 with respect to awarding funds for 2017 on 3 October 2016, the Austrian Council for Research and Technology Development was invited in acc. With § 11 para. 1 item 1 of the RTD National Foundation Act to issue a recommendation on the use of the Foundation's funding for 2017. This is to be made on the basis of the applications submitted. The total application volume for 2017 is EUR 169,335 million. With regard to the approved EUR 100 million from bank levies the Austrian Council structured its recommendation in line with three scenarios for potentially available Foundation funds for 2017:

1. EUR 10 million (expected to be funding from the National Foundation)
2. EUR 35 million (Foundation funds plus EUR 25 million from bank levies with tranching over four years)
3. EUR 60 million (Foundation funds plus EUR 50 million from bank levies with tranching over two years)

In view of the difficult financial situation, the National Foundation becomes especially significant, this being manifested in the support of long-term effect interdisciplinary research measures (see § 2 of the RTD National Foundation Act).

The Austrian Council advocates a sufficient and sustainable financing of the National Foundation. The Austrian Council is concerned with the extremely fluctuating allocation of funds. The amount of allocated funds since at least 2008 tends to hover far below the EUR 125 million per year provided for in legal stipulations.

The basis for the decision on awarding funds are the strategic importance and socio-political relevance of the projects submitted and their classification in the overall context of Austrian research funding. The Austrian Council also defines the following priorities for awarding funds for 2017:

- Strengthening the national human potential base
- Strengthening competitive funding in basic and applied research
- Strengthening the research infrastructure with initiatives with appropriate critical variables and risk potential
- Measures to strengthen location Austria for research-active companies
- Strengthening risk capital
- Strengthening innovation potential with “Open Innovation”
- Coordination and harmonisation of regional and federal RTI activities

Recommendation

The applications of the beneficiaries for funding by the National Foundation basically comply with the Council’s recommendation on prioritisation and in principle can therefore be supported. Should the worst case scenario of EUR 10 million occur, the Austrian Council recommends no allocation be made to the beneficiaries and the funds be held over to 2018 instead. In the event of a figure above EUR 10 million but below EUR 35 million with the allocation of funds of the National Foundation, the Austrian Council recommends reappraisal. The Austrian Council for Research and Technology Development favours scenarios 2 and 3 on the basis of an extensive audit and evaluation of the projects submitted for the pending allocation of funds (see table on next page). Due to the application volume that is also far above the funds to be expected for 2017 a number of projects cannot be covered by the National Foundation. This has been left out in the table for matters of better transparency.

Beneficiary	Title	Amount applied for in EUR m	Recommendation EUR 35 m	Recommendation EUR 60 m	Reason - comment
FFG	Bridge building programme / BRIDGE	10,00	900	14,00	Bridge is a long-established programme. The cooperation between science and economy is an attractive option. The highest possible allocation in line with the funds available is recommended, which in the first scenario goes beyond the applied for volume of EUR 10 million. If there is no requirement at the FFG side to use the additional EUR 4 million for Bridge, then it must be allocated in line with the other projects submitted with FFG.
FFG	Research partnerships - Industry-related dissertations	2,00	200	2,00	This relatively new programme line promises a boost to human capital in terms of training; the industry shall be integrated in this programme, too. As the Austrian Council has already specified, an own funding mechanism for setting up research infrastructures of critical dimensions is not provided in Austria. These findings are also reflected in the focus points of the National Foundation recommended for 2017. However a greater financial volume must be applied for a beneficial implementation, which is only possible in the third scenario. Within the scope of the special tranche for the National Foundation 2015 and 2016 the Austrian Council already recommended a total of EUR 20 million for the first tender. In terms of long-term and appropriate dimensional financing, the Austrian Council believes consideration within the scope of the Research Financing Act is conceivable. The special research areas (German abbreviation: SFR) are a superb funding concept with very high quality and maximum requirement for research and teaching. SFR financing is an essential factor of top-quality interdisciplinary research in Austria. The PhD programme (German abbreviation: DN) received a very positive evaluation in 2014 with a view to its value for training highly qualified scientists. Although the PhD courses are among the core tasks of the universities, the additional and complementary financing of the structured PhD programme by the FWF seems essential for the universities and further needs. Matching Funds is an innovative governance model that promotes an efficient interconnection of federal and state funding in the RTI area, and it in particular pursues the priorities and recommendations of the FRTI. The CD labs are a proven mechanism in promoting the cooperation between science and economy and for promoting knowledge transfer. The application clearly corresponds with the Open Innovation focus set by the Austrian Council for 2017. Setting up an OS-enabled research institution first in addition to the already existing Competence Centre would be especially welcome here. The initiative proposed by the ÖAW covers an important infrastructure aspect. The international embedding at one location must be positively emphasized in this respect. The Austrian Council believes the initiative is extremely innovative and focuses precisely on the point where leverage is the greatest, i.e. young people. This is a programme with which much can be achieved with relatively little funding. The explicit integration of existing projects must also be positively highlighted. Forturner is a fusion of the two programmes, "Forturner" and "Competence Headquarters". The application was set quite low at EUR 5 million. As the programme was already covered within the scope of the Austria Fund 2016 with EUR 11 million, due to the scarcity of funds for the National Foundation 2017 a recommendation will not be given. However at this point it should be noted that in concerning the Austria Fund it was not intended that beneficiaries should submit the same projects to both sources of funds, the National Foundation and the Austria Fund.
FFG	Forturner	5,00	0	0	"Early Stage" is viewed critically in that on one hand the costs appear very high (70% of funding) and on the other hand the goals of the project are unclear. Furthermore, the quality of the application also appears to be in need of improvement. This involves the FFG's existing funding mechanisms, which focus on digitalisation, without generating corresponding added value.
FFG	Early Stage - early research ideas of innovative companies 21st Century Skills - human resources for digitalisation	5,00	0	0	The destination to other programmes in the Life Science area is blurred. It is also more about a consciousness raising initiative than about an R&D-related project.
FFG	Babar Life - pilot programme for prevention research	5,00	0	0	The Austrian Council does not see any gap to be covered with these support measures. It is much more about duplicating already existing initiatives. Due to the scarcity of funds, preference is given to the second application for the LBG's Open Innovation (see above). The Open Innovation Science Research and Competence Center was already covered in 2016 by the National Foundation and therefore put back for 2017.
COG	Programme Partnership in Research (PIR)	4,00	0	0	
COG	Sustainable establishment of Open Innovation in Science Research and Competence Centre	4,00	0	0	
ÖAW	HumanIS - Humanities and Information Science	4,00	0	0	The application, and its unique position in particular, are viewed critically here. The objectives are broad and insufficiently focused. On the whole the application shows quite a bit of room for improvement.
ÖAW	Speaking Truth to Power? For the professionalization of scientific policy and society consulting	1,78	0	0	The initiative is viewed very critically. Learning from international experiences is missing, so that similar initiatives on EU level, for example, are not considered.
ÖAW	Multi-photon interferometry for quantum networks (NON)	2,90	0	0	An interesting initiative, which unfortunately cannot be funded due to the scarcity of funds.
ans	Venture Capital Initiative (VCI)	10,275	0	0	Basically, the Venture Capital Initiative addresses a weak point of the Austrian RTI landscape. The fund's investments over recent years must now take effect in the system. The percentage of investments outside Austria is still too high. This trend must continue to be observed. Additional funds are therefore not recommended for 2017 either.
ans	Transitional Life Sciences Austria	10,00	0	0	The application also features a very high financial requirement, which can only be covered by the National Foundation with great difficulty. On the negative side we should also say that there is no more docking on other programmes either.
ans	Licensee IP: Technology transfer to SMEs through Innovation Licensing	5,00	0	0	Before new initiatives are started in the IP area the presentation of the national IP strategy and the planned new activities of the patent office in particular must first be seen.
ans / FFG	Expansion of the Global Includer Network	8,00	0	0	The establishment of the Global Includer Network (GIN) was only recently recommended during the course of the special tranche of the National Foundation 2015 for funding. Before this concept is further expanded the Austrian Council believes the sustainability of the initiative's effect should first be observed.
Total		125.9157	3500	60.00	

Pestalozziggasse 4 / D1
A-1010 Wien
Tel.: +43 (1) 713 14 14 - 0
Fax: +43 (1) 713 14 14 - 99
E-Mail: office@rat-fte.at
Internet: www.rat-fte.at

FN 252020 v
DVR: 2110849