

BM.W.F^a

Bundesministerium für Wissenschaft und Forschung

Innovation Union – Austrian Status Report 2012

Disclaimer: This report has been edited by the Austrian Federal Ministry of Science and Research. It constitutes a working paper on staff level and is based on contributions by:

Austrian Federal Chancellery
Austrian Federal Ministry of Agriculture, Forestry, Environment and Water Management
Austrian Federal Ministry of Economy, Family and Youth
Austrian Federal Ministry of Science and Research
Austrian Federal Ministry of Transport, Innovation and Technology
Austria Wirtschaftsservice

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1. Introduction

“Innovation Union“ is one of the seven Flagship Initiatives aiming at implementing the Europe 2020 Strategy. It is a strategic and comprehensive concept understanding innovation in a broad sense and as a greater political goal. In a medium to long-term approach, all political instruments, measures and funds should be planned with a view to their contribution to innovation from the outset. Political concepts of the EU, Member States and Regions should be aligned with each other and mutually reinforce each other. The highest political level of the EU, the European Council, formulates the strategic agenda and monitors progress on a regular basis.

The European Commission proposed 34 commitments in its “Innovation Union”-Communication of October 2010 which has been endorsed by the European Council in February 2011.

The Austrian Innovation Union Status Report provides an overview on where we stand with implementing the 34 commitments in 2012. Depending on the problem addressed, responsibilities for the implementation of the commitments vary from European Commission to Member States or regional level. With the implementation of the National Strategy for Research, Technology and Innovation, Austria will strengthen its performance in research & innovation and aims to move forward to become part of the group of innovation leaders by 2020.

2. Strengthening the Knowledge Base and Reducing Fragmentation

Measures to improve the framework conditions for innovation cover all aspects of the *knowledge triangle*. Member States are called to develop national strategies for providing a sufficient number of researchers.

The Austrian Government has put in place a range of measures aimed at training providing a sufficient number researchers to meet its R&D targets and at promoting attractive employment conditions in public research institutions.

Table 1 presents the stock of researchers by Head Count (HC) and Full Time Equivalent (FTE) and in relation to the active labour force for Austria.

Table 1 Human resources – Stock of researchers

Indicator	Austria	EU Average
Head Count per 1 000 active labour force (2008)	13.69	9.45
Head Count (2008)	58 217	-
FTE per 1 000 active labour force (2009)	8.06	6.63
Full time equivalent (FTE) (2009)	34 501	-

Source: Researchers' Report 2012, Country Profile: Austria, Deloitte

Table 2 below presents key programmes and initiatives intended to implement the strategic objectives to train enough researchers to reach Austria's R&D targets, to promote attractive working conditions, and to address gender and dual career aspects.

Table 2 Programmes and Initiatives

Measure	Description
Austrian RTD Strategy – National Strategy for Research, Technology and Development of the Austrian Federal Government (2011)	The Austrian RTD Strategy defines Austria's strategic and operational goals, sets priorities, and sets down support measures aimed at promoting research, technology and innovation over the next decade.
National Action Plan for Researchers (2009)	As a response to the European Commission Communication "Better Careers and More Mobility: A European Partnership for Researchers", the Austrian government has issued a "National Action Plan for Researchers". The Action Plan calls for a three-year partnership between Member States and the European Commission with the objective of ensuring a sufficient number of researchers in Europe. It aims at achieving progress in the following areas: <ul style="list-style-type: none"> – Open and competitive recruitment of researchers as well as cross-border portability of research grants; – Social security and supplementary pension needs of researchers; – Attractive employment and working conditions for researchers; – Enhancing the training, skills and experiences of researchers.
Strategy for Excellence of the Austrian Council for Research and Technology Development (2007)	The strategy proposes a strategy to increase the overall quality of research and contains concrete measures to boost the development of top-level international research in Austria.
Together for Austria – Programme of the Austrian Federal Government 2008-2013 (2008)	The multi-annual Together for Austria Programme aims at investing in education, science and research with the ultimate goal of securing the foundations of Austria's future prosperity and thus offer young people optimal opportunities as they embark on a (researcher) career.

Source: Researchers' Report 2012, Country Profile: Austria, Deloitte

Promoting excellence in education and skills development is another challenge within this approach. The Commission has begun to support initiatives for **benchmarking university performance**.

There are different ways to measure and make transparent the performances of higher education institutions. With its "U-Multirank" feasibility study the European Commission promoted the development of a new tool aiming at designing and testing a user-driven, multidimensional and international ranking for higher education institutions. The feasibility phase showed that moving beyond existing rankings and their design is possible and that a multidimensional ranking framework is feasible. Besides the feasibility study also showed that further development of certain aspects was needed.

In 2012 the Commission published a call for tender for a pilot initiative for the further development of this new ranking framework, with a view to making it sustainable and self-supporting in the long-term. This new tool will allow users to create individualised rankings and to inform choices and decision-making by all higher education stakeholders. First results shall be available in 2013.

The Commission will also support business-academia collaborations through the creation of "Knowledge Alliances" between education and business to develop new curricula addressing innovation skills gaps (see also Annex: Commitment 3 on e-skills). They will help universities to modernise towards inter-disciplinarity, entrepreneurship and stronger business partnerships.

Concerning **framework conditions** for research in Europe, the free movement of researchers and knowledge should be achieved by 2014. As a consequence, the European Commission has published its Communication on a reinforced partnership for excellence and growth in July 2012. Member States and, as a novelty, research stakeholder organisations (such as Science Europe, EARTO, EUA) are addressed to implement measures in five key areas:

- More effective national research systems – including increased competition within national borders and sustained or greater investment in research.
- Optimal transnational co-operation and competition - defining and implementing common research agendas on grand-challenges, raising quality through Europe-wide open competition, and constructing and running effectively key research infrastructures on a pan-European basis.
- An open labour market for researchers - to ensure the removal of barriers to researcher mobility, training and attractive careers.
- Gender equality and gender mainstreaming in research – to end the waste of talent which we cannot afford and to diversify views and approaches in research and foster excellence.
- Optimal circulation, access to and transfer of scientific knowledge including via digital ERA - to guarantee access to and uptake of knowledge by all.

The European Commission also proposes to set up a monitoring mechanism closely linked to the European Semester in order to measure progress in overcoming barriers to the free movement of researchers and knowledge.

In Austria, a discussion process with relevant stakeholders on how to implement the recommendations of the Commission has been initiated in autumn 2012. The next steps will be to identify what has been achieved so far, in which fields Austria needs to put in place reforms and how to tackle them.

The design of **Future EU Research and Innovation Programmes** should focus EU funding instruments on Innovation Union priorities. The European Commission published its proposal for the next EU Research and Innovation Programme on 30 November 2011. The programme

– called “HORIZON 2020” – will have a more integrative character than earlier framework programmes, e.g. because of the integration of the EIT and of the innovation related parts of CIP (the “Competitiveness and Innovation Programme”). The programme will be based on three pillars: (1) Excellent Science, (2) Industrial Leadership, (3) Societal Challenges.

The negotiations on HORIZON 2020 started in February 2012. So far, the Council has adopted Partial General Approaches on the Regulation establishing HORIZON 2020, the Rules for Participation and on the amendment of the EIT-Regulation (regarding the structural integration of the EIT). Further Partial General Approaches on the Specific Programme for the implementation of HORIZON 2020 and on the Strategic Innovation Agenda of the EIT are currently under negotiation.

Small and medium sized enterprises’ (SMEs) involvement will be encouraged by including a 20 % target for SMEs of pillars 2 and 3 of Horizon 2020. At the Competitiveness Council , Member States have also given a positive opinion on the Eurostars programme, an Art. 185-initiative focused on research-intensive SMEs. In June 2012, a strategic policy document (the "Budapest Document") on "Eurostars 2" was officially released at the EUREKA Ministerial Conference in Budapest.

Science policy making should be underpinned by a reinforced forward-looking capacity including foresight, forecasting, technology assessment and modelling. The European Forum on Forward Looking Activities (EFFLA) was therefore created to bring together existing studies and data and involve public and private stakeholders to improve the evidence base of policies. The Forum brings together a set of high-level experts and decision makers from academia, industry, government, European and international organisations, NGOs and think tanks, with very diverse profiles, able to mobilise the best available expertise and interact with broader networks.

The Forum was launched in Brussels on 23 September 2011. The EFFLAs objectives are to advise the Commission on the early identification of emerging or disruptive grand societal challenges and detect the missing research and innovation challenges. EFFLA will investigate the needs for further forward-looking activities and advise the European Commission on how to embed forward-looking activities in (R&I) policymaking.

Characterised as a role model for stimulating innovation in Europe covering the entire innovation chain, the **European Institute of Innovation and Technology** with its Knowledge and Innovation Communities (KICs) aims to bring the world's best creative and innovative partners from research, business and academia to work together on major societal challenges. The EIT will thus foster innovation-driven research as well as business creation and development, including through entrepreneurial education, which will be recognised in multi-disciplinary "EIT-branded" degrees that partner universities within the KICs will award. New flexible financing of high-risk entrepreneurial activities and leveraging philanthropic funds in support of innovation will be developed by the EIT Foundation.

The European Commission submitted its proposal for the Strategic Innovation Agenda (SIA) of the EIT on 30 November 2011 as part of the HORIZON 2020 proposal. In the SIA, the EC proposes to establish six further KICs in two waves (2014 and 2018):

- Innovation for healthy living and active ageing (2014)
- Raw materials – sustainable exploration, extraction, processing, recycling and substitution (2014)
- Food4future - sustainable supply chain from resources to consumers (2014)
- Added-value manufacturing (2018)
- Smart secure societies (2018)
- Urban mobility (2018)

This proposal is currently being negotiated by the Council.

3. Access to Finance for Innovative Companies

According to the Commission proposal, a total amount of 80 billion EUR will be budgeted for Horizon 2020, out of which 3.6 billion EUR will be reserved for financial instruments (subject to current budget negotiations). One of Austria's main concerns, namely relevance for SMEs, was met by the Commission taking up the Austrian proposal of dedicating of one third of this budget for SMEs. Looking closely at financial instruments, these can be divided into two main categories:

1. Debt/guarantee-based instruments: In FP7, a **Risk Sharing Finance Facility (RSFF)** was developed by the Commission in cooperation with the European Investment Bank (EIB). This instrument was successful and will be continued as RSFF-II in Horizon 2020. But experience has shown that the RSFF has not been completely accepted by the SMEs, hence a new instrument called "Risk Sharing Instrument for Innovative and Research-oriented SMEs and Small Mid-Caps" (RSI) has been developed. Currently, still under FP7, a pilot phase with a maximum of 15 financial intermediaries shall show the potential of this new instrument. A renowned Austrian bank was the first financial intermediary which signed a contract with the European Investment Fund (EIF). Due to intense negotiations with EIB and EIF, commercial banks as well as promotional banks shall be eligible for the RSI after its pilot phase (e.g. in Austria the AWS - Austria Wirtschaftsservice).
2. Equity/Venture Capital (VC)-based instruments: Equity instruments are a new element in the forthcoming Horizon 2020 programme. So far, equity financing has only taken place in the CIP Programme. The possibility to combine national initiatives for venture capital with European instruments (fund-in-fund; EU top-up for national VC-initiatives on fund-basis) is essential for Austria. The current Horizon 2020 proposal will enable such mechanisms.

As a reaction to a rather weak VC market throughout the EU, Austria will launch a national initiative for young entrepreneurs in 2013, to implement funds for business angels and business formations.

Based on the European Commission's Action Plan to improve access to finance for SMEs (COM (2011) 870 final) and the Single Market Act (key actions 1 & 8), the European Commission issued in December 2011 a proposal for a Regulation on European **Venture Capital Funds** (EUVECA), in parallel with a proposal for a Regulation on European Social Entrepreneurship Funds (EUSEF). The key elements are:

- Improving access to equity-based financial instruments for SMEs
- Establishing a common framework to guarantee equal conditions for fund managers within the European Union ('European passport')
- Defining common standards for e.g. portfolio composition, investment techniques, eligible investment targets, protection of investors
- Uniform requirements of registration monitored by ESMA

The elimination of unfavourable cross-border tax treatments - as mentioned in the outline above - is not part of this regulation. However, a public consultation process dealing with "Tax problems linked to cross-border venture capital investment" was launched in August 2012

Currently both Regulations (EUVECA & EUSEF) are in Trilogue between the Council, the Presidency and the European Parliament. Recently, a compromise regarding the last open issue - establishment of funds labelled EUVECA or EUSEF in third countries with favourable taxation regimes - is apparent.

In the context of **cross-border matching of innovative firms** with suitable investors, Mr. Anthony Clarke, Chairman of the British Business Angel Association, was announced to lead the process In September 2011,. He will act as head of an expert group to evaluate existing problems and to submit a proposal for implementation.

This expert group met three times between November 2011 and March 2012. As a final result, a paper entitled "Report of the Chairman of the expert group on the cross border matching of innovative firms with suitable investors" was published on July 20th, 2012. This report deals with the crucial challenges with regard to solving the existing problems:

- Addressing the strong reduction of available venture capital in Europe and supporting funds with real potential for success
- Supporting the emergence of Business Angels to close the early-stage financing gap, and professionalizing them
- Monitoring the emergence of new sources of funding that employ social media (crowd funding)
- Supporting a better training of Europe's innovative entrepreneurs and enhancing their access to information
- Addressing shortcomings in converting EU research projects into innovation
- Utilising the strength of the Enterprise Europe Network (EEN) to deliver information to innovative companies.

The main issues for 2013 and 2014 will be the implementation of the pilot phase as well as the gradual implementation of measures dealing with the crucial challenges mentioned.

To be able to close market gaps in investing in innovation in Europe, the European Commission is due to change the regulatory framework. In 2011 the Commission published a Staff Working Paper „Mid-Term Review of the R&D&I” and carried out a Public Consultation on the **Review of the EU state aid rules** for research, development and innovation. Many public authorities as well as registered and non-registered organisations took part in this consultation.

Based on the outcomes of this public consultation and the above mentioned mid-term review the Commission will communicate the Draft Proposal on the new EU state aid rules for R&D&I to the EU Member States for discussion. It is foreseen that the new EU state aid rules for R&D&I will be finalised in the course of year 2013 for coming into force as from 1st of January 2014.

4. A Single Innovation Market

The European Parliament and Council have been called to take the necessary steps to adopt the proposals on the **EU Patent**. In June 2012, the European Council agreed on the solution for the seat of the Central Division of the Court of First Instance of the Unified Patent Court (tri-partition between Paris, London and Munich). Along with this decision, the European Council suggested the deletion of three Articles concerning material provisions of the Regulation implementing enhanced cooperation in the area of the creation of unitary patent protection. As a consequence, the European Parliament postponed its plenary vote on the patent package. Renewed discussions between the European Parliament and the Council as well as the Member States should result in a well-balanced compromise and a First Reading agreement on the unitary patent package by the end of 2012 or the beginning of 2013.

Eco-innovation should bridge the gap between research and the market by developing products which help to protect the environment.

It is not a singular topic in Austria but is covered in several instruments and different Ministries. The ministries for research, economy and the environment are responsible for the promotion of Eco-Innovation.

The task of managing the implementation of eco-innovation related policies has to a large extent been outsourced to specialised agencies. The two big players in the context of innovation that implement eco-innovation friendly programmes for the ministries are the Austrian Promotion Bank (Austria Wirtschaftsservice, AWS) and the Austrian Research Promotion Agency (FFG). AWS offers Austrian companies a broad range of company-specific investment promotion programmes and services (such as loans, guarantees, grants

and/or equity as well as consultancy services) and FFG is the national funding institution for applied industrial research in Austria. Beside these general innovation instruments the Environmental Fund, managed by the Kommunalkredit Public Consulting (KPC), also finances the market uptake of innovative measures beyond the prototype stage.

Regarding **standardisation** as a measure to enable interoperability and foster innovation, the Council adopted a regulation aimed at modernising and improving the European standardisation system in October 2012. Harmonised standards are a well-established tool for promoting the technical conformity of products. They are drawn up by the European standardisation bodies (ESOs) and open to voluntary, though widespread, use by manufacturers throughout Europe in order to fulfil essential requirements of products laid down in EU legislation. The European Commission regularly gives mandates to the ESOs for developing new standards. The regulation adapts the current legal framework to simplify it and to cover new aspects in order to reflect the latest developments and future challenges in standardisation. It includes, in particular, means for the development of voluntary standards for services and not only for products as it is the case nowadays.

The basis for the standardisation reform was put forward in the Commission communication "A strategic vision for European standards" of June 2011. The new Regulation will apply from January 2013.

In the field of **public procurement** activities at European and national level have been implemented. At EU level, the Commission has put in place a spate of different initiatives and actions stimulating demand-side innovation policies in general and public procurement to foster innovation in particular. Examples are the followings: The Lead Market Initiative has been implemented to "test" prioritised policy instruments (legislation, public procurement, standardisation and complementary actions) in 6 selected markets¹. In September 2012 the Commission carried out a public consultation on demand-side innovation policies (results not available yet). In order to address barriers, good practice, common development of pilots etc., the Commission has launched specialised networks and projects of public procurers (Austria is participating in some of these projects). In February 2012 the Commission published a "Feasibility Study on Future EU Support to Public Procurement of Innovative Solutions"² which was discussed in the European Parliament.

In accordance with Commitment 27, since 2011 the European Commission has been piloting the European Public Sector Innovation Scoreboard (EPSIS) as a first basis to benchmark public sector innovation in Europe. Public procurement plays a significant role in the set of indicators.

¹ The evaluation of the LMI can be seen at: http://ec.europa.eu/enterprise/policies/innovation/policy/lead-market-initiative/final-eval_en.htm.

² (http://ec.europa.eu/enterprise/policies/innovation/policy/lead-market-initiative/files/meeting-procurement-feb2012/study-eu-support-public-procurement-innovative-solutions_en.pdf)

As part of these developments, the Austrian government adopted an "Action Plan on Public Procurement Promoting Innovation (Leitkonzept für eine innovationsfördernde öffentliche Beschaffung) in September 2012. The process towards this strategy was conducted by the Ministry of Economy, Family and Youth (BMWFJ) and the Ministry of Transport, Innovation and Technology (BMVIT) and included more than 100 stakeholders.

The main objectives of the Action Plan are:

- to encourage industry to deliver innovative goods/services (reference or leading markets)
- to supply public bodies and citizens with advanced and (eco-)efficient goods/services.

In implementing this strategy, preferential treatment is given to the following actions: establishing a service point at the Federal Procurement Agency (BBG) and corresponding PPPI centers of competence, launching pilot projects, addressing innovation as a secondary procurement objective (in analogy to ecological, social and SME-related issues) in the legal framework (Bundesvergabegesetz), and improving the system of data collection and of measuring innovation in public procurement.

5. Promoting openness

The exchange of know-how and technologies between universities and the industrial community is constantly triggering an ongoing stream of developments and inventions. This process, known as **technology and know-how transfer**, constitutes one of the key factors for innovation in business. Cooperation between universities and industry happens in many ways and within a variable legal framework. Frequently, the legal and administrative input required to harmonise collaboration is substantial.

Many of the EU's recommendations and „best practice“ examples regarding Knowledge Transfer and Intellectual Property Rights have been implemented on the national level in Austria³. As an example, in the ongoing performance agreements of the Federal Ministry for Science and Research with the universities and the Austrian Academy of Sciences, assurance was given that reliable and sustainable intellectual property and utilisation strategies would be developed which enable partners from the economy to formulate long-term research targets.

Furthermore, an Intellectual Property Agreement Guide (IPAG) has been elaborated. In order to reduce this effort, a working group has been organised by the Austrian universities in cooperation with Austria Wirtschaftsservice GmbH, the Federal Ministry for Science and Research, the Federal Ministry of Economy, Family and Youth, the Federal Ministry of Transport, Innovation and Technology as well as economic, industrial and legal experts. The working group has set itself the task to draw up a Guideline in the form of a manual with

³Austrian Status Report 2012 to the European Commission
http://www.era.gv.at/attach/European_knowledge_transfer_policy_survey_2012_v10_AustriafinalversionsterreichischerStatusbericht.pdfdocuments

modular units for agreements to cover cooperative ventures between universities and businesses. IPAG is funded by the IP- National Contact Point. In its work, the group is guided by previous international experience.

Austria has initiated long term governmental programmes to support university-industry collaboration financially as well as administratively in order to promote technology transfer between the PROs and industry (e.g. COMET, BRIDGE, Laura Bassi, Research Studios Austria, Christian Doppler Laboratories). As a consequence, student's training for IP and transfer activities has been implemented in several curricula at universities. As laid down in the Austrian Strategy for Research, Technology and Innovation the establishment of Knowledge Transfer Centers is planned: The pooling of resources between universities at local or regional level shall be promoted. The governmental programmes "AplusB Zentren", "PreSeed" and "Seedfinancing" support earlystage dynamics of technology-based and innovative firms and are intended to increase the number of knowledge- and research-intensive new start-ups.

The Austrian Science Fund supports **open access**. Each research work which has been funded by the Austrian Science Fund has to be published open access. The increase of open access publishing has been supported financially by the Federal Ministry of Science and Research. With the implementation of the National Strategy for Research, Technology and Innovation Austria will strengthen its performance in research and aims to move forward to become part of the group of innovation leaders by 2020.. A new data base (PHAIDRA) has been created to do so. It is run by the University of Vienna. This Database has an increasing number of participants so far. Most of them are universities. Nowadays the Ministry of Science and Research is engaged in negotiating the new three years contracts with the universities. Open access is a topic too. In every contract you can find a paragraph how the university is handling the topic and what kind of collaboration they are planning to cope with the challenges. In the end of November the Austrian Science Fund will initiate a working group on open access. This group will have members from research institutions, universities and the federal ministry for science and research.

Austrian Institutions are negotiating the participation in SCOAP3 which was developed by CERN.

6. Capitalising on Europe's Creative Potential

In order to exploit the full potential of **creative industries**, in particular design, the Commission has launched the European Design Innovation Initiative (EDII) for innovation. Within this action the European Design Leadership Board (EDLB) was established in 2011 to provide recommendations on how to enhance the role of design in innovation policy at national, regional and local level. Over a period of 1 year the EDLB has developed 21 recommendations that are positioned across six areas of strategic design action (Report: "DESIGN FOR GROWTH AND PROSPERITY") which are: Differentiating European design

on the global stage, positioning design within the European innovation system, mobilising design for innovative and competitive companies, making better use of design for an innovative public sector, positioning design research for the 21st century and developing of design competences for the 21st century.

The main European event in 2012 was the European design innovation summit in September in the frame of the World Design Capital Helsinki. Austria actively participated in this event, in particular in the design exhibition. In this context the Austria Design Net was established supported by the Ministry of Economy, Family and Youth within the scope of its programme "evolve" that promotes the creative industries in Austria. The ADN consists of the main actors in the field of design in Austria (*designaustria*, *designforum Wien*, *VIENNA DESIGN WEEK*, *MAK - Österreichisches Museum für angewandte Kunst / Gegenwartskunst*, *Creative Industries Styria*) and serves as a platform for design organizations in Austria. One of the tasks is to organize national or international actions in the area of design.

In general, evolve promotes creative entrepreneurs on the basis of a package of measures tailor-made to their individual needs – in all sectors and to stir services and know-how of the creative industries (design, multimedia etc.) into innovation in the so-called "traditional" sectors, particular SMEs. To support these co-operations a creative industries voucher (Kreativwirtschaftsscheck) will be launched at the beginning of next year.

Besides the direct (monetary) support of companies or projects in the creative sector (as in the "impulse" programme), evolve provides a broad range of services and takes also measures to strengthen the public acceptance and awareness of creative goods and services and to raise the visibility of the creative industries on both the national and international level.

Commission announced proposals to develop a **European knowledge market** for patents and licensing. Austria being member of the ERAC Working Group and other members are currently developing a position paper concerning a common position of knowledge markets.

7. Maximising Social and Territorial cohesion

Smart specialisation is a policy concept for priority-setting where a region can benefit from specialising in a particular area of science and technology. Regional development and growth become knowledge and innovation driven and thereby stimulate structural change. Smart specialisation happens at the interfaces of (1) research and innovation policies, (2) regional/territorial development policies and (3) new industrial policy.

Research and innovation strategies for smart specialisation (RIS3) put the concept into practice by defining the most promising areas of a region's comparative advantages. RIS3 start from a shared vision of a more competitive regional profile – a vision shared by (1) policy makers and regional planners, by (2) the business sector, but also by (3) the lead

institutions of research, technology and creativity (i.e. universities, innovation, technology and design centres etc.). It is thus not only a strategy document but also the entrepreneurial and empowering process of jointly selecting development priorities that make a RIS3.

The Commission has initiated a European **Public Sector Innovation** Scoreboard (EPSIS). During the year 2012, work on EPSIS has been continued. Several workshops have clarified methodological questions, and a first draft version of the scoreboard has been presented.

8. European Innovation Partnerships

Thematic links for activities within the “Innovation Union” are the great societal challenges. These themes will be covered in a holistic approach by the „European Innovation Partnerships (EIPs)“. Heads of State and Governments agreed in 2011 to start a pilot initiative on „Active and Healthy Ageing“. Additional EIPs have been launched in the fields of raw materials, agriculture, smart cities and water efficiency. The European Commission has invited the Austrian Minister of Economy, Family and Youth, Reinhold Mitterlehner to become a member of the Raw Materials High Level Steering Group.

9. External Policies

Integrated Policies to **attract the best researchers** should be enhanced by the European level and by Member States. Austria has implemented measures aimed at attracting and retaining ‘leading’ national, EU and third country researchers. The table below summarises key measures aimed at attracting and retaining leading national, EU and third-country researchers to/in Austria.

Table 3 Measures to attract and retain ‘leading’ national, EU and third country researchers

Measure	Description
Austrian Aliens Act (2011)	An amendment to the Austrian Aliens Act (July 2011) includes the introduction of the “Blue Card” and the “Rot-Weiss-Rot Card” ¹⁰ to attract third-country researchers to Austria.
ASCINA (Austrian Scientists in North America Initiative) (Austrian Office of Science and Technology) (ongoing)	The ASCINA Initiative aims at positioning Austria as an excellent country for research and innovation. It presents current national developments and innovations to Austrian researchers. Moreover, it offers participants an opportunity to learn about recent R&D policy developments, and new career and funding opportunities.
Austrian RTD Strategy (2011)	The Austrian RTD Strategy supports the immigration of highly-qualified scientists to Europe (Austria).
Career Grants Programme (ongoing)	The Career Grants Programme attracts leading Austrian researchers from abroad – the programme is part of the BMVIT’s Talents Initiative by the BMVIT.
Scientific Visa Directive (2005)	Austria has implemented the Scientific Visa Directive 2005/71/EC and recommendations 2005/762/EC and 2005/761/EC. Researchers can find information on the application for a Scientific Visa in the “Guide to Residence and Employment of Foreign Researchers in Austria”.

Source: Researchers’ Report 2012, Country Profile: Austria, Deloitte

Another set of measures have been set up for inward mobility (funding). The table below summarises key measures in support of researchers' inward mobility.

Table 4 Measures supporting researchers' inward mobility

Measure	Description
APART Programme (ongoing)	The APART Programme awards fellowships to national and international students in support of a post-doctoral thesis, or the continuation of a scientific project. Third-country applicants must carry out their research project at an Austrian research institution.
Career Grant (ongoing)	Career Grants provide financial support for expenses related to job interviews, relocation and integration of the partner.
Dual Career Grant (ongoing)	The Dual Career Grant supports the professional integration of the spouse in the event of relocation of a researcher (returning) to Austria.
Interview Grant (ongoing)	The Interview Grant covers travel expenses to attend a job interview.
Lise Meitner Programme (ongoing)	The Lise Meitner Programme aims to boost the quality and scientific know-how of the Austrian scientific community. In addition, it fosters the creation of international contacts.
L'Oreal Austria Programme (ongoing)	The L'Oreal Programme offers short-term fellowships to women researchers wishing to return to Austria following a research stay abroad.
Relocation Grant (ongoing)	The Relocation Grant supports relocation after obtaining a research job in Austria (in the field of research, development and innovation).

Source: Researchers' Report 2012, Country Profile: Austria, Deloitte

The Austrian EURAXESS Services Network – consisting of two Services Centres and a number of Local Contact Points – provides information on the following subject areas: Research funding, research job opportunities, legal issues (visa, work permits, entry and residence conditions, social security, tax issues), administrative and cultural issues (housing, language courses, childcare, etc.), the Austrian research landscape (wide scope of research institutions and activities across Austria), women in science (promotion of women, strategic information, activities, databases), potential research partners, access to other countries' EURAXESS portals, and contact details of EURAXESS Services Centres.

Under the framework of the RTI Strategy of the Austrian Federal Government 2011 "Becoming an Innovation Leader" a specific Working Group on **International Cooperation** has been put in place, involving the major RTI players in Austria. Its purpose is to define common interests and priorities to develop possible ways to better coordinate national activities as well as to identify ways how to support such activities. Results of the work of this working group will be available by mid-July 2013 in the form of a final report.

Additionally, Austria will continue to actively contribute to the work of SFIC and the INCO programme. Concerning the upcoming programme Horizon 2020 which will replace FP7 in 2014, Austria would welcome a distinct and visible international dimension within Horizon 2020.

10. Measuring Progress - Innovation Union Scoreboard & a Europe 2020 Headline Innovation Indicator

In January 2012, the second edition of the IUS (Innovation Union Scoreboard) was published. Starting in 2000, the EIS and from 2011 on the IUS which should be considered the main instrument at EU level to assess the relative strengths and weaknesses of the research and innovation systems of Member States respectively is subject of substantial further development.

Concerning the Headline Innovation Indicator (HII) the Commission, in collaboration with the OECD, has elaborated a methodology of this indicator (picturing the sectoral innovation performance (innovativeness of the sector, knowledge intensity, sectoral labour productivity) weighted by sectoral employment shares in total employment in the non-financial business economy. A "marker of innovativeness dynamism" will be added to the indicator. After a technical workshop (23 October 2012) the Commission is working on the critical remarks and suggestions made by Member States (issues such as new n methods of normalizing productivity, tests with employment in 10+-enterprises in the denominator, review of individual sectors' innovation coefficients, transparency of indicator and marker etc.). For 2013, the Commission is planning to make a formal proposal for the indicator (based on the proposals, remarks and suggestions) in the context of the forthcoming Communication on the Innovation Union. However, doubts remain as to whether a single and focused indicator can provide a valid pars-pro-toto account of Europe's overall innovative capacity.

11. Next Steps

For 2013 the finalisation of the legislative procedure for the next Framework Programme for Research and Innovation, Horizon 2020, is envisaged. The same applies to the next period of Structural Funds (2014-2020).

Regarding the reinforced partnership for the implementation of the European Research Area, 2013 will be the first year of putting the monitoring exercise into practice.

Annex:

Commitments 1-34: Current Status

1. Strategies for Enough Researchers

“By the end of 2011, Member States should have strategies in place to train enough researchers to meet their national R&D targets and to promote attractive employment conditions in public research institutions. Gender and dual career considerations should be fully taken into account in these strategies”.

Schedule

By the end of 2011

Current Status

The Researchers’ Report 2012⁴ prepared by Deloitte for the European Commission also covers the state of affairs regarding Innovation Union Commitment No 1: a review on the various national strategies in place (e.g. Austrian RTD Strategy) is part of the Researchers’ Report 2012, Country Profile Austria:

The Austrian Government has put in place a range of measures aimed at training enough researchers to meet its R&D targets and at promoting attractive employment conditions in public research institutions. Tables present key programmes and initiatives intended to implement the strategic objectives, to train enough researchers to reach Austria’s R&D targets, to promote attractive working conditions, and to address gender and dual career aspects.

The Researchers’ Report and the country profile of Austria can be found at:

<http://ec.europa.eu/euraxess/index.cfm/general/researchPolicies>

Responsible for Implementation

Member States

AT Contact

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⁴ Researchers Report 2012, Country Profile: Austria, Deloitte

2. Benchmarking University Performance

“To identify the best performing European universities, an independent multi-dimensional international ranking system will be established . Further steps will be proposed in a Communication on the reform and modernisation of higher education.

The Commission will also support business-academia collaborations through the creation of "Knowledge Alliances" between education and business to develop new curricula addressing innovation skills gaps (see also commitment 3 on e-skills). They will help universities to modernise towards inter-disciplinarity, entrepreneurship and stronger business partnerships”.

Current Status

There are different ways to measure and make transparent the performance of higher education institutions. With the “U-Multirank” feasibility study the European Commission promoted the development of a new tool aiming at designing and testing a user-driven, multidimensional and international ranking for higher education institutions. The feasibility phase showed that moving beyond existing rankings and their design is possible and that a multidimensional ranking framework is feasible. Besides, the feasibility study also showed that further development in certain aspects was needed.

In 2012 the Commission published a call for tender for a pilot initiative for the further development of this new ranking framework, with a view to making it sustainable and self-supporting in the long-term. This new tool will allow users to create individualised rankings and to inform choices and decision-making by all higher education stakeholders. First results shall be available in 2013.

The Commission will also support business-academia collaborations through the creation of "Knowledge Alliances" between education and business to develop new curricula addressing innovation skills gaps (see also commitment 3 on e-skills). They will help universities to modernise towards inter-disciplinarity, entrepreneurship and stronger business partnerships.

Schedule

2009-2011: Feasibility study “U-Multirank” – a multidimensional global university ranking”

20 September 2011: Communication of the Commission “Supporting growth and jobs – an agenda for the modernisation of Europe's higher education systems”

2012: Start pilot initiative for the further development and implementation of U-Multirank

Responsible for Implementation

European Commission

AT Contact

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3. E-Skills for Innovation and Competitiveness

“The Commission will propose an integrated framework for the development and promotion of e-skills for innovation and competitiveness, based on partnerships with stakeholders. This will be based on supply and demand, pan-European guidelines for new curricula, quality labels for industry-based training and awareness-raising activities”.

Schedule

2011

Responsible for Implementation

European Commission

AT Contact

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4. ERA Framework

“The Commission will propose a European Research Area framework and supporting measures to remove obstacles to mobility and cross-border cooperation. They will notably seek to ensure through a common approach the quality of doctoral training, attractive employment conditions and gender balance in research careers; the mobility of researchers (open recruitment in public research institutions, comparable research career structures, European supplementary pension funds); the cross-border operation of research performing organisations, funding agencies and foundations (ensuring simplicity, mutual coherence of funding rules and procedures); the dissemination, transfer and use of research results (open access to publications and data from publicly funded research); the opening of Member State operated research infrastructures to European user community; and the consistency of EU and national strategies and actions for international cooperation in science and technology”.

Current Status

In July 2012 the European Commission published its Communication on a reinforced partnership for excellence and growth. Member States and Research stakeholder organisations (such as Science Europe, EARTO, EUA) are addressed to implement measures in five key areas:

- More effective national research systems – including increased competition within national borders and sustained or greater investment in research;
- Optimal transnational co-operation and competition - defining and implementing common research agendas on grand challenges, raising quality through Europe-wide open competition, and constructing and running effectively key research infrastructures on a pan-European basis;
- An open labour market for researchers - to ensure the removal of barriers to researcher mobility, training and attractive careers;
- Gender equality and gender mainstreaming in research – to end the waste of talent which we cannot afford and to diversify views and approaches in research and foster excellence;
- Optimal circulation, access to and transfer of scientific knowledge, including via digital ERA - to guarantee access to and uptake of knowledge by all.

The European Commission also proposes to set up a monitoring mechanism closely linked to the European Semester in order to measure progress in overcoming barriers to the free movement of researchers and knowledge.

Schedule

2012 European Research Area framework proposal

To be in force by end 2014

Responsible for Implementation

European Commission, Member States

AT Contact

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5. Priority European Research Infrastructures

“Member States together with the Commission should have completed or launched the construction of 60% of the priority European research infrastructures currently identified by the European Strategy Forum for Research Infrastructures (ESFRI) and increased their potential for innovation. The Structural Funds regulation will be reviewed to facilitate the use of cohesion policy money for this purpose”.

Schedule

By 2013

Responsible for Implementation

Member States, European Commission

AT Contact

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6. Future EU Research and Innovation Programmes

“Future EU research and innovation programmes will focus on Europe 2020 objectives and particularly the Innovation Union. The Commission will set out ways for future programmes to focus more on societal challenges, streamline funding instruments and radically simplify access through a better balance between a control-based and a trust-based system. The role of the ERC in promoting excellence should be strengthened and industry-driven priorities reinforced (including industry-driven partnerships in areas such as key enabling technologies) in the Research Framework Programme”.

Current Status

The European Commission published its proposal for the next EU Research and Innovation Framework Programme on 30 November 2011. The programme – called “HORIZON 2020” – will have a more integrative character than earlier framework programmes, e.g. because of the integration of the EIT and of the innovation-related parts of CIP (the “Competitiveness and Innovation Programme”). The programme will be based on three pillars: (1) Excellent Science, (2) Industrial Leadership, (3) Societal Challenges.

The negotiations on HORIZON 2020 started in February 2012. So far, the Council has adopted Partial General Approaches on the Regulation establishing HORIZON 2020, the Rules for Participation and on the amendment of the EIT Regulation (regarding the structural integration of the EIT). Further Partial General Approaches on the Specific Programme for the implementation of HORIZON 2020 and on the Strategic Innovation Agenda of the EIT are currently under negotiation.

Schedule

2012: Partial General Approaches on Horizon 2020 regulation, Rules for Participation and Specific Programme; First Reading in European Parliament

2013: Agreement on the Horizon 2020 package

Responsible for Implementation

European Commission

AT Contact

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7. SME Involvement

“The Commission will design future EU research and innovation programmes to ensure simple access and stronger involvement of SMEs, in particular those with a high growth potential. Further use should be made of partnerships with Member State agencies, building in particular on the experience of the Eureka Eurostars initiative”.

Schedule

2011 Proposal future FP and CIP

Current Status

May 2012:

- a) Partial General Approach of Member States on Horizon 2020 (concerning the content of Horizon 2020 - including a 20 % target (of pillars 2 and 3 of Horizon 2020) for SMEs;
- b) Positive Opinion of Member States (Competitiveness Council) on the Eurostars programme (Art. 185 initiative focused on research-intensive SMEs);

June 2012: strategic policy document ("Budapest Document") on "Eurostars 2" officially released in June 2012 (EUREKA Ministerial Conference in Budapest)

Outlook 2013:

Co-decision procedures on Horizon 2020 and Eurostars to be carried out.

Responsible for Implementation

Horizon 2020: European Commission

Eurostars: Member States (within the frame of EUREKA; European Commission also being a member of EUREKA)

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8. Science Base for Policy Making

“The Commission will strengthen the science base for policy making through its Joint Research Centre. The Commission will also create a "European Forum on Forward Looking Activities", bringing together existing studies and data and involving public and private Stakeholders to improve the evidence base of policies”.

Responsible for Implementation

European Commission

Current Status

The European Forum on Forward Looking Activities (EFFLA) launched in Brussels on 23 September 2011. The EFFLAs objectives are to advise the Commission on the early identification of emerging or disruptive grand societal challenges and detect the missing research and innovation challenges. EFFLA will investigate the needs for further forward-looking activities and advise the European Commission on how to embed forward-looking activities in (R&I) policymaking.

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9. European Institute of Innovation and Technology

“The European Institute of Innovation and Technology (EIT) should set out a Strategic Innovation Agenda (SIA) to expand its activities as a showcase for the Innovation Union. This should map out its long term development within the Innovation Union, including the creation of new KICs, close links with the private sector and a stronger role in entrepreneurship. It should also build on the EIT Foundation being set up in 2010 and on the introduction in 2011 of the "EIT degree" as an internationally recognised label of excellence”.

Current Status

The European Commission presented its proposal for the Strategic Innovation Agenda (SIA) of the EIT on 30 November 2011 as part of the HORIZON 2020 proposal. In the SIA, the EC proposes to establish six further KICs in two waves (2014 and 2018):

- Innovation for healthy living and active ageing (2014)
- Raw materials – sustainable exploration, extraction, processing, recycling and substitution (2014)
- Food4future - sustainable supply chain from resources to consumers (2014)
- Added-value manufacturing (2018)
- Smart secure societies (2018)
- Urban mobility (2018).

This proposal is currently being negotiated by the Council.

Responsible for Implementation

EIT, European Commission

AT Contact

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10. Increase Private Investments

“On the basis of Commission proposals, the EU should put in place financial instruments to attract a major increase of private finance and close the market gaps in investing in research and innovation. Contributions from the EU budget should create a major leverage effect and expand on the success of FP7 and CIP. The Commission will work with the European Investment Bank Group, national financial intermediaries and private investors to develop proposals addressing the following critical gaps: (i) investment in knowledge transfer and start ups; (ii) venture capital for fast growing firms expanding on EU and global markets; (iii) risk-sharing finance for investments in R&D and innovation projects; and (iv) loans for innovative fast growing SMEs and midcaps. The proposals will ensure a high leverage effect, efficient management and simple access for businesses.”

Current Status

According to the Commission proposal, a total amount of 80 billion EUR will be budgeted for Horizon 2020, out of which 3.6 billion EUR will be reserved for financial instruments (subject to current budget negotiations). One of Austria's main concerns, namely relevance for SMEs, was met by the Commission taking up the Austrian proposal of dedicating of one third of this budget for SMEs. Looking closely at financial instruments, these can be divided into two main categories:

1) Debt/guarantee-based instruments

In FP7, a Risk Sharing Finance Facility (RSFF) was developed by the Commission in cooperation with the European Investment Bank (EIB). This instrument was successful and will be continued as RSFF-II in Horizon 2020. But experience has shown that the RSFF has not been completely accepted by the SMEs, hence a new instrument called "Risk Sharing Instrument for Innovative and Research-oriented SMEs and Small Mid-Caps" (RSI) has been developed. Currently, still under FP7, a pilot phase with a maximum of 15 financial intermediaries shall show the potential of this new instrument. A renowned Austrian bank was the first financial intermediary which signed a contract with the European Investment Fund (EIF). Due to intense negotiations with EIB and EIF, commercial banks as well as promotional banks shall be eligible for the RSI after its pilot phase (e.g. in Austria the AWS - Austria Wirtschaftsservice).

2) Equity/VC-based instruments

Equity instruments are a new element in the forthcoming Horizon 2020 programme (so far, equity financing has only taken place in the CIP programme). What is essential for Austria is the possibility to combine national initiatives for venture capital with European instruments (fund-in-fund; EU top-up for national VC-initiatives on fund-basis); the current Horizon 2020 proposal will enable such mechanisms.

As a reaction to a rather weak VC market throughout the EU, Austria will launch a national initiative for young entrepreneurs in 2013, to implement funds for business angels and business formations.

Responsible for Implementation

European Commission

AT Contact

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11. Venture Capital Funds

“The Commission will ensure that Venture Capital funds established in any Member State can function and invest freely in the EU (if necessary by adopting a new legislative regime). It will endeavour to eliminate any tax treatment unfavourable to cross-border activities.”

Schedule

Proposal for a Regulation issued on 12th December 2011; Expected finalisation: End of 2012

Current Status

Based on the European Commission's Action Plan to improve access to finance for SMEs (COM (2011) 870 final) and the Single Market Act (key actions 1 & 8), the European Commission issued in December 2011 a proposal for a Regulation on European Venture Capital Funds (EUVECA), in parallel with a proposal for a Regulation on European Social Entrepreneurship Funds (EUSEF). The key elements are:

- Improving access to equity-based financial instruments for SMEs
- Establishing a common framework to guarantee equal conditions for fund managers within the European Union ('European passport')
- Defining common standards for e.g. portfolio composition, investment techniques, eligible investment targets, protection of investors
- Uniform requirements of registration monitored by ESMA

The elimination of unfavourable cross-border tax treatments - as mentioned in the outline above - is not part of this regulation. However, a public consultation process dealing with "Tax problems linked to cross-border venture capital investment" was launched in August 2012

Currently both Regulations (EUVECA & EUSEF) are in Trilogue between the Council, the Presidency and the European Parliament. Recently, a compromise regarding the last open issue - establishment of funds labelled EUVECA or EUSEF in third countries with favourable taxation regimes - is apparent.

Responsible for Implementation

European Commission, Member States

AT Contact

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12. Cross Border Matching of Innovative Firms

“The Commission will strengthen cross-border matching of innovative firms with suitable investors. It will appoint a leading figure to govern the process. In addition, in the context of the SME Finance Forum, the Commission will focus inter alia on the particular financing problems faced by small, innovative companies.”

Schedule

2013/2014: Implementation of the pilot phase as well as gradual implementation of the crucial challenges mentioned below.

Current Status

In September 2011, Mr. Anthony Clarke, Chairman of the British Business Angel Association, was announced as the "Leading Figure" and therefore as leader of an expert group to evaluate existing problems and to submit a proposal for implementation.

This expert group met three times between November 2011 and March 2012. As a final result, a paper entitled "Report of the Chairman of the expert group on the cross border matching of innovative firms with suitable investors" was published on July 20th, 2012. This report deals with the crucial challenges with regard to solving the existing problems:

- Addressing the strong reduction of available venture capital in Europe and supporting funds with real potential for success
- Supporting the emergence of Business Angels to close the early-stage financing gap, and professionalizing them
- Monitoring the emergence of new sources of funding that employ social media (crowd funding)
- Supporting a better training of Europe's innovative entrepreneurs and enhancing their access to information
- Addressing shortcomings in converting EU research projects into innovation
- Utilising the strength of the Enterprise Europe Network (EEN) to deliver information to innovative companies.

Responsible for Implementation

European Commission

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13. Review of the State Aid Framework

“The Commission will conduct a mid-term review of the State aid framework clarifying which forms of innovation can be properly supported, in particular for key enabling technologies and innovations addressing major societal challenges, and their best use by Member States. The Commission will assess the effectiveness of the temporary State aid measures introduced in 2008, including the increased "safe harbour" for venture capital investments, and on this basis make the necessary proposals.”

Schedule

2011: Commission Staff Working Paper „Mid-Term Review of the R&D&I Framework”

Dec 2011 – Feb 2012: Public Consultation

2013: Finalisation of new EU state aid rules for R&D&I

1st of January 2014: New EU state aid rules entering into force

Current Status

In August 2011 the Commission published the Commission Staff Working Paper „Mid-Term Review of the R&D&I Framework”.

On 20th of December 2011 the Commission launched the Public Consultation on the Review of the EU state aid rules for research, development and innovation (R&D&I). This consultation was open until 24th of February 2012. Many public authorities as well as registered and non-registered organisations took part in this public consultation.

Based on the outcomes of this public consultation and the above mentioned mid-term review the Commission will communicate the Draft Proposal on the new EU state aid rules for R&D&I to the EU Member States for discussion.

It is foreseen that the new EU state aid rules for R&D&I will be finalised in the course of year 2013 for coming into force as from 1st of January 2014.

Responsible for Implementation

European Commission, Member States

AT Contact

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14. EU Patent

“The European Parliament and Council should take the necessary steps to adopt the proposals on the EU patent, its linguistic regime and the unified system of dispute settlement”.

Schedule

2014: First European patents with unitary effect to be granted. The Unified Patent Court should become operational.

Current Status

In June 2012, the European Council agreed on the solution for the seat of the Central Division of the Court of First Instance of the Unified Patent Court (tripartition between Paris, London and Munich). Along with this decision, the deletion of three Articles concerning material provisions of the Regulation implementing enhanced cooperation in the area of the creation of unitary patent protection has been suggested by the European Council. As a consequence, the European Parliament postponed the plenary vote on the patent package. Renewed discussions between the European Parliament and the Council as well as the Member States should result in a well-balanced compromise and a First Reading agreement on the unitary patent package by the end of 2012 or the beginning of 2013.

Responsible for Implementation

European Commission, Member States

AT Contact

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15. Screening of Regulatory Framework

“EU and Member States should undertake a screening of the regulatory framework in key areas, starting with those linked to eco-innovation and to the European Innovation Partnerships. This will identify the rules that need to be removed or updated and/or new rules that need to be implemented. The Commission will provide guidance on how best to organise this screening exercise”.

Schedule

2011: Start of screening in key areas (Eco-innovation, EIPs)

Current Status

Eco-Innovation is not a singular topic in Austria but is covered by several instruments and different Ministries.

The task of managing the implementation of eco-innovation related policies has to a large extent been outsourced to specialised agencies. The two big players in the context of innovation that implement eco-innovation friendly programmes for the ministries are the Austrian Promotion Bank (Austria Wirtschaftsservice, AWS) and the Austrian Research Promotion Agency (FFG). AWS offers Austrian companies a broad range of company-specific investment promotion programmes and services (such as loans, guarantees, grants and/or equity as well as consultancy services), and FFG is the national funding institution for applied industrial research in Austria. Beside these general innovation instruments, the Environmental Fund, managed by the Kommunalkredit Public Consulting (KPC), also finances the market uptake of innovative measures beyond the prototype stage.

Therefore the ministries for research, the economy and environment are also responsible for the promotion of Eco-Innovation.

Responsible for Implementation

Member States, European Commission

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16. Standardisation

“As a first step, the Commission will present a Communication accompanied by a legislative proposal on standardisation, which will inter alia cover the ICT sector, in order to speed up and modernise standard-setting to enable interoperability and foster innovation in fast-moving global markets. This will be combined with a multi-annual programme to anticipate new standardisation needs and integration of standards into R&D projects in the research Framework Programme. The Communication will also examine options for ensuring in a longer term perspective that the standardisation system is able to adapt to the quickly evolving environment and to contribute to Europe's strategic internal and external objectives (relating, among others, to innovation and technological development), including through the launch of an independent review”.

Schedule

2013: Entry into force of new regulation

Current Status

In October 2012 the Council adopted a regulation aimed at modernising and improving the European standardisation system. The basis for the standardisation reform was put forward in the Commission communication "A strategic vision for European standards" of June 2011. The new Regulation will apply from January 2013.

Responsible for Implementation

European Commission

AT Contact

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17. Public Procurement

Member States and regions should set aside dedicated budgets for pre-commercial procurements and public procurements of innovative products and services (including those defined by the Innovation Partnerships). This should create procurement markets accross the EU starting from at least Euro 10 billion a year for innovations that improve the efficiency and quality of public services The aim should be to achieve innovative procurement markets equivalent to those in the US. The Commission will provide guidance and set up a (financial) support mechanism to help contracting authorities to implement these procurements in a non-discriminatory and open manner, to pool demand, to draw up common specifications, and to promote SME access.

In addition, the Commission will offer guidance on implementing joint procurements between contracting entities from different Member States under the current public procurement directives and bring forward proposals for additional rules to make such procurements easier (subject to the ongoing general evaluation of the directives).

Schedule

From 2011: Dedicated budgets for pre-commercial/public procurements of innovative products and services

Current Status

At EU level, the Commission has put in place a spate of different initiatives and actions stimulating demand-side innovation policies in general and public procurement to foster innovation in particular e.g. the Lead Market Initiative "testing" prioritised policy instruments (legislation, public procurement, standardisation and complementary actions) in 6 selected markets⁵. In September 2012 the Commission carried out a public consultation on demand-side innovation policies. Results are not available yet. In order to address barriers, good practice, common development of pilots etc., the Commission has launched specialised networks and projects of public procurers. Austria is participating in some of these projects. In February 2012 the Commission published a "Feasibility Study on Future EU Support to Public Procurement of Innovative Solutions"⁶ which was discussed in the European Parliament.

Since 2011 the European Commission has been piloting the European Public Sector Innovation Scoreboard (EPSIS) as a first basis to benchmark public sector innovation in Europe. Public procurement plays a significant role in the set of indicators.

As part of these developments, the Austrian government adopted an "Action Plan on Public Procurement Promoting Innovation (Leitkonzept für eine innovationsfördernde öffentliche Beschaffung) in September 2012. The process towards this strategy was conducted by the Ministry of Economy, Family and Youth (BMWFJ) and the Ministry of Transport, Innovation and Technology (BMVIT) and included more than 100 stakeholders.

The main objectives of the Action Plan are:

⁵ The evaluation of the LMI can be seen at: http://ec.europa.eu/enterprise/policies/innovation/policy/lead-market-initiative/final-eval_en.htm.

⁶ (http://ec.europa.eu/enterprise/policies/innovation/policy/lead-market-initiative/files/meeting-procurement-feb2012/study-eu-support-public-procurement-innovative-solutions_en.pdf)

- to encourage industry to deliver innovative goods/services (reference or leading markets)
- to supply public bodies and citizens with advanced and (eco-)efficient goods/services.

In implementing this strategy, preferential treatment is given to the following actions: establishing a service point at the Federal Procurement Agency (BBG) and corresponding PPPI centers of competence, launching pilot projects, addressing innovation as a secondary procurement objective (in analogy to ecological, social and SME-related issues) in the legal framework (Bundesvergabegesetz), and improving the system of data collection and of measuring innovation in public procurement.

Responsible for Implementation

Member States, Regions, European Commission

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18. Eco-innovation Action Plan

“The Commission will present an eco-innovation action plan building on the Innovation Union and focusing on the specific bottlenecks, challenges and opportunities for achieving environmental objectives through innovation”.

Schedule

By early 2011: Presentation of Action Plan

Current Status

Delayed

Responsible for Implementation

European Commission

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19. Enhance the Role of Design in Innovation Policy

“In order to exploit the full potential of creative industries, in particular design, the Commission has launched the European Design Innovation Initiative (EDII) for innovation. Within this action the European Design Leadership Board (EDLB) was established in 2011 to provide recommendations on how to enhance the role of design in innovation policy at national, regional and local level. Over a period of 1 year the EDLB has developed 21 recommendations that are positioned across six areas of strategic design action (Report: “DESIGN FOR GROWTH AND PROSPERITY”), which are: Differentiating European design on the global stage; positioning design within the European innovation system; mobilising design for innovative and competitive companies; making better use of design for an innovative public sector; positioning design research for the 21st century; and developing design competences for the 21st century”.

Schedule

2011: Establishment of European Design Leadership Board

Current Status

The main European event in 2012 was the European design innovation summit in September within the framework of the World Design Capital Helsinki. Austria actively participated in this event, in particular in the design exhibition. In this context the Austria Design Net was established supported by the Ministry of Economy, Family and Youth within the scope of its programme "evolve" that promotes the creative industries in Austria. The ADN consists of the main actors in the field of design in Austria (*designaustria*, *designforum Wien*, *VIENNA DESIGN WEEK*, *MAK - Österreichisches Museum für angewandte Kunst / Gegenwartskunst*, *Creative Industries Styria*) and serves as a platform for design organisations in Austria. One of the tasks is to organise national or international actions in the area of design.

In general, “evolve” promotes creative entrepreneurs on the basis of a package of measures tailor-made to their individual needs – in all sectors and to stir services and know-how of the creative industries (design, multimedia etc.) into innovation in the so-called "traditional" sectors, particularly SMEs. To support these co-operations, a creative industries voucher (Kreativwirtschaftsscheck) will be launched at the beginning of next year.

Besides the direct (monetary) support of companies or projects in the creative sector (as in the "impulse" programme), “evolve” provides a broad range of services and also takes measures to strengthen public acceptance and awareness of creative goods and services and to raise the visibility of the creative industries on both the national and international level.

Responsible for Implementation

European Commission

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20. Open Access

“The Commission will promote open access to the results of publicly funded research. It will aim to increase open access to publications to at least 50% of the budget of the EU research Framework Programme. The Commission will also support the development of smart research information services that are fully searchable and allow results from research projects to be easily accessed”.

Current Status

The Austrian Science Fund supports open access. All research work which has been funded by the Austrian Science Fund has to be published with open access. The increase of open access publishing is supported financially by the Federal Ministry of Science and Research. A new data base (PHAIDRA) has been created to do so. It is run by the University of Vienna. This database has an increasing number of participants so far. Most of them are universities. Currently the Ministry of Science and Research is engaged in negotiating the new three-years contracts with the universities. Open access is an issue there, too. Every contract contains a paragraph on how the university is handling the topic and what kind of collaboration it is planning to cope with the challenges. In late November 2012, the Austrian Science Fund will initiate a working group on open access. This group will consist of members from research institutions, universities and the Federal Ministry of Science and Research.

Austrian Institutions are negotiating their participation in SCOAP3, which was developed by CERN.

Responsible for Implementation

European Commission

AT Contact

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21. Knowledge Transfer

“The Commission will facilitate effective collaborative research and knowledge transfer within the research Framework Programmes and beyond. It will work with stakeholders to develop a set of model consortium agreements with options ranging from traditional approaches to protect IP through to more open ones. Mechanisms are also needed to further strengthen knowledge transfer offices in public research organisations, in particular through trans-national collaboration”.

Current Status

The Austrian Report 2012 on the current state of national knowledge transfer policies to the European Commission documents that many of the recommendations and ”best practice” examples mentioned in the EU’s IP Recommendation have been implemented on the national level:

The IP National Contact Point in the Federal Ministry of Science and Research has organised themed events with Public Research Organisations and has also given support to anchoring the IP Recommendation in the performance agreements of the universities to ensure that knowledge transfer is a strategic mission of universities and other public research organisations. The NCP is assisted by the Federal Ministry of Economy, Family and Youth, the Federal Ministry of Transport, Innovation and Technology, and the Austria Wirtschaftsservice GmbH.

The Phönix Award 2012 of the Federal Ministry for Science and Research was given to young spin-offs from universities and public research organisations that have successfully developed a good and innovative idea into a well-oiled commercial company. The governmental programmes "AplusB Zentren", "PreSeed" und "Seedfinancing" support early-stage dynamics of technology-based and innovative firms and are intended to increase the number of knowledge and research-intensive new startups.

With reference to the National Strategy for Research, Innovation and Technology, a governmental working group on "Knowledge Transfer and Start-ups" has been established.

Responsible for Implementation

European Commission, Member States

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22. European Knowledge Market for Patents and Licensing

“Working closely with Member States and stakeholders, the Commission will make proposals to develop a European knowledge market for patents and licensing. This should build on Member State experience in trading platforms that match supply and demand, market places to enable financial investments in intangible assets and other ideas for breathing new life into neglected intellectual property, such as patent pools and innovation brokering”.

Schedule

By end of 2011: Commission Proposals

Current Status

Austria being member of the ERAC Working Group and other members are currently developing a position paper concerning a common position of knowledge markets.

Responsible for Implementation

European Commission, Member States

23. Safeguarding Intellectual Property Rights

“The Commission will examine the role of Competition Policy in safeguarding against the use of intellectual property rights for anti-competitive purposes. It will analyse the implications of collaborative IPR agreements as part of its review of the application of its anti-trust rules to horizontal agreements between competing companies”.

Current Status

Austria supports safeguarding of IPR by financial support of patent applications, advice on litigation and frequent training for SMEs on the application of IPR. As a member of the ERAC Working Group, Austria is observing the current discussions and the ongoing development.

Responsible for Implementation

European Commission

AT Contact

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24. Structural Funds and Smart Specialisation

“Member States should considerably increase and improve their use of existing structural funds for research & innovation projects, helping people to acquire the necessary skills, improving the performance of national systems and implementing smart specialisation strategies and trans-national projects. The Commission stands ready to assist and will use its regional research and cluster initiatives to support this change and establish a "smart specialisation platform", including further support for the emergence of world class clusters. Further details can be found in the corresponding Communication of the Commission”.

Schedule

2010: Improved use of Structural Funds

2012: Establishment of a “Smart Specialisation Platform”, Communication of the Commission

2012: Draft Regulations on the Structural Funds 2014-20 make regional or national Research and Innovation Strategies for Smart Specialisation (RIS3) an ex-ante conditionality for member states to receive funding from the Structural Funds from 2014.

2014: Start of the new funding period of EU Cohesion Policy

Smart specialisation is a policy concept for priority-setting where a region can benefit from specialising in a particular area of science and technology. Regional development and growth become knowledge and innovation-driven and thereby stimulate structural change. Smart specialisation happens at the interfaces of (1) research and innovation policies, (2) regional/territorial development policies and (3) new industrial policy.

<http://www.era.gv.at/space/11442/directory/27668.html>

Research and innovation strategies for smart specialisation [RIS3] put the concept into practice by defining the most promising areas of a region’s comparative advantages. RIS3 start from a shared vision of a more competitive regional profile – a vision shared by (1) policy makers and regional planners, by (2) the business sector, but also by (3) the lead institutions of research, technology and creativity (i.e. universities, innovation, technology and design centres etc.).

It is thus not only a strategy document but also the entrepreneurial and empowering process of jointly selecting development priorities that make a RIS3.

Responsible for Implementation

European Commission, Member States (and their regions)

AT Contact

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25. Post 2013 Structural Fund Programmes

“Member States should initiate the preparation of post 2013 Structural Fund programmes with an increased focus on innovation and smart specialisation. Future regulations governing the operation of both the European Regional Development Fund and the Cohesion Fund for the period 2014-2020 should further commit substantial financial resources to supporting innovation initiatives within the regions of the European Union”.

Schedule

2010-13: Preparation of post 2013 Structural Funds programmes

Responsible for Implementation

Member States, Regions, European Commission

AT Contact

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26. European Social Innovation pilot

“The Commission will launch a European Social Innovation pilot which will provide expertise and a networked 'virtual hub' for social entrepreneurs and the public and third sectors.

- It will promote social innovation through the European Social Fund (ESF) building on the significant investments in social innovation which the ESF has made over the last ten years, all along the innovation cycle. This will be complemented by support to innovative social experiments to be developed in the framework of the European Platform against Poverty.

- Social innovation should become a mainstream focus in the next generation of European Social Fund programmes. Member States are encouraged to already step up efforts to promote social innovation through the ESF”.

Responsible for Implementation

European Commission, Member States, Regions,

27. Public Sector Innovation

“The Commission will support a substantial research programme on public sector and social innovation, looking at issues such as measurement and evaluation, financing and other barriers to scaling up and development. As an immediate step, it will pilot a European Public Sector Innovation Scoreboard as a basis for further work to benchmark public sector innovation. It will explore with Member States whether it is appropriate to bring together new learning experiences and networks for public sector leaders at European level”.

Schedule

Starting in 2011: Research programme on public sector and social innovation

Current Status

During the year 2012, work on the European Public Sector Innovation Scoreboard has been continued. Several workshops have clarified methodological questions, and a first draft version of the scoreboard has been presented.

Responsible for Implementation

European Commission, Member States

AT Contact

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28. Sectoral Labour Market Strategy

“The Commission will consult the social partners to examine how the knowledge economy can be spread to all occupational levels and all sectors. It will ask the social partners for proposals on how to develop a sectoral labour market strategy for the caring sector”.

Current Status

Not taken up

29. European Innovation Partnerships

“The Council, Parliament, Member States, industry and other stakeholders are invited to support the innovation partnership concept and to indicate the specific commitments they will undertake to make the concept work. The Commission invites all key stakeholders to commit themselves to pooling efforts and resources to achieve the partnership's intended objectives.

The Commission would welcome views and ideas on the areas being considered for future partnerships and other possible candidates that meet the success criteria. Taking into account the views of Parliament and Council and input from other stakeholders, it will present proposals for further partnerships”.

Schedule

2011: Start of preparations to launch a pilot partnership on active and healthy ageing
End of 2011: Presentation of proposals for further partnerships

Responsible for Implementation

European Commission, Member States

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30. Integrated Policies to Attract the Best Researchers

“By 2012, the European Union and its Member States should put into place integrated policies to ensure that leading academics, researchers and innovators reside and work in Europe, and to attract a sufficient number of highly skilled third country nationals to stay in Europe”.

Schedule

By 2012

Current Status

The Researchers’ Report 2012⁷ prepared by Deloitte for the European Commission also covers the state of affairs regarding Innovation Union Commitment No 30: a review on the various integrated policies in place and measures aimed at attracting and retaining ‘leading’ national, EU and third country researchers (e.g. Austrian Aliens Act, Scientific Visa Directive, Austrian RTD Strategy) and inward mobility (key measures in support of researchers’ inward mobility) is part of the Researchers’ Report 2012, Country Profile: Austria:

Furthermore, EURAXESS Austria www.euraxess.at provides information on the following subject areas: Research funding, research job opportunities, legal issues (visa, work permits, entry and residence conditions, social security, tax issues), administrative and cultural issues (housing, language courses, childcare, etc.), the Austrian research landscape, women in science, potential research partners, access to other countries’ EURAXESS portals, and contact details of EURAXESS Services Centres.

The Researchers’ Report and the country profile of Austria can be found at:

<http://ec.europa.eu/euraxess/index.cfm/general/researchPolicies>

Responsible for Implementation

Member States

AT Contact

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⁷ Researchers Report 2012, Country Profile: Austria, Deloitte

31. Scientific Cooperation with Third Countries

“The European Union and its Member States must treat scientific cooperation with third countries as an issue of common concern and develop common approaches. This should contribute to global approaches and solutions to societal challenges and to the establishment of a level-playing field (removing barriers to market access, facilitating standardisation, IPR protection, access to procurement etc.). Together with the ERA Framework/Partnership, the Commission will propose common EU / Member States priorities in S&T as a basis for coordinated positions or joint initiatives vis-a-vis third countries, building on the work of the Strategic Forum for International Cooperation. In the meantime, the EU and Member States should act in a concerted manner when engaging in S&T agreements and activities with third countries. The potential scope for "umbrella" agreements between the EU and Member States with third countries will be explored”.

Schedule

In 2012: Proposal of common EU / Member States priorities

Current Status

Under the framework of the RTI Strategy of the Austrian Federal Government 2011 “Becoming an Innovation Leader”, a specific working group on International Cooperation has been put in place, involving the major RTI players in Austria. Its purpose is to define common interests and priorities to develop possible ways to better coordinate national activities as well as to identify ways how to support such activities. Results of the work of this working group will be available by mid-July 2013 in the form of a final report. This activity will help to better coordinate Austrian policies in international cooperation at the European level within the framework of this commitment.

Additionally, Austria will continue to actively contribute to the work of SFIC and the INCO programme. Concerning the upcoming programme Horizon 2020, which will replace FP7 in 2014, Austria would welcome a distinct and visible international dimension within Horizon 2020.

Responsible for Implementation

European Commission, Member States

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32. Global Research Infrastructures

“The European Union should step up its cooperation on the roll-out of the global research infrastructures. Agreement should be reached with international partners on the development of research infrastructures which, owing to cost and / or complexity, can only be developed on a global scale”.

Schedule

By 2012: Agreement with international partners

Responsible for Implementation

European Commission, Member States

AT Contact

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33. National Reform Programmes

“Member States are invited to carry out self assessments based on the policy features identified in Annex 1 and identify key challenges and critical reforms as part of their National Reform Programmes. The Commission will support this process through exchanges of best practice, peer reviews and developing the evidence base. It will also apply them to its own research and innovation initiatives. Progress will be monitored under the framework of the integrated economic coordination ('European Semester)'”.

Schedule of the European Semester (2011-2020):

- January: The Commission’s Annual Growth Survey (AGS) opens the European Semester.
- February/March: Council meetings, Parliament and the spring European Council debate along the Europe 2020 agenda.
- April: Member states submit their National Reform Programmes by the end of April. A set of national measures and progress towards the R&D target and the implementation of the flagship initiative ‘Innovation Union’ are presented within the macro-economic part of the NRP. In parallel, the national Stability and Convergence Programmes are prepared and submitted.
- May/June: Commission presents its proposals for the country opinions.
- June/July: Employment and ECOFIN Councils and European Council; based on the Commission assessment, the Council will issue country-specific guidance; this country-specific guidance should help member states to draft their budgetary provisions in autumn.

Responsible for Implementation

Member States

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34. Innovation Union Scoreboard & a Europe 2020 Headline Innovation Indicator

“The Commission proposes to launch the necessary work for the development of a new indicator measuring the share of fast-growing innovative companies in the economy. This will require the full cooperation of Member States and international partners. Subject to these commitments, the Commission will support the necessary work to develop this indicator within the next two years. Starting immediately, the Commission will monitor overall progress on innovation performance using the Innovation Union Scoreboard (IUS)”.

Current Status

To help monitor the implementation of the EU 2020 Innovation Union flagship initiative, the Innovation Union Scoreboard - IUS (based on the previous European Innovation Scoreboard - EIS) provides a comparative assessment of the innovation performance of the EU Member States. To complement the R&D intensity indicator, the Commission in its Innovation Union Communication of 6 October 2010 also proposed "to launch the necessary work for the development of a new indicator (Headline Innovation Indicator - HII) measuring the *share of fast-growing innovative companies in the economy*. In its conclusions of 4 February 2011, the European Council invited the Commission "to quickly develop a single integrated indicator to allow a better monitoring of progress in innovation". This will require the full cooperation of Member States and international partners.

In January 2012, the second edition of the IUS was published. Starting in 2000, the EIS and from 2011 on the IUS, which should be considered the main instrument at EU level to assess the relative strengths and weaknesses of the research and innovation systems of Member States been respectively, is subject of substantial further development.

Concerning the HII, the Commission in collaboration with the OECD has elaborated a methodology of this indicator picturing the sectoral innovation performance (sector's innovativeness, knowledge intensity, sectoral labour productivity) weighted by sectoral employment shares in total employment in the non-financial business economy. A "marker of innovativeness dynamism" will be added to the indicator . After a technical workshop (23 Oct. 2012) the Commission is working on the critical remarks and suggestions made by Member States (issues such as new normalisation methods of productivity, tests with employment in 10+-enterprises in the denominator, review of individual sectors' innovation coefficients, transparency on indicator and marker etc.). For 2013, the Commission is planning to make a formal proposal for the indicator (based on the proposals, remarks and suggestions) in the context of the forthcoming Communication on the Innovation Union. However, doubts remain as to whether a single and focused indicator can provide a valid *pars-pro-toto* account of Europe's overall innovative capacity.

Responsible for Implementation

European Commission

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