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TASK 1: POLICY PAPER ON INNOVATION

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CONTENTS

PREAMBLE

The **main objectives** of the Policy paper on Innovation are: (i) to summarise national and regional innovation policies and the relationship between the two (ii) to indicate the contribution of the ERDF to innovation policy (iii) to outline any evidence on the achievements of the ERDF, and (iv) to indicate the challenges for innovation policy that need to be tackled.

The **primary sources** of information for preparing the paper are ERDF monitoring (status end of March 2010), National Strategic Report Austria 2009, Evaluations and studies related to innovation measures and Information derived from telephone interviews with Managing Authorities and selected Implementing Bodies in Austria.

1 EXECUTIVE SUMMARY

In Austria, there is clearly a regional dimension to the national innovation policy. All States (*Länder*) have set up specific agencies, developed strategies and mobilised substantial financial resources to implement regional innovation strategies. Incentives from the central level further contributed to the regionalisation of innovation policies. Regional actors focus on a broad innovation policy while R&D is mainly funded by national actors.

ERDF co-financing of selected Central Government and State funding programmes fosters improved differentiation of the co-financing rate awarded to a project. Better projects can be rewarded with an "ERDF bonus", which could not have been provided by purely national means. For tightly funded State Programmes, ERDF co-financing allows the funding of a significant number of projects. In the case of the Styrian Innovation Agency (SFG) two thirds of the whole SFG-budget are related to the regional ERDF programme. Therefore, most regional innovation actors rely to a great extent on ERDF contributions. This is not always the case with central level agencies which withdraw significantly from ERDF co-funded projects because of the administrative burden. The increased regional innovation activities also require a much higher degree of coordination to minimize overlapping of instruments. Strategic coordination should be made much more effective.

Monitoring data on performance show, that the implementation of innovative measures progresses well (with the exception of Convergence region Burgenland).

In the 9 Convergence/Regional Competitiveness programmes about 317 soft-projects and 177 investment projects are under implementation so far. It is planned to create more than 2.000 new jobs and to safeguard around 21.000 jobs by innovation measures in Austrian regions.

In all 3 innovation related policy areas some evaluation results show overall positive effects for the target groups. However, the results are very selective and not valid for all funding actions co-funded by ERDF. Moreover, the relevant evaluation was mainly based on the 2000-2006 period.

There is a broad consensus in Austria that ERDF contributes positively to the improvement of the innovation potential of Austrian regions. However, ERDF supports mainly mainstream-activities and not the most innovative programmes, because the administrative workload in implementing Structural Funds-programmes is considered very demanding.

To increase the innovative potential EU Cohesion Policy has to further develop "Smart Governance " in the field of Innovation and to tackle complex procedures in implementing regional Structural Funds Programmes which undermine flexible and risk-tolerant innovation governance.

2 NATIONAL AND REGIONAL INNOVATION POLICY AND THE CONTRIBUTION OF ERDF

2.1 NATIONAL AND REGIONAL INNOVATION POLICY

Brief outline of the National Innovation Policy

In Austria the promotion of STI (Science, Technology and Innovation including universities) is **foremost the responsibility of the Central Government** (Bund) and is delivered largely through promotion agencies and the Austrian Science Fund.

Direct public STI funding at the central level includes about **77 different funding measures** (in the period 2002-2007) offered by **four main actors**: Austrian Research Promotion Agency (FFG, 39 programmes), Austria Wirtschaftsservice (AWS, 18 programmes), the Austrian Science Fund (FWF, 19 programmes) and the Christian Doppler Gesellschaft (CDG).[1]

The broad spectrum of funding measures addresses different needs and target groups (STI starters, STI professionals for more ambitious R&D projects). **FFG** addresses mainly enterprises, universities and research institutions (and to smaller extent researchers). **AWS** focuses on enterprises (SMEs, start-ups) and **FWF** addresses primarily researchers, universities and other research institutions and to a clearly smaller extent enterprises. Almost half of the funding granted is allocated to enterprises (mainly by the FFG and AWS), about one third to universities or researchers at universities - primarily by the FWF, and almost 20% to research institutions (including competence centres).[2]

There is no coherent overall Austrian **STI Strategy with regard to the coordination of funds**. Strategies are formulated in **subsystems**[3] such as ministries, Austrian Council for Research and Technology Development (established in 2000) or at the state level in the framework of Regional Innova-

[1] KMU Forschung Austria (2009): Teilbericht 5: Das Angebot der direkten FTI-Förderungen in Österreich in: WIFO et al (2009): Evaluation of Government Funding in RTDI from a Systems perspective in Austria, Synthesis Report, page 95

[2] see above, page 97

[3] CONVELOP (2009): Teilbericht 2: Strategische Governance in: WIFO et al (2009): Evaluation of Government Funding in RTDI from a Systems perspective in Austria, Synthesis Report, page 78

tion Strategies. Establishing a single STI-strategy in a federal system is not realistic, whereas a better coordination of the STI-strategy between the central and the sub-national, and between the regional state level actors is essential.

Performance of the Austrian Innovation System

Most studies agree that Austria has considerably expanded its innovation activities and, therefore, **improved its competitive position.** However, there are **concerns regarding the sustainability** of this development. In particular, Austria's business sector has expanded its R&D investments but there are weaknesses in the dynamic elements that underlie structural change and growth. The R&D support system includes well-developed instruments and has been successful in promoting R&D in Austria. However, there are concerns whether the large sums of R&D subsidies are being spent efficiently as the support seems to discriminate against risky R&D projects. Despite reform efforts the system and its instruments continue to be fragmented and governance is a major challenge. Therefore, radical changes and improvements in the innovation system are recommended.[4]

Brief outline of the Regional Innovation Policy

While the role of the Central Government in STI policy **remains dominant** based on single intervention programmes and mainly due to the available funds, Regional policy has been **increasingly enriched by elements of STI policy**, despite the fact that there has been no significant formal shift of competences from the central level to the regional level (no devolution of competences). All Austrian Regions set up specific agencies, developed strategies and mobilised substantial financial resources (established new funds) to implement them. This is part of a broad effort at regional level - not least because of the requirements regarding Structural Funds Implementation since Austria joined the EU in 1995- to establish a governance system that can tackle strategic and technical issues and ensure efficient management control. The following processes contributed to the **regionalisation** of STI policies[5]:

- Incentives from the central level: Central Government programmes targeting STI-infrastructure development such as Competence Centres (COMET and predecessor programmes) AplusB and Fhplus are implemented **regionally tailor-made with financial assistance** from the State Governments (*Länder*). This assistance is based on a significant expansion of STI-related budget lines at state government level. Furthermore, State Governments provide supplementary grants linked to Central Government programmes (*Anschlussförderungen*).

[4] WIFO et al (2009): Evaluation of Government Funding in RTDI from a Systems perspective in Austria, Synthesis Report, page 22

[5] CONVELOP (2009): Teilbericht 2: Strategische Governance – Der Zukunft von Forschung, Technologie und Innovation ihren Möglichkeitsraum geben, Seite 60ff, part of WIFO et al (2009): Evaluation of Government Funding in RTDI from a Systems perspective in Austria

- Developing operational capacities: All of the State Governments have established **agencies and sub-agencies** (including a new generation of regional and local technology agencies such as ZIT in Vienna) to provide support measures for innovation and R&D, however, the main funding agencies remain at central government level (FFG, AWS)[6].
- Developing the conceptual framework: Most Austrian *Länder* have developed **specific STI strategies** to set their own regional priorities, fill gaps with their own instruments (primarily soft-measures) and to better utilize EU and Central Government instruments. The following STI-strategies have been developed at Länder-level (Convelop 2009, Annex B): **Vienna** (Wien denkt-Zukunft, 2007), **Lower Austria** (Technologiekonzept 2002, Sub-strategies for Technopoles, clusters), **Upper Austria** (Innovatives OÖ 2010, currently reviewed), **Salzburg** (Wissenschafts- und Forschungsleitbild 2001), **Tirol** (Leitbild ZukunftsRaum 2007), **Vorarlberg** (Strategisches Programm – Vorarlberg 2005 plus), **Carinthia** (FTI Strategie Kärnten 2009), **Styria** (Technologiepolitisches Konzept Steiermark 2005), **Burgenland** (no specific strategy, but appointment of a technology officer /Technologiebeauftragter in the year 2007 who is responsible for broadband, renewable energies).
- Incentives by European Pilot Actions: **Regional Innovation Strategies** and action plans (RIS/RITTS/RISI) supported the development of innovation capability in some Austrian regions. For instance, several generations of RIS (RIS/RITTS/RIS+/RIS++) for Lower Austria have, since 1997, become a major part of the Niederösterreich Innovation strategy which is partly implemented by Structural Funds programmes.
- As already mentioned **Regional Structural Funds (SF) programmes** related to knowledge and innovation have given more weight to regional and local policy makers and implementing agencies.

Role of ERDF in innovation support

The ERDF is utilised for the partial implementation of Central Government and State Government funding support schemas in a regional framework.

ERDF-programmes are basically linked to central and state level strategies whereby only a proportion of existing funding instruments - under central and state level strategies - are co-funded (no new funding instruments have been created exclusively for ERDF-programmes). Within these only certain projects are co-financed.

[6] Friesenbichler, K., Ziegler, E. (2008) Inno-Policy TrendChart Country report Austria 2008, page 12 ff

Currently the ERDF co-funds[7] about 45 funding actions in the context of state innovation strategies (*Landerebene*) and 5 in the context of central level innovation strategies (*Bundesebene*) (by AWS/ERP, FFG, KPC).

Strategic relations are most visible at the regional level. The interconnection of ERDF-programmes with development strategies at the regional level is of particular interest. For instance the Regional Competitiveness Tyrol programme itself is part of a superior state level strategy called "Zukunftsraum". The strategic function of the ERDF-programme is of minor importance (artificial strategy) and is just an implementing tool within the framework of the state level strategy[8]. Furthermore, ERDF-programmes are not only connected to state level strategies, but also to central level strategies, since the States lack the financial and organisational capacity for such a purpose.

In the Programming Period 2000-2006, ERDF funds were **evenly distributed** among Central and State actors in the field of Innovation (with the exception of Objective 1 in Burgenland where State actors dominated).

In the Programming Period 2007-2013 the current implementation data indicate that State actors clearly used more ERDF funds in the innovation field.

The Central Government (in particular the agencies FFG and KPC) withdrew significantly from the ERDF co-funded R&D support (FOI code 04) and from ERDF co-funded Eco-Innovation support (FOI code 06) on risk minimisation grounds ("play safe approach"). Contrary to expectations the competence centre programme (COMET) was not ERDF-co-funded but covered by national means.

The abolishment of the Eligible Areas 2000-2006 (*Fördergebietskulisse*) increased the potential for Central Government projects, but the administrative burden of ERDF has been avoided whenever possible.[9]

The ERDF Co-financing has **following functions**:

- It fosters, especially by Central Government programmes, an improved differentiation of the co-financing rate awarded to a project. Better projects can be rewarded with an "ERDF bonus".
- By tightly funded State Programmes, ERDF Co-financing allowed the funding of a significant number of projects. Thus, without ERDF co-financing single Interventions could not have been implemented at all or at least only on a much smaller scale.

[7] Funding actions related to the EU-codes 01, 02, 03, 04, 05, 06, 07, 09, 14; see definition of innovation related interventions in ANNEX C

[8] From a content-related point of view it would be useful to integrate the ERDF as a financing tool into existing regional strategies and not to establish ERDF-programmes as somehow stand alone artificial strategies.

[9] National Strategic Report Austria (2009), page 37, 49 f

In regard to the general quantitative weight, the ERDF represents a minor share of the national expenditure in the Innovation field (taking into account all government levels). In single interventions and regions, however, this share can be quite high , for example the Styrian Industrial Promotion Agency (SFG). In every innovation-related funding action applied by SFG a certain number of projects is ERDF co-funded. From the financial capacity point of view ERDF contribution is approximately one third of the SFG-budget. Another third is used for national co-financing. This means that two thirds of the whole SFG-budget are related to the Styrian ERDF programme.

It can be assumed that a high proportion of state level innovation instruments in Regional Competitiveness regions such as Styria, Lower Austria, Upper Austria or Carinthia is co-funded by ERDF. In the Convergence region Burgenland the relevance of ERDF in state level innovation funding schemas is even higher. This increases the States' room for manoeuvre for investments in specific areas against the background of stagnating or decreasing public sector investment activities. In this area (Bröthaler, Resch 2009) a consistent database on the complementary function of ERDF to national / regional support has still to be elaborated.

Role of actors, Strategic co-ordination

R&D policies by regional actors are to a large extent focused on a **broad innovation policy**, because the regional level- even in a federal country like Austria – has only limited competences in research policy. Regional policies are developing an innovation friendly environment, creating science-industry links and develop absorption capacity while R&D is mainly funded by national actors.

Measures such as R&TD activities in research centres (01), R&TD infrastructure (02), advanced support services (05), technology transfer and cooperation networks (03) are implemented by regional actors.

In contrast, central agencies highlight the implementation of Eco-Innovation (06, AWS, KPC), RTDI Investment in firms (07, AWS), R&D projects for SMEs (04, FFG) and ICT Services- SMEs (14, FFG). In those funding areas, the *Länder* do not have suitably qualified implementing structures and therefore, rely on the central government agencies which, in addition, provide federal funds (not available in the State budgets).

This indicates a good complementarity between regional and national policies. However, the introduction by regional actors of interventions with sub-critical mass (regional Venture Capital Funds or local cluster initiative) is considered disadvantageous and has given rise to an uncoordinated doubling of instruments (Convelop 2009, page 63).

The lack of an Austrian STI Strategy (or at least an improved governance schema) and consequently, of a coherent strategic orientation at the Central Government level makes **content related coordination** between the states and between the states and the central level very difficult.

This strategy deficit is hitting the sub-section of ERDF co-financed projects even more harshly.

On the other hand the (multi-level) coordination mechanism safeguarding the **financial absorption** of national and EU co-funded programmes is very well developed in Austria. In this regard, Austria has developed a leading role.

Summary: National innovation policy in Austria has a clear regional dimension. All states set up specific agencies, developed strategies and mobilised substantial financial resources to implement regional innovation strategies. Incentives from the central level further contributed to the regionalisation of innovation policies. Regional actors focus on a broad innovation policy (developing an innovation friendly environment, creating science-industry links, developing absorption capacity) while R&D is mainly funded by national actors.

ERDF co-financing of selected Central Government and State funding programmes improved the differentiation of the co-financing rate awarded to a project. Better projects can be rewarded with an "ERDF bonus", which could not have been provided by purely national means. For tightly funded State Programmes, ERDF co-financing permits the funding of a significant number of projects. In the case of the Styrian Innovation Agency (SFG) two thirds of the whole SFG-budget are related to the regional ERDF programme. Therefore, most regional innovation actors rely heavily on ERDF contributions. This is not always the case with central level agencies which withdraw significantly from ERDF co-funded innovation support to ease the administrative burden. The increased regional innovation activities also require a much higher degree of coordination to minimize an uncoordinated doubling of instruments. Strategic coordination should be made much more effective.

2.2 ERDF CONTRIBUTION ACROSS POLICY AREAS

Importance of innovation measures in relation to the overall programme frame

According to projected figures the Austrian Reg. Comp. and Convergence programmes 2007-2013 give a high priority to regional knowledge base and innovation development. In total **62% of ERDF funds** fall within the definition of innovation used in this paper[10] (422.2 of total 680.1 Mio EUR). In the Convergence region Burgenland the share of innovation support is lower at 50%; in comparison, in the Competitiveness regions it is 65%.

The share of **Lisbon relevant** ERDF is much higher in Austrian programmes, 87% (588,6 Mio of total 680.1 Mio EUR) if we take into account the other investments in companies (code 8) In the current implementation status the percentage is even higher 88% (217,5 Mio out of a total of 247,7 Mio EUR can be classified as Lisbon relevant).

[10] EU/FOI codes: 01, 02, 03, 04, 05, 06, 07, 09, 11, 13, 14, 15, 74, see ANNEX C; It should be noted, that some Reg. Comp. programmes in Austria implement innovative projects also under code 08 (Other investments in companies).

Comparison between old and new period

A comparison between the weight of innovation measures in the 2000-2006 and the 2007-2013 Programming Period would help to illustrate the shift of priorities. Unfortunately, there is no uniform classification system across programming periods in this respect and this is considered a deficit at the EU level.

A first comparison of the figures[11] reveals that the share of total innovation activities in the new period in Austria is approx 10% higher the 2007-2013 period (see annexed tables A2 and A2.1). By policy fields, the following **shift** between the two Programming Periods can be observed:

- The weight of physical RTDI Investments in companies (07, previous 151 and 161)[12] and Other measures (09, previous 164 -Shared business services, 165-Financial Engineering) has been reduced significantly;
- The weight of R&D projects (04, previous 182) has been remained the same;
- RTDI activities in research centres (01), promotion of eco-innovation (06), RTDI infrastructure (02), advanced support services (05) and technology transfer and cooperation networks (03) have increased in share.

Hence the one-sided orientation on RTDI investments in companies in the prior Programming Period (07, partly 08) changed in favour of a broader innovation approach (higher weights on 01, 02, 03, 06), even if Investments in companies (07) are still significant. The policy areas "Knowledge transfer and poles" and "Innovation friendly environment" were enhanced, while main investment measures under the policy area "Boosting applied research" were reduced. Overall, the available funds for Innovation measures in the new Programming Period have been reduced by 13%, following the overall 23% cutback of available ERDF for Austria (see table A2).

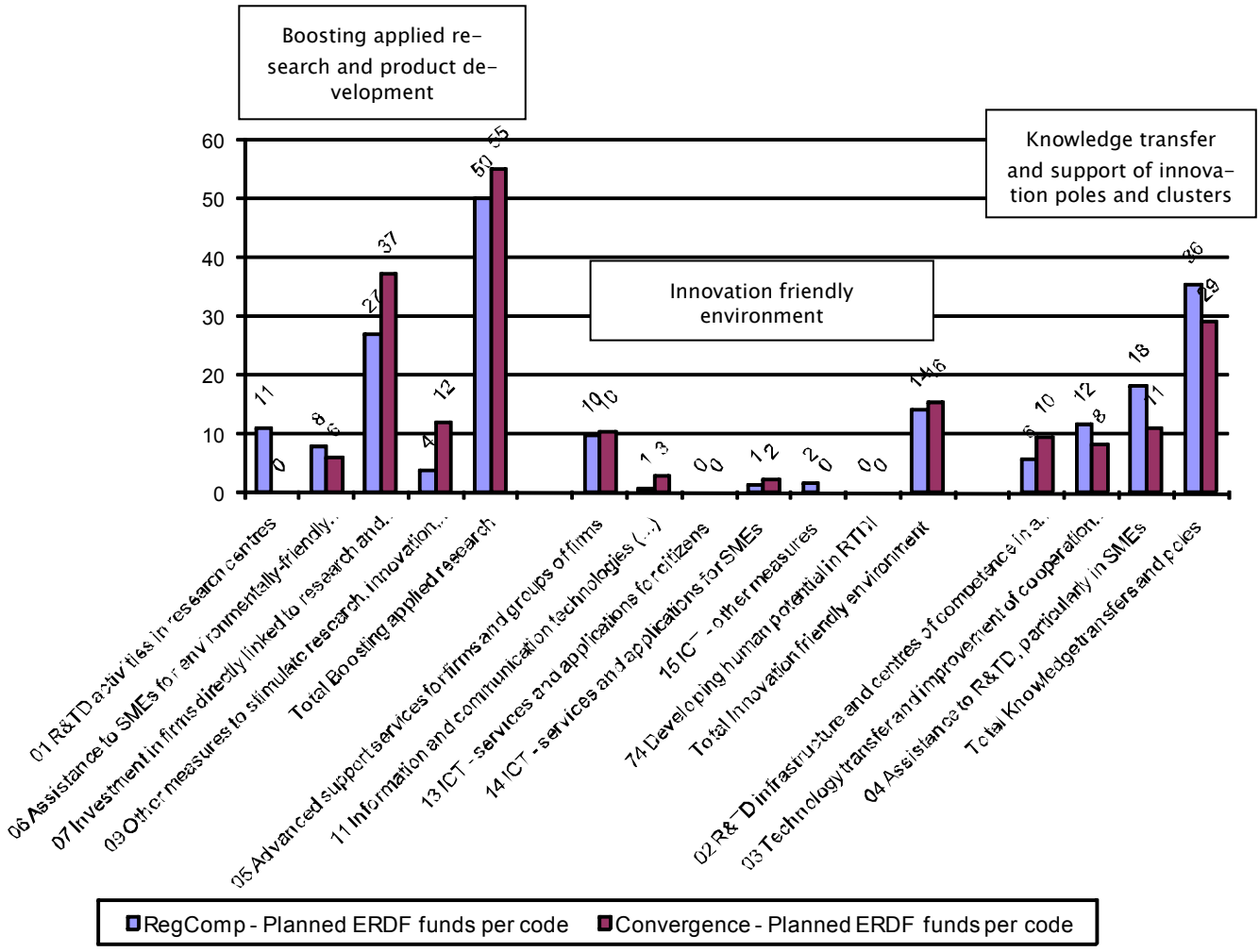
Distribution of ERDF support by policy area under Convergence and Competitiveness Objective

According to allocated ERDF funds for the 2007-2013 period, the Innovation Measure Mix provides the following picture: The most relevant policy area relates to **"Boosting applied research"** (50% of ERDF funds in Competitiveness and 55% in Convergence Objective). The second relevant policy area relates to **"Knowledge transfer and poles"** (36% of ERDF funds in Competitiveness and 29% in Convergence Objective), while relatively few ERDF funds are allocated to policy area **"Innovation friendly Environment" (**14% of ERDF funds in Competitiveness and 16% in Convergence Objective).

[11] Comparison of final payments 2000-06 with updated allocation figures 2007-13 by applying the new classification codes

[12] For a valid comparison between the old and the new period it must be considered that former codes 151 und 161 are related to 07 and also partly to 08. For comparison purpose, therefore, an industry/manufacturing related part of 08 was added to code 07 to allow a comparison with the former codes 151 und 161.

Figure 1: Allocated ERDF funds 2007-13 per policy area and intervention for Regional Competitiveness and Convergence Objective, share in %



Source: ERDF-Monitoring, own calculation

The most relevant Policy Area: Boosting applied research and product development is implemented mainly through investment in companies directly linked to research and innovation (07) and covers 27% of ERDF funds in Competitiveness and 37% in Convergence Objective. Complementary measures with less weight are R&TD investments and soft R&D projects in research centres (01, only applied in Competitiveness Objective); Eco-innovation related investments in SMEs (06, applied in both Objectives); and Other Measures such as fostering Inter-communal business location development under Competitiveness Objective and setting-up of Venture Funds in Convergence Objective.

The second relevant Policy Area: Knowledge transfer and support to innovation poles and clusters is implemented mainly through soft-projects by companies related to innovation, research and development (04, applied in both objectives) and through soft-projects and investments related to technology transfer and improvement of cooperation networks (03, also applied in both objectives). This includes support of cluster organisations, cooperative innovation projects, manage-

ment of Technopoles and the support of start-up centres. A complementary measure addresses investments in R&TD infrastructure development (01, applied in both Objectives).

The complementary Policy Area: Innovation friendly environment is implemented mainly through soft-measures related to support services for companies and groups of companies (05, applied in both objectives) including advisory and coaching services for companies and support of Innovation Assistants and Transfer Managers. Some very small measures support infrastructure investments and soft-projects in Information and communication technologies such as broadband (11, applied by both Objectives); soft-measures to improve ICT-Services and applications for SMEs (14, applied by both Objectives); and ICT investments in SMEs (15, applied only under Competitiveness).

Summary: On the whole the Austrian Convergence and Regional Competitiveness programmes are highly focused on innovation and knowledge (62% of ERDF) and are highly Lisbon relevant (87% of ERDF).

The highest weighted policy area relates to "Boosting applied research" presenting 50% of ERDF funds in Competitiveness and 55% in Convergence Objective. The second relevant policy area relates to "Knowledge transfer and poles" presenting 36% of ERDF funds in Competitiveness and 29% in Convergence Objective. The complementary policy area "Innovation friendly Environment" covers 14% of ERDF funds in Competitiveness and 16% in Convergence Objective.

Within the 3 policy areas ERDF supports innovation in co-funding of a broad spectrum of 11 interventions (12 interventions if code 08 is taken into account), whereby only 5 interventions have a higher financial weight: Investments in companies (07, comprising 27% of planned ERDF-funds), R&D projects for SMEs (04), technology transfer (03), R&TD activities in research centres (01) and support services (05). In the 2000-2006 period investments in companies were even more dominant in ERDF programmes. In the 2007-2013 programmes this one-sided orientation has been changed in favour of a more modern broader innovation approach. However, the spectrum of activities in ERDF programmes is still heavily focused on relatively conventional measures. "Experimentation" is undertaken in national funded schemas.

3 EVIDENCE AVAILABLE ON THE PERFORMANCE OF INNOVATION MEASURES CO-FINANCED BY ERDF

3.1 ACHIEVEMENTS UNDER THE CONVERGENCE OBJECTIVE

Overall performance and achievements

The Convergence Objective supports innovation through a broad spectrum of about 9 interventions. As is the case with Competitiveness Objective, investments in companies related to research and innovation play the major role. However, only 40% of planned interventions (4 out of 9) have been implemented so far.

Actual implementation data shows, that the implementation of innovative measures in Convergence / Phasing-Out Programme Burgenland 2007-2013 is characterised by **significant delays**. At present only 3% of the allocated ERDF funds are committed (see annexed table A5).

The performance in the ERDF Programme should not always be considered equivalent to the performance of the national funding since for some policies the ERDF was hardly utilized[13] This demonstrates the "unattractiveness" of the EU funding schema (as long as enough national funds are available).

The implementation status at the end of March 2010 (which takes into account committed funds) shows that 15% of the innovation related initiatives undertaken so far are related to soft-measures (cluster, company support) and 85% to investments in companies.

ERDF funds were mainly utilised by State actors (see annexed table A7).

Most relevant Policy Area: Boosting applied research and product development

4.5% of the allocated ERDF funds have been committed. At present (and based on approved projects) the following **outputs and results** could be achieved (see annexed table A8): 2 planned[14] investment projects related to eco-innovation (06) and technology (07) are to create 18 new jobs and safeguard 32 jobs.

Second relevant Policy Area: Knowledge transfer and support to innovation poles and clusters

Regarding actual performance 1.4% of the allocated ERDF funds are committed. To the present moment, the following **outputs and results** could be achieved (see annexed table A8): A cooperation project (03) enhances the technology transfer between 20 companies. Furthermore, a research project by a SME (04) should generate 13 new and safeguard 54 R&D jobs.

Complementary Policy Area: Innovation friendly environment

Currently there are no approved projects included in the monitoring.

Findings from evaluations

Evaluations can to some extent explain why even after two funding periods (1995-1999, 2000-2006) there are still such major problems in absorbing funds in the field of innovation (in addition to complex EU funding administration procedures and the global recession 2008-2009).

[13] Pöchhacker Innovation Consulting (2010): Evaluation of priority axis 1 research and innovation of the Phasing-Out programme Burgenland, page 47

[14] For each project planned values (at approval stage) and actual values (at finalization stage) are collected, which should not be confused with targets that were set in the programmes

The Objective 1 programme 2000-2006 (ERDF) predominantly funded single-firm investment projects[15]. However, a sustainable enhancement of the regional innovation system itself (supported specifically by the relatively small innovation part in the programme[16]) has not been fully achieved yet. This is partly demonstrated by the poor performance of the current ERDF programme. Despite the fact that an adequate potential of innovative and growing enterprises is emerging in Burgenland and the state has successfully improved its economic development level since 1995 and is catching-up with other Austrian regions, systemic deficits still exist. For instance, in contrast to all other Austrian states, Burgenland has not yet developed a regional research- and innovation strategy with clear measures and support schemas. Moreover, Burgenland does not have powerful intermediaries to mobilize and support innovation activities. Therefore, a recent evaluation[17] of the current programme proposes a broad and systematic strengthening of innovation activities in Burgenland.

Summary: In the Austrian Convergence region ERDF contributed in particular to the successful implementation of single interventions (such as investment support in companies). However, - despite great ambitions of the state actors - a fully functional regional innovation system itself has not yet been established. This is partly expressed by the poor performance of innovation related measures in the current ERDF programme which is threatening the achievement of prior goals in developing innovation capacity.

3.2 ACHIEVEMENTS UNDER THE COMPETITIVENESS OBJECTIVE

3.2.1 Overall Performance and achievements (Total of 8 programmes)

11 interventions within the Competitive Objective support innovation. However, only 5 of them have greater financial significance: Investments in companies (07, "the big one" 27% of planned ERDF-funds), R&D projects for SMEs (04), technology transfer (03), R&TD activities in research centres (01) and support services (05) (see Table A6).

Current data shows that the implementation of innovative measures progresses well and 34% of the allocated ERDF funds have been committed.

Almost 80% of ERDF funds are related to state actors (see annexed table A8).

[15] Kaufmann, A., Wagner P., ARC systems research (2004): The effects of Structural Funds on the stimulation of innovation: Empirical results from the mid-term evaluation of the Objective 1-programme of the Austrian province Burgenland, conclusions p. 18

[16] About 9% of EU-funds and 15% of ERDF funds were utilized for the Priority 2: Research, Technology and Innovation; Priority 2 was only partially implemented.

[17] Pöchhacker Innovation Consulting (2010): Evaluation of priority axis 1 research and innovation of the Phasing-Out programme Burgenland (internal evaluation, not published)

The implementation status of the 8 Regional Competitiveness Programmes 2007-2013 at the end of March 2010 (including committed funds) shows that 55% of the innovation related initiatives are linked to soft-measures (innovation projects in research centres, support of clusters, technology networks, companies, advisory services, coaching, innovation assistance) and 45% to investments in infrastructure and companies. Hence, in the Competitiveness Objective soft-measures have become more important than investment schemes.

Under the Regional Competitiveness Objective 315 soft- and 175 investment-projects have currently been approved supporting the creation of 2.173 and safeguarding 21.109 existing jobs (full time equivalents).

3.2.2 Performance and achievements in the most relevant Policy Area: Boosting applied research and product development

In this policy area there are 2 interventions with a higher financial importance - Investments in companies (07) and R&TD activities in research centres (01). These main interventions are implemented in most of the programmes. 70% of the ERDF funds are currently utilized by state actors.

According to recent monitoring data implementation of innovative measures under this policy area progresses very well and 40% of the allocated ERDF funds are committed. While RTDI-activities in research centres (01), and Investments in firms (07) surge ahead, Eco-innovation related investments (06) and other measures such as Inter-communal business location development (09) have been delayed. To the present moment (and based on approved projects in total of 8 programmes), the following **outputs and results** could be achieved (see annexed table A10)

- 35 soft-projects related to RTDI activities in research centres (01) are to create 17 new R&D jobs and safeguard 5 R&D jobs.
- 26 investment projects in Eco-Innovation (06) generate 2 new jobs and safeguard 195 existing jobs; 3 of the projects are implemented by newly founded companies.
- 124 RTDI Investment 15.768 existing projects in companies (07) generate 1.893 new jobs and safeguard jobs; 11 of the projects are implemented by newly founded companies.
- No meaningful result indicators are provided for the measure: 09 “Other measures” targeting inter-communal business location cooperation.

Findings from evaluations

- RTDI-activities in research centres (01) are currently implemented in 3 programmes and the funds have already been committed to a large extent. Currently, a specific evaluation on this issue is available for Upper Austria. In the course of the mid-term evaluation 2005 the non-university innovation & research centre „profactor“ in Steyr was evaluated. The evaluation demonstrates that cooperation with “profactor” could improve SME technical know-how, and the innovation potential and the interest for R&D in general. Furthermore,

the implemented innovation projects could enhance the competitiveness of SMEs and give rise to positive employment effects .

- Investment projects in Eco-Innovation (06) are planned for all Austrian ERDF-programmes. A case study by the European Environment Agency (2009) examines financing for environmentally friendly technologies in enterprises (06) by the central agency KPC (including energy efficiency and renewable energy and other areas) in the 2000-2006 period. Financing from the Structural Funds[18] amounted to approximately 15 % of Austria's domestic public financing in this area. The projects supported by Structural Funds resources decreased Austria's CO_2 emissions by almost 300 000 tons per year (t/a). The largest reductions were seen in Lower Austria and Styria. Overall significant job effects and economic returns were detected, but these apply to the whole field of environmental funding in Austrian enterprises. It can be assumed that the positive effects are also due to ERDF co-funded projects.
- RTDI Investment projects in companies (07) are implemented through a very broad approach and are by far the most important interventions. There is an evaluation of the ERP Regional Programme and the SME growth programmes for the period 2000-2006 (Austria Wirtschaftsservice GmbH/Knoll, N., 2007, 2008). Since the participation of Austria in Structural Funds programmes the ERP Regional Programme is co-funded through ERDF . The evaluation reveals that the ERP Programme has had significant effects on the investment performance of companies. In fact, unlike guarantee schemas – in most cases investment projects cannot be expected to relate fully to the funding, but funding does have an impact on duration and speed of project implementation, on the scope of the investment projects and the financing of further investments. The rate of enhanced innovation is reflected in the modernization of the companies consisting in more innovative products and processes. The evaluation of the SME growth programmes demonstrates that in the vast majority of cases they play a crucial role in growth- and innovation of the firms. The interviewed SMEs report a significant increase in employment opportunities and improved competitiveness only a few years after the completion of the project. .
- RTDI investment projects in companies (07, 08) are currently the main part of programme implementation in Styria. The investments and measures focus mainly on large companies by funding new technologies that enhance the competitiveness of these companies. The employment aims have been achieved so far, however, the global economic and financial crisis have given rise to delays and re-dimensioning. The location and creation of new companies in the region were not supported sufficiently and, therefore, at present EU funding has not contributed greatly to structural improvements in Styria.

[18] There is no specific reference regarding ERDF co-funded projects

- Under intervention 09 (Other measures) inter-communal business location cooperations are implemented in 3 programmes using comparatively few funds. The goals of this intervention were innovative organisational improvement accompanied by joint infrastructure investments to create valuable common business locations and a significant decrease in costs for the participating municipalities. However, currently there are no specific evaluations on the desk.

3.2.3 Performance and achievements in the second relevant Policy Area: Knowledge transfer and support to innovation poles and clusters

This policy area addresses 3 interventions: RTDI infrastructure (02), Technology transfer and co-operation networks (03) and R&D projects for SMEs (04) (in financial terms the most important). There are plans to implement these 3 interventions in almost every Regional Competitiveness programme.

Furthermore, the policy area tackles crucial tools for innovation support with a regional approach: Information exchange, mobilisation, cooperation and creating networks between the participating innovation actors. :This is the most relevant field of intervention for the regional authorities, in fact 92% of the ERDF funds are currently used by state actors.

Monitoring data indicate that the implementation of innovative measures under this policy area is characterized by a very mixed pattern. At present 31% of the allocated ERDF funds are committed. RTDI infrastructure (02) and Technology transfer and co-operation networks (03) record a very good implementation pace while the most important measure under this policy area - R&D projects for SME (04) - is seriously delayed.

One reason for the good absorption of funds in infrastructure related measures is the pressure upon regional RDTI initiatives. Private funding plays a major role in this field and the withdrawal of private money is a real threat. RTDI infrastructures and capacities have been developed across regions during the economic boom in recent years. State Governments are forced to provide considerably more public money to safeguard existing initiatives and infrastructures.

Risk minimisation has led to the adoption of a very selected approach by the central agency FFG giving rise to substantial implementation fallback in the measure R&D projects for SMEs (04) . Hence, R&D projects are not dramatically affected by the global economic crisis but by a strategic management decision.

To the present moment, the following **outputs and results** could be achieved under the Competitiveness Objective (see annexed table A10)

- Through 4 soft- and 25 investment projects related to R&TD infrastructure (02) about 23 companies will be located and it is planned to create 118 new and safeguard 29 jobs.

- 135 soft projects related to Technology transfer and cooperation networks (03), most of them cooperation projects, address about 712 participating companies and it is planned to create 5 new and safeguard 37 R&D jobs.
- Through 70 research projects for SMEs (04), most of them cooperation projects, it is planned to create 25

Findings from evaluations

- An external Mid-term evaluation of the Technopol-Programme in Lower Austria was elaborated regarding R&TD infrastructure (02) (KMU FORSCHUNG AUSTRIA, 2008). The Technopol-Programme was already ERDF funded in the period 2000-2006 . The programme finances the infrastructure of the 3 Technopol locations Krems, Tulln and Wr. Neustadt and the development of thematic specialization with relevant research infrastructure and technological know-how on site. Although the Technopol business locations are considered attractive some weaknesses have emerged: attracting new companies, spin-off companies and startups, attracting high-skilled employees.. Child care institutions and the development of a "campus-concept" could be measures to increase attractiveness. To sum up, notwithstanding all the weaknesses, the Technopol programme is an important impulse to increase the R&D and innovation activities at all 3 locations.
- Expectations on physical investments in an innovation centre (02) in Styria have been fulfilled. A specific laboratory used by regional companies was established with the possible setting up of an additional company creating new higher qualified jobs. How developments of the laboratory can be transformed into commercial products still has to be clarified.
- ERDF programmes support technology transfer and cooperation networks (03) especially regional clusters. Fostering clusters is one of the most widely used instruments in regional innovation policy to enhance competitiveness and adapt economy. Cluster projects respond to a very wide range of regional problems and opportunities; they are an adaptable type of intervention. The Ministry of Economy, Family and Youth (2009) conducted a survey on Clusters and their prospects which is valid for all relevant regions in Austria. This study is thematically relevant to some extent but has no specific focus on ERDF-support. Approximately 45 clusters have been developed in Austria with major effects on the national economy as they are important drivers for the regional innovation strategies. Furthermore, forming strong and capable cluster initiatives in terms of professionalisation, specialisation, internationalisation in tackling the lack of critical mass and strategic orientation is of pivotal importance. However, not all regions are equally aware of this. In this respect a true Austrian cluster strategy should be established.
- An Austrian wide Annual Impact Monitoring of the FFG basic programme regarding research projects for SMEs (04) addresses national and ERDF co-funded projects finalized in

the year 2005 (KMU FORSCHUNG AUSTRIA, 2009). The most relevant findings are: The set goals in terms of technical achievements have been achieved for about 81% of the project and 56% of the companies, achieved the economic goals. Almost every company participating in the funded projects to some extent improved its technical standards and increased its know-how. 6.500 new jobs were created and safeguarded by projects funded in the year 2005. The improvements in technological standards and increase in know-how are directly related to the economic success of a project.

3.2.4 Performance and achievements in the complementary Policy Area: Innovation friendly environment

This policy area includes 4 interventions: in financial terms advisory projects (05) are the most important within this policy area and applied in all programmes. The other 3 interventions are related to the application of Information and Communication Technologies/ICT (11, 14, 15). ICT interventions are only applied in selected programmes and are of no broad relevance.

Monitoring data show that the implementation of the interventions under this policy area - advisory projects (05) and ICT-Services and applications for SMEs (14) – had a slow start. Currently only 18% of the allocated ERDF funds are committed.

To the present moment, the following **outputs and results** could be achieved (see annexed table A8)

- In the framework of 54 advisory projects (05) about 1.907 persons could enhance their knowledge, most of the projects were implemented in cooperation with other companies and/or universities.
- Through 6 soft-projects related to ICT Services- SMEs (14) it is planned to create 15 new and safeguard 66 R&D jobs.

Findings from evaluations

- An internal evaluation in Styria regarding advanced support services for companies/groups of companies (under 05) shows that advisory services in the region are clearly SME-oriented and evidence on the success and benefits of these consulting measures was mainly provided through interviews with involved stakeholders.
- An Internal evaluation of the Innovation Assistant Support Schema in Lower Austria (under 05) demonstrates that about half of the funded companies did not have a fully developed innovation strategy at project start and took the funding schema as an opportunity to deal intensively with the topic of innovation in their companies.
- Funding interventions with respect to Information and Communication Technologies/ICT (11, 14, 15) have not been significant. In this area no evaluation results are available at present.

Summary: Actual implementation data shows, that the implementation of innovative measures under Competitive Objective progresses well. At present, 34% of the allocated ERDF funds are committed. A total of 8 Regional Competitiveness programmes, 315 soft- and 175 investment-projects, have been approved supporting the creation of 2.173 and safeguarding 21.109 existing jobs.

In all 3 policy areas (including almost all 11 interventions), evaluation evidence on performance – mainly derived from the 2000-2006 period – demonstrate overall positive effects for the target groups. However the results are very selective and not valid for all actions co-funded by ERDF.

3.3 ACHIEVEMENTS UNDER THE EUROPEAN TERRITORIAL COOPERATION (ETC) OBJECTIVE

In this section it is briefly outlined how ETC cross border programmes (7 in Austria) contribute to innovation support with particular reference to: Austria-Czech Republic, Slovakia-Austria, Deutschland/Bayern-Österreich, Austria-Hungary, Alpenrhein-Bodensee-Hochrhein (ABH).

Innovation is supported under the 5 ETC objective / cross-border programmes through a broad spectrum of about 12 interventions, of which only 3 interventions have a higher financial weight: Technology transfer and cooperation networks (03), Advisory services (05) and other innovation measures (09).

Overall, according to planned figures the share of innovation related interventions in the 5 cross border programmes on average accounts for **19% of planned ERDF funds**

At present (June 2010) about 41% of the planned ERDF funds for innovation are committed. However, in terms of approved funds, the innovation part does not perform as well as the overall programmes (41% vs. 53%). The implementation status shows that only one third to one half of the 12 planned interventions have in fact been implemented so far. That means innovation related measures are still in the early implementation phase and consequently little can be said about achieved results in broad terms. For instance in the AT-SK programme out of 32 planned operations aiming at enhancement of innovative capacity of SMEs so far only 5 have been implemented (Annual Implementation Report 2009).

Nevertheless **interesting approaches** have been developed to foster learning and innovative regions (examples from AT-SK-programme):

- CENTROBOT – this project focuses on the exchange, training, and qualification of young talents in robotics; robotics is one of the key elements of advanced industrial production – the project offers new options for an emerging cross-border community of robotic alumni,

- DUO**STARS – covers a broad range of activities: it addresses the challenges for SMEs to expand their activities in international and global markets in particular via Supply-Relation-Management and electronic procurement; it fosters also exchange on vocational education and training and finally supports capacity-building at the local level,
- REGIONFEMME – project activities target female entrepreneurs; tailored qualification and training offers should support women in the foundation of new enterprises respectively in cross-border business activities.

Summary: In 3 out of the 5 examined cross border programmes the proportion of innovation related activities is relatively high (20%-30%). However, the programmes are – with regard to innovation – in an early implementation phase. In some cases promising approaches to promoting learning regions and innovation through cross border cooperation are emerging.

3.4 EVALUATIONS BEING UNDERTAKEN OR IMPLEMENTED

In the following section evaluations linked to innovation aspects are listed by Programme Region, Type of actor (State actor, Central actor, European Commission / European Agency), Type of evaluation (External or Internal evaluation) and Programming Period. Evaluations on specific aspects of the 2000-2006 period – NOT Mid-Term-Evaluations in general – have been taken into account if thematically relevant for the 2007-2013 period.

The survey identified about 7 internal (not published) evaluations in the current period, some of very limited scope, methodology and content. In contrast, the 2000-2006 period saw about 17 evaluations related to innovation aspects, most of them of high quality and available for a broader audience.

Table 1: Thematic Evaluations in Convergence & Reg. Comp. programmes

Type of actor	Evaluations related to innovation aspects			
	2007-2013		2000-2006	
	Internal /Not published	External /published	Internal /Not published	External /published
Implementing bodies at State level	7*)		1	8
Implementing bodies at Central level			2	4
OEROK				
European actors				2
Total	**7**		**3**	**14**

*) Partly very limited in scope, methodology and content

Source: own survey

The evaluations are outlined in the following tables.

Table 2: Evaluations by Programme Implementing bodies at State level

Programme Region	Inventory of Evaluations / Impact Studies
	A) Initiatives by Programme Implementing bodies at State level
Burgenland (Convergence Region)	1 INTERNAL EVALUATION OF SPECIFIC ASPECTS OF OP 2007-2013 (Priority axis 1): Pöchhacker Innovation Consulting GmbH (2010): Evaluation of the priority axis 1 research and innovation of the Phasing-out programme Burgenland ERDF. In the new programme period 07-13 innovation related measures show serious implementation problems and a significant departure from the goals set (only 3% of allocated funds related to innovation are currently committed). Therefore, an evaluation was elaborated to support a programme modification.
	2 EXTERNAL EVALUATION OF SPECIFIC ASPECTS OF EPPD 2000-2006: ARC systems research GmbH (2004): The effects of Structural Funds on the stimulation of innovation: Empirical results from the mid-term evaluation of the Objective 1-programme of the Austrian province Burgenland
Kärnten (Regional Competitiveness)	3 INTERNAL EVALUATION OF SPECIFIC ASPECTS OF OP 2007-2013: The effects of funded projects are monitored by a newly-designed Impact Monitoring (Wirkungsmonitoring), undertaken by an external evaluator (Convelop). The Impact Monitoring covers fields of action under Priority Axis 1 (Innovation and knowledge based economy). The last report was prepared in November 2009. The ongoing evaluation work at this stage focuses on implementation-aspects rather than on detecting impacts and has the character of a working paper (non -published)
Niederösterreich (Regional Competitiveness)	4 EXTERNAL EVALUATION-OTHER RESEARCH: KMU FORSCHUNG AUSTRIA (2008): Mid-term evaluation of Technopol-Programme in Lower Austria. Thematic issue is relevant, but no specific focus on ERDF.
	5 EXTERNAL EVALUATION -OTHER RESEARCH: Friedrich Schneider, F. Holzberger, M. (2005): Cluster-land Lower Austria - An empirical economic analysis. Thematic issue is relevant, but no specific focus on ERDF.
	6 EXTERNAL EVALUATION-OTHER RESEARCH: TRIGON, JOANNEUM RESEARCH (2004): Evaluation Cluster-land Lower Austria Thematic issue is relevant, but no specific focus on ERDF.
	7 INTERNAL EVALUATION OF SPECIFIC ASPECTS OF EPPD 2000-2006: WST3 (2006): Monitoring and evaluation of Investment Projects (inquiry of project holders accompanying final payment)
	8 INTERNAL EVALUATION OF SPECIFIC ASPECTS OF OP 2007-2013: WST3 (October 2008): Monitoring and evaluation of R&D single company support projects (inquiry of project holders accompanying final payment)
	9 INTERNAL EVALUATION OF SPECIFIC ASPECTS OF OP 2007-2013: WST3 (2008): Evaluation of Innovation Assistant (survey on 35 funding projects), 08/2008
	10 INTERNAL EVALUATION OF SPECIFIC ASPECTS OF OP 2007-2013: Chamber of Commerce Lower Austria: Ongoing monitoring and evaluation of Advisory Services (inquiry of beneficiaries)
	11 EXTERNAL EVALUATION OF SPECIFIC ASPECTS OF EPPD 2000-2006: ÖIR, RCi (2007): Assessment of regional effects of "model-projects" funded under the Objective 2 programme Lower Austria 2000-2006 (including 1 technology centre and 3 companies)
	12 EXTERNAL EVALUATION OF SPECIFIC ASPECTS OF EPPD 2000-2006: Convelop, TU Wien (2008): Assessment of five funded companies under the Objective 2 programme Lower Austria with respect to regional economic effects (growth, jobs, fiscal effects) by using a quantitative regionalized input-output model
Oberösterreich (Regional Competitiveness)	13 EXTERNAL EVALUATION OF SPECIFIC ASPECTS OF EPPD 2000-2006: ÖIR, RCi (2004): Impact analysis of Objective-2 lead project „profactor" (institute for technology transfer) in Steyr
Salzburg (Regional Competitiveness)	No evaluation documents are available

Steiermark (Regional Competitiveness)	14 INTERNAL EVALUATION OF SPECIFIC ASPECTS OF OP 2007-2013: The effects of funded projects are monitored by a newly-designed Impact Monitoring (Wirkungsmonitoring), undertaken by an external evaluator (Convelop & ÖAR). The Impact Monitoring covers the following fields of action 2, 4, 5, 6 (unter Priority Axis 1 Innovation) and 8.1, 8.4 (unter Priority Axis 2 Regional Development). The final report was presented in January 2010 (non-published)
Tirol (Regional Competitiveness)	No evaluation documents are available
Vorarlberg (Regional Competitiveness)	15 INTERNAL EVALUATION OF OP 2007-2013 (facilitated by external expert kairos): The so-called "Project-Check" was introduced in 2007 to analyse the effects of programme implementation in relation to the horizontal objectives of "Sustainable Development" and "Gender Mainstreaming". The process is designed as accompanying observation addressing all OP-measures (with focus on key projects). The last report appeared in spring 2009.
Wien (Regional Competitiveness)	16 EXTERNAL EVALUATION OF SPECIFIC ASPECTS OF EPPD 2000-2006: KMU FORSCHUNG AUSTRIA (2007): Evaluation of Objective 2 project VITE (network Vienna IT Enterprises)

Source: Resch, A., Survey on Managing Authorities and implementing bodies at central and state level

Table 3: Evaluations by Programme Implementing bodies at Central level

Programme Regions	Inventory of Evaluations / Impact Studies related to innovation support
	B) Initiatives by Programme Implementing bodies at Central level
All regions in Austria, aws projects	17 INTERNAL EVALUATION-NATIONAL-WIDE ACROSS EPPDs 2000-2006: Austria Wirtschaftsservice GmbH/Knoll, N. (September 2007): Pilot evaluation of ERP Regional Programme. Purpose: Improve understanding of programme-functionality; based on empirical evidence; taking a comparative view regarding programmes; going beyond existing documentation and monitoring data; including the clients' point of view. Methodology: Exploratory approach using a variety of information sources such as Desk research, Analysis of monitoring data and client files, interviews with programme managers, Client survey (questionnaire + subsequent semi-structured interviews). Internal evaluations become part of multi-annual aws work-programme 2007-2010.
	18 INTERNAL EVALUATION-NATIONAL-WIDE ACROSS EPPDs 2000-2006: Austria Wirtschaftsservice GmbH /Knoll, N. (August 2008): Evaluation of SME Growth Programmes (Unternehmensdynamik und ERP-KMU-Programm) Purpose see above
All regions in Austria, FFG projects	19 EXTERNAL EVALUATION -NATIONAL-WIDE ACROSS EPPDs 2000-2006 (ongoing): KMU FORSCHUNG AUSTRIA (2009): Annual Impact Monitoring of FFG Basisprogramme, latest report 2009; on behalf of Austrian Research Promotion Agency (FFG) the national funding institution for applied industrial research in Austria. Evaluation addresses national and ERDF co-funded projects finalized in 2005
	20 EXTERNAL EVALUATION-OTHER RESEARCH (major evaluation): KOF, Joanneum Research, WIFO, Universiteit Twente, Technopolis (2003): Evaluation of the Austrian Industrial Research Promotion Fund (FFF) and the Austrian Science Fund (FWF) Thematically partly relevant, but no specific focus on ERDF
All regions in Austria, Cluster projects	21 OTHER RESEARCH: Ministry of Economy, Family and Youth (2009): Clusters in Austria - Survey and Prospects; study by 4C foresee Management Consulting GmbH Wien (Prof. Clement et al) Thematically relevant, but no specific focus on ERDF
All regions in Austria, KPC-projects	22 EXTERNAL EVALUATION-NATIONAL-WIDE ACROSS EPPDs 2000-2006: Federal Ministry of Agriculture, Forestry, Environment and Water Management (2008): Evaluation of Environmental Support Measures by Central Government for the period 01.01.2005 to 31.12.2007 Includes environment projects funded by ERDF 2000-2006 http://www.publicconsulting.at/uploads/20080611effizienzbericht20052007.pdf

Source: Resch, A., Survey on Managing Authorities and implementing bodies at central and state level

Table 4: Evaluations by European bodies

Programme Region	Inventory of Evaluations / Impact Studies related to innovation support
	C) Initiatives by European Commission / European agency
Steiermark	**23 EXTERNAL EVALUATION OF SPECIFIC ASPECTS OF EPPD 2000-2006:** CSIL, Joanneum Research, Technopolis Group (2009): Case Study Styria (Objective 2 Programme 2000-2006, selection of 4 measures) under Work Package 4 "Structural Change and Globalisation"; contracted by Evaluation Unit, DG Regional Policy, European Commission Source: DG Regional Policy web-site: http://ec.europa.eu/regional_policy/sources/docgener/evaluation/rado2_en.htm
All regions in Austria, KPC-projects	**24 EXTERNAL EVALUATION -NATIONAL-WIDE ACROSS EPPDs 2000-2006:** European Environment Agency (2009) Territorial cohesion - Analysis of environmental aspects of the EU Cohesion Policy in selected countries, EEA Technical report No 10/2009. Of specific relevance for ERDF are the Case studies of Austria on the issues Biodiversity and Energy Source: http://www.eea.europa.eu/publications/territorial-cohesion-2009

4 CONCLUSION: MAIN CHALLENGES FACED BY COHESION POLICY PROGRAMMES

Role of ERDF in Austrian Innovation Policy

ERDF programmes related to Knowledge and innovation have clearly given more weight to regional and local policy makers and implementing agencies. The contribution of ERDF increases the room for manoeuvre for investments in specific areas such as innovation. This underpins the importance of ERDF, especially for the state government level (*Länder*).

Regionalisation of RTDI policies allowing tailor-made solutions to regional specific issues is well illustrated in Austria but design and delivery of regional innovation policy is a very demanding task in terms of achieving critical mass and coherence of measures. Regional innovation policy and programmes require a regional governance system capable of tackling technical issues, of ensuring an efficient management system and an ability to work in partnership with national actors. The existence of a more structured innovation system and a stronger regional RTDI policy framework makes it easier to implement more targeted regional programmes.

Importance and main focus of ERDF co-funded innovation measures

The Austrian programmes 2007-2013 – according to projected figures – give a high priority to regional knowledge base development. 62% of ERDF funds are linked to innovation measures.

The most relevant policy area in Austria relates to "Boosting applied research" with 50% of ERDF funds in Competitiveness and 55% in Convergence Objective.

A comparison between the prior and the present programming period reveals that the share of total innovation activities in Austria in the present period is approx. 10% higher. In the new pro-

gramming period Austrian regions have given more weight to developing knowledge transfer and poles and friendly environment while reducing main investment measures related to "Boosting applied research".

Hence, the one-sided orientation on RTDI investments in companies in the prior Programming Period (07, partly 08) has been changed in favour of a broader innovation approach (higher weights on 01, 02, 03, 06), even if Investments in companies (07) are still significant.

Performance of innovation measures under Convergence and Competitiveness programmes

Data shows that the implementation of innovative measures progresses well (with the exception of Burgenland which lacks absorption capacity for innovation measures due to a not fully developed regional innovation system).

At present a third of the allocated ERDF funds are committed.

Results of innovation measures achieved in the ongoing period

About 317 soft-projects and 177 investment projects are under implementation so far with the creation of more than 2.000 new jobs and safeguarding around 21.000 jobs.

For each intervention co-funded by the ERDF evidence on outputs and results is available through the monitoring system (except 09 which shows no meaningful result indicators). Results are linked to "core results" such as job creation. Result indicators reflecting the improvement of innovation capacity are very difficult to collect.

There is a broad consensus in Austria that the ERDF contributes positively (but to a largely unknown extent) to the improvement of the innovation potential of Austrian regions. However, in innovation ERDF supports mainly mainstream-activities and not the most innovative programmes[19].

Findings from evaluations

In all 3 innovation related policy areas evaluation results demonstrate the achievement of overall positive effects for the target groups. However, the results are very selective and not valid for all funding actions co-funded by ERDF. Moreover the relevant evaluation refers mainly to the 2000-2006 period. In contrast to the 2000-2006 programming period the status quo of evaluations in the current period is not transparent, consisting of internal/not published evaluation documents which vary greatly in scope and methodology and are not accessible to a broader audience.

A comprehensive evaluation culture has been developed only in a very limited number of regions, which make considerably efforts to improve the design and coordinate of their (ERDF co-funded) RTDI-instruments. However, in general, only few actors devote considerable resources to benchmarking and studies to ensure that policies are based on best practices.

[19] ÖROK (2009): National Strategic Report, page 37 f

The above-mentioned thematic evaluations address individual programmes, specific measures or projects. However, programmes or measures do not need to prove their legitimacy towards a comprehensive strategy[20]. Legitimacy is taken as granted when there is no overall strategy. In ideal governance models each intervention should be (ex-ante) evaluated against an overall strategy. Most Austrian *Länder* have developed specific STI strategies (not to be confused with ERDF programmes) which could form a suitable strategic framework for that purpose.

Challenges for future implementation of innovation measures

- **Developing "Smart Governance[21]" in the field of Innovation.** In addition to Community support programmes at regional and local level numerous RTDI policy measures and support schemes cover a broad policy mix. But they are poorly covered by joint inventories and strategic frameworks. Drawing a systematic picture of the conglomerate of instruments funded primarily from regional sources is a complicated task. The coherence with Community and national programmes is in general not sufficiently clear, with the risk of fragmentation and duplication of efforts.
- **Tackling complex procedures in implementing regional Structural Funds Programmes undermining flexible and risk-tolerant innovation governance.** There are complaints from Managing Authorities and Implementing bodies about "red-tape" and auditing requirements related to the implementation of Structural Funds Programmes. These discourage many potential beneficiaries and hinder implementation of important projects. The funding agencies prefer to co-finance projects that are unlikely to encounter financial difficulties during implementation. Complicated (e.g. innovative projects) projects and/or projects from inexperienced project owners tend to be financed by national sources (risk-avoiding behaviour in Structural-Funds-Programmes). The increasing orientation towards innovation in Cohesion Policy is accompanied by ever more complicated formal administration and legal uncertainties for actors implementing regional programmes. The Member States in partnership with the Commission are urged to simplify the existing procedures (at least for smaller programmes), if European regional programmes are to realize their potential.

[20] WIFO et al (2009): Evaluation of Government Funding in RTDI from a Systems perspective in Austria, Synthesis Report, Part 3 Strategic Governance by convelop, page 76

[21] WIFO et al (2009): Evaluation of Government Funding in RTDI from a Systems perspective in Austria, Synthesis Report, Part 3 Strategic Governance by convelop, page 80

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INTERVIEWS

Telephone interviews with all nine Managing Authorities (Convergence and RegComp) and with selected implementing bodies (FFG, aws, ecoplus, Wibak) in Austria, May 2010

ANNEX A – BACKGROUND DATA ON EU COHESION POLICY SUPPORT TO INNOVATION

Table A1 – Total ERDF resources allocated per programme (2007-2013), main initiatives

Programmes 2007 – 2013	Total ERDF resources for innovation	Total ERDF	Innovation support as % of total ERDF	Main initiatives in RTDI support implemented by 31.03.2010
OP Burgenland 2007-2013: Ziel Konvergenz/Phasing Out / EFRE	62.536.830	125.026.964	50,0%	03, 04: Soft-measures related to cluster, companies (implemented by state level bodies) 06, 07: Investments in companies (implemented by state and central level bodies)
Total Objective 1	**62.536.830**	**125.026.964**	**50,0%**	**1.813.295 ERDF committed, of this:** **approx. 15% related to soft-measures (03, 04)** **approx. 85% related to investments (07)**
OP Kärnten 2007-2013: Ziel Regionale Wettbewerbsfähigkeit & Beschäftigung / EFRE	55.797.619	67.388.430	82,8%	01, 04: Soft-measures related to research centres, companies (implemented by state and central level bodies) 02, 06, 07: Investments in infrastructure and companies (implemented by state and central level bodies)

[22] RTDI: Research, Technological Development and Innovation

Programmes 2007 – 2013	Total ERDF resources for innovation	Total ERDF	Innovation support as % of total ERDF	Main initiatives in RTDI support implemented by 31.03.2010
OP Niederösterreich 2007-2013: Ziel Regionale Wettbewerbsfähigkeit & Beschäftigung / EFRE	92.690.000	145.646.798	63,6%	01, 03, 04, 05, 14: Soft-measures related to research centres, clusters, technology networks, companies, advisory services, coaching, innovation assistance (implemented by state and central level bodies) 02, 06, 07: Investments in infrastructure and companies (implemented by state and central level bodies)
OP Oberösterreich 2007-2013: Ziel Regionale Wettbewerbsfähigkeit & Beschäftigung / EFRE	65.773.517	95.543.517	68,8%	01, 03, 04, 05, 14: Soft-measures related to research centres, clusters, technology networks, companies, advisory services, coaching, innovation assistance, ICT-projects (implemented by state and central level bodies) 06, 07: Investments in companies (implemented by state and central level bodies)
OP Salzburg 2007-2013: Ziel Regionale Wettbewerbsfähigkeit & Beschäftigung / EFRE	7.168.480	13.813.480	51,9%	03, 04, 05, 09: Soft-measures related to technology networks, companies, advisory services, coaching, innovation assistance, inter-communal business location co-operation (implemented by state and central level bodies) 06, 07: Investments in companies (implemented by central level body)
OP Steiermark 2007-2013: Ziel Regionale Wettbewerbsfähigkeit & Beschäftigung / EFRE	103.447.159	155.061.854	66,7%	02, 03, 04, 05, 09, 14: Soft-measures related to studies, cluster, technology networks, companies, advisory services, coaching, innovation assistance, inter-communal business location co-operation, ICT-projects (implemented by state and central level bodies) 06, 07: Investments in companies (implemented by state and central level bodies)
OP Tirol 2007-2013: Ziel Regionale Wettbewerbsfähigkeit & Beschäftigung / EFRE	16.011.985	34.772.988	46,0%	03, 05, 14: Soft-measures related to cluster, technology networks, Innovation assistance, ICT-projects (implemented by state and central level bodies) 07: Investments in companies (implemented by central level body)
OP Vorarlberg 2007-2013: Ziel Regionale Wettbewerbsfähigkeit und Beschäftigung / EFRE	10.985.000	17.660.129	62,2%	03, 04, 05, 09: Soft-measures related to technology networks, companies, coaching, advisory services, inter-communal business location co-operation (implemented by state and central level bodies) 02, 07: investments in infrastructure and companies (implemented by state and central level bodies)
OP Wien 2007-2013: Ziel Regionale Wettbewerbsfähigkeit & Beschäftigung / EFRE	7.829.253	25.151.861	31,1%	05: Soft-measures related to coaching, advisory services (implemented by state level bodies)
Total Objective 2	**359.703.013**	**555.039.057**	**64,8%**	**121.666.051 ERDF committed, of this: approx. 55% related to soft-measures (01, 02, 03, 04, 05, 09, 14) approx. 45% related to investments (02, 06, 07)**
Overall total	**422.239.843**	**680.066.021**	**62,1%**	**123.479.346 ERDF committed, of this: approx. 53% related to soft-measures (01, 02, 03, 04, 05, 09, 14) approx. 47% related to investments (02, 06, 07)**

Source: ERDF-monitoring 31.03.2010, own calculation

Table A2 – ERDF Innovation measures in the old and new programme period, Objective 1 and 2 (9 programmes), in EUR

FOI codes 2007-13	Policy areas / Categorisation of Expenditure	ERDF 2000-2006 final payments	ERDF planned 2007-13 (status end 2009)	% change
1	R&TD activities in research centres	23.383.034	40.314.612	72
6	Assistance to SMEs for the promotion of environmentally-friendly products and production processes (...)	10.318.771	32.026.943	210
7 + parts of 8	Investment in firms directly linked to research and innovation (...)	319.546.293	195.845.798	-39
9	Other measures to stimulate research and innovation and entrepreneurship in SMEs	65.532.423	21.914.152	-67
Total	**Boosting applied research Total**	418.780.521	290.101.505	-49
5	Advanced support services for firms and groups of firms	38.839.061	42.203.569	9
11	Information and communication technologies (...)	11.427.599	5.183.449	-55
12	Information and communication technologies (TEN-ICT)			
13	Services and applications for citizens (e-health, e-government, e-learning, e-inclusion, etc.)	4.737.390	0	-100
14	Services and applications for SMEs (e-commerce, education and training, networking, etc.)	0	6.729.396	
15	Other measures for improving access to and efficient use of ICT by SMEs	348.818	6.659.005	1.809
74	Developing human potential in the field of research and innovation, in particular through post-graduate studies ...	2.180.185	0	-100
Total	**Innovation friendly environment Total**	57.533.053	60.775.419	6
2	R&TD infrastructure and centres of competence in a specific technology	2.588.545	26.490.602	923
3	Technology transfer and improvement of cooperation networks ...	4.816.171	47.114.043	878
4	Assistance to R&TD, particularly in SMEs (including access to R&TD services in research centres)	85.117.878	72.550.427	-15
Total	**Knowledge transfers and poles Total**	92.522.594	146.155.072	58
Total Innovation		**568.836.168**	**497.031.996**	**-13**
Total Programmes		**878.695.000**	**680.066.021**	**-23**

Source: ERDF-monitoring 31.03.2010, own calculation and calculations by aws (74,8 Mio. ERDF funds of Code 08 addressing innovative funding projects in industry and manufacturing have been added to Code 07)

Correspondence EU codes 2007.2013/ IV codes 2000-2006		
01	=	**181**
02	=	**183**
03	=	**183**
04	=	**182**
05	=	**1531, 1532, 1631, 1632**
06	=	**152, 162**
07 (and parts of 08)	=	**151, 161**
09	=	**155, 165, 1641**
11	=	**322, 321**
12	=	(not relevant for Austria
13	=	**323**
14	=	**324**
15	=	**324**

Table A2.1 – ERDF Innovation measures in the old and new programme period, Objective 1 and 2 (9 programmes), in %

FOI codes 2007-13	Policy areas / Categorisation of Expenditure	Share in % based on ERDF 2000-2006 final payments	Share in % based on ERDF planned 2007-13 (status end 2009)	change %-points
1	R&TD activities in research centres	4	8	4
6	Assistance to SMEs for the promotion of environmentally-friendly products and production processes (...)	2	6	5
7 + parts of 8	Investment in firms directly linked to research and innovation (...)	56	39	-17
9	Other measures to stimulate research and innovation and entrepreneurship in SMEs	12	4	-7
Total	**Boosting applied research Total**	74	58	-15
5	Advanced support services for firms and groups of firms	7	8	2
11	Information and communication technologies (...)	2	1	-1
12	Information and communication technologies (TEN-ICT)	0	0	0
13	Services and applications for citizens (e-health, e-government, e-learning, e-inclusion, etc.)	1	0	-1
14	Services and applications for SMEs (e-commerce, education and training, networking, etc.)	0	1	1
15	Other measures for improving access to and efficient use of ICT by SMEs	0	1	1
74	Developing human potential in the field of research and innovation, in particular through post-graduate studies ...	0	0	0
Total	**Innovation friendly environment Total**	10	12	2
2	R&TD infrastructure and centres of competence in a specific technology	0	5	5
3	Technology transfer and improvement of cooperation networks ...	1	9	9
4	Assistance to R&TD, particularly in SMEs (including access to R&TD services in research centres)	15	15	0
Total	**Knowledge transfers and poles Total**	16	29	13
Total Innovation		100	100	0
Share of Total Innovation in % of Total Programmes		**64**	**73**	**9**

Source: ERDF-monitoring 31.03.2010, own calculation

Table A3 – ERDF contribution to innovation by policy area and actor, Convergence Objective

Policy Area	FOI codes 2007-2013	2000-2006 (ERDF final payments, 7 years implementation)			2007-2013 (ERDF committed funds 31.03.2010, 3 years implementation)		
		ERDF total	ERDF State level	ERDF Central Level	ERDF total	ERDF State level	ERDF Central Level
Boosting applied research	01	0	0		0		
	06	0			131.500		131.500

	07	67.636.332	49.379.790	18.256.542	1.419.040	1.419.040	
	09	37.238.156	37.238.156		0		
	Total	**104.874.488**	**86.617.945**	**18.256.542**	**1.550.540**	**1.419.040**	**131.500**
Innovation friendly environment	05	88.371	88.371		0		
	11	1.717.414	1.717.414		0		
	13	1.762.196	1.762.196		0		
	14	0			0		
	15	0			0		
	74	2.180.185	2.180.185		0		
	Total	**5.748.166**	**5.748.166**		**0**		
Knowledge transfers and poles	02	0			0		
	03	816.871	716.292	100.579	67.500	67.500	
	04	4.968.206	383.284	4.584.923	195.255	195.255	
	Total	**5.785.077**	**1.099.575**	**4.685.502**	**262.755**	**262.755**	
Total		**116.407.731**	**93.465.687**	**22.942.044**	**1.813.295**	**1.681.795**	**131.500**
Total ERDF Innovation		**116.407.731**			**62.536.830**		
Total ERDF Programme		**181.520.000**			**125.026.964**		

Source: ERDF-monitoring 31.03.2010, own calculations

Table A4 – ERDF contribution to innovation by policy area and actor, Competitiveness Objective

Policy Area	FOI codes 2007–2013	2000–2006 (ERDF final payments, 7 years implementation)			2007–2013 (ERDF committed funds 31.03.2010, 3 years implementation)		
		ERDF total	ERDF State level	ERDF Central Level	ERDF total	ERDF State level	ERDF Central Level
Boosting applied research	01	23.383.034	23.383.034	0	27.196.105	27.196.105	0
	06	10.318.771	1.118.920	9.199.851	3.955.874	1.456.422	2.499.452
	07	251.909.961	113.488.436	138.421.525	40.537.488	21.240.086	19.297.402
	09	28.294.268	27.509.537	784.730	1.440.723	1.440.723	0
	Total	**313.906.034**	**165.499.928**	**148.406.106**	**73.130.190**	**51.333.336**	**21.796.854**
Innovation friendly environment	05	38.750.690	38.653.308	97.382	8.205.075	8.205.075	0
	11	9.710.185	9.710.185	0	0	0	0
	13	2.975.194	2.975.194	0	0	0	0
	14	0	0	0	874.000	0	874.000
	15	348.818	348.818	0	0	0	0
	74	0	0	0	0	0	0
	Total	**51.784.887**	**51.687.505**	**97.382**	**9.079.075**	**8.205.075**	**874.000**
Knowledge transfers and poles	02	2.588.545	2.588.545	0	11.463.991	11.463.991	0
	03	3.999.300	3.999.300	0	21.695.751	21.695.751	0
	04	80.149.672	5.060.504	75.089.168	6.297.043	3.029.043	3.268.000
	Total	**86.737.516**	**11.648.349**	**75.089.168**	**39.456.785**	**36.188.785**	**3.268.000**
Total		**452.428.437**	**228.835.781**	**223.592.656**	**121.666.051**	**95.727.197**	**25.938.854**
Total ERDF Innovation		**452.428.437**			**359.703.013**		
Total ERDF Programmes		**704.890.000**			**555.039.057**		

Source: ERDF-monitoring 31.03.2010, own calculations

Table A5 – Committed funds by policy area (2007-2013), Convergence Objective

Policy Area	Categorisation of Expenditure (FOI codes 2007-2013)		ERDF 2007-2013		
	code	Label	Planned funds per code	Committed funds 31.03.2010 per code	in % of planned
Boosting applied research	01	R&TD activities in research centres	0	0	
	06	Assistance to SMEs for the promotion of environmentally-friendly products and production processes (...)	3.725.460	131.500	3,5
	07	Investment in firms directly linked to research and innovation (...)	23.269.470	1.419.040	6,1
	09	Other measures to stimulate research and innovation and entrepreneurship in SMEs	7.500.000	0	0,0
	Total		**34.494.930**	**1.550.540**	**4,5**
Innovation friendly environment	05	Advanced support services for firms and groups of firms	6.457.932	0	0,0
	11	Information and communication technologies (...)	1.830.000	0	0,0
	13	Services and applications for citizens (e-health, e-government, e-learning, e-inclusion, etc.)	0	0	
	14	Services and applications for SMEs (e-commerce, education and training, networking, etc.)	1.480.500	0	0,0
	15	Other measures for improving access to and efficient use of ICT by SMEs	0	0	
	74	Developing human potential in the field of research and innovation, in particular through post-graduate studies ...	0	0	
	Total		**9.768.432**	**0**	**0,0**
Knowledge transfers and poles	02	R&TD infrastructure and centres of competence in a specific technology	6.043.968	0	0,0
	03	Technology transfer and improvement of cooperation networks ...	5.250.000	67.500	1,3
	04	Assistance to R&TD, particularly in SMEs (including access to R&TD services in research centres)	6.979.500	195.255	2,8
	Total		**18.273.468**	**262.755**	**1,4**
Total			**62.536.830**	**1.813.295**	**2,9**

Source: ERDF-monitoring 31.03.2010, own calculation

Table A6 – Committed funds by policy area (2007-2013), Competitiveness Objective

Policy Area	Categorisation of Expenditure (FOI codes 2007-2013)		ERDF 2007-2013		
	code	Label	Planned funds per code	Committed funds 31.03.2010 per code	in % of planned
Boosting applied research	01	R&TD activities in research centres	40.314.612	27.196.105	67,5
	06	Assistance to SMEs for the promotion of environmentally-friendly products and production processes (...)	28.301.483	3.955.874	14,0
	07	Investment in firms directly linked to research and innovation (...)	97.784.175	40.537.488	41,5
	09	Other measures to stimulate research and innovation and entrepreneurship in SMEs	14.414.152	1.440.723	10,0

	Total		**180.814.422**	**73.130.190**	**40,4**
Innovation friendly environment	05	Advanced support services for firms and groups of firms	35.745.637	8.205.075	23,0
	11	Information and communication technologies (...)	3.353.449	0	0,0
	13	Services and applications for citizens (e-health, e-government, e-learning, e-inclusion, etc.)	0	0	
	14	Services and applications for SMEs (e-commerce, education and training, networking, etc.)	5.248.896	874.000	16,7
	15	Other measures for improving access to and efficient use of ICT by SMEs	6.659.005	0	0,0
	74	Developing human potential in the field of research and innovation, in particular through post-graduate studies ...	0	0	
	Total		**51.006.987**	**9.079.075**	**17,8**
Knowledge transfers and poles	02	R&TD infrastructure and centres of competence in a specific technology	20.446.634	11.463.991	56,1
	03	Technology transfer and improvement of cooperation networks ...	41.864.043	21.695.751	51,8
	04	Assistance to R&TD, particularly in SMEs (including access to R&TD services in research centres)	65.570.927	6.297.043	9,6
	Total		**127.881.604**	**39.456.785**	**30,9**
Total			**359.703.013**	**121.666.051**	**33,8**

Source: ERDF-monitoring 31.03.2010, own calculation

Table A7 - Implementation by actors in the Convergence Programme (1), share of funds in %

Policy Area	FOI codes 2007-2013		2007-2013 (ERDF committed funds 31.03.2010)	
			ERDF by State level actors	ERDF by Central Level actors
Boosting applied research	01	R&TD activities in research centres		
	06	Eco-Innovation		100 (AWS)
	07	RTDI Investment in firms	100	
	09	Other measures		
	Total		**92**	**8**
Innovation friendly environment	05	Advanced support services		
	11	ICT-R&D		
	13	ICT Services-citizens		
	14	ICT Services- SMEs		
	15	ICT - Other measures		
	74	Developing human potential in RTDI		
	Total			
Knowledge transfers and poles	02	R&TD infrastructure		
	03	Technology transfer and cooperation networks	100	
	04	R&D projects for SMEs	100	
	Total		**100**	**0**
Total			**93**	**7**

Source: ERDF-monitoring 31.03.2010, own calculation

Table A8 – Implementation by actor in the Regional Comp. Programmes (8), share of funds in %

Policy Area	FOI codes 2007-2013		2007-2013 (ERDF committed funds 31.03.2010)	
			ERDF by State level actors	ERDF by Central Level actors
Boosting applied research	01	R&TD activities in research centres	100	
	06	Eco-Innovation	37	63 (AWS)
	07	RTDI Investment in firms	52	47 (AWS)
	09	Other measures	100	
	Total		**70**	**30**
Innovation friendly environment	05	Advanced support services	100	0
	11	ICT-R&D		
	13	ICT Services-citizens		
	14	ICT Services- SMEs	0	100 (FFG)
	15	ICT - Other measures		
	74	Developing human potential in RTDI		
	Total		**90**	**10**
Knowledge transfers and poles	02	R&TD infrastructure	100	
	03	Technology transfer and cooperation networks	100	
	04	R&D projects for SMEs	48	51 (FFG)
	Total		**92**	**8**
Total			**79**	**21**

Source: ERDF-monitoring 31.03.2010, own calculation

Table A9 – Output and results by policy area (2007-2013), Convergence Objective

Policy Area	FOI codes 2007-2013	ERDF committed funds	Output		Results				
			No of soft-projects	No of investment-projects	Number of participating companies on technology transfer	Planned new R&D jobs to be created (full time equivalent)	Safeguarded R&D jobs in the company (full time equivalent)	Planned new jobs to be created (full time equivalent)	Safeguarded jobs in the company (full time equivalent)
Boosting applied research	01	0							
	06	131.500		1					18
	07	1.419.040		1				18	14
	09	0							
	Total	**1.550.540**		**2**				**18**	**32**
Innovation friendly environment	05	0							
	11	0							
	13	0							
	14	0							
	15	0							
	74	0							

	Total	**0**							
Knowledge transfers and poles	02	0							
	03	67.500	1		20				
	04	195.255	1			13	54		
	Total	**262.755**	**2**		**20**	**13**	**54**		
Total		**1.813.295**	**2**	**2**	**20**	**13**	**54**	**18**	**32**

Source: ERDF-monitoring 31.03.2010, own calculations based on approved projects

Table A10- Output and results by policy area (2007-2013), Competitiveness Objective

Policy Area	FOI codes 2007-2013	ERDF committed funds	Output						Results					
			No of soft-projects	of this: No of co-operation projects (with other companies, universities..)	No of advisory services (Beratungen)	No of investment-projects	of this: No of co-operation projects (with other companies, universities..)	of this: No of investment projects by newly founded companies/start-ups	Number of participating companies on technology transfer (plan)	No of located companies after 3 years (plan)	Planned new R&D jobs to be created (full time equivalent)	Safeguarded R&D jobs in the company (full time equivalent)	Planned new jobs to be created (full time equivalent)	Safeguarded jobs in the company (full time equivalent, amount of jobs at the project start)
Boosting applied research	01	27.196.105	35	4							17	5		
	06	3.955.874				26	3	3					2	195
	07	40.537.488				124	5	11					1.893	15.768
	09	1.440.723	11											
	Total	**73.130.190**	**46**	**4**		**15**	**8**	**14**			**17**	**5**	**1.994**	**16.862**
Innovation friendly environment	05	8.205.075	54	44	1.907									
	11	0												
	13	0												
	14	874.000	6	1							15	66		
	15	0												
	74	0												
	Total	**9.079.075**	**6**	**45**	**1.907**						**15**	**66**		
Knowledge transfers and poles	02	11.463.991	4			25	9			23			118	29
	03	21.695.751	135	78					712		5	37		
	04	6.297.043	70	51							25	284		
	Total	**39.456.785**	**209**	**129**		**25**	**9**		**712**	**23**	**3**	**2.877**	**118**	**29**
Total		**121.666.051**	**315**	**178**	**1.907**	**175**	**17**	**14**	**712**	**23**	**62**	**4.037**	**2.111**	**17.072**

Source: ERDF-monitoring 31.03.2010 own calculations based on approved projects

ANNEX B - CLASSIFICATION OF INNOVATION POLICY AREAS, INSTRUMENTS AND BENEFICIARIES

Policy area	Short description

Innovation friendly environment	This category covers a range of actions which seek to improve the overall environment in which enterprises innovate, and notably three sub groups: • innovation financing (in terms of establishing financial engineering schemes, etc.); • regulatory improvements and innovative approaches to public services and procurement (this category could capture certain e-government investments related to provision of services to enterprises); • Developing human capital for the knowledge economy. This category will be limited to projects in higher education aimed at developing industry orientated courses and post-graduate courses; training of researchers in enterprises or research centres. The category also covers initiatives geared towards improving governance capacities for innovation and knowledge policies (e.g. specific technical assistance funding, support for regional foresight)
Knowledge transfer and support to innovation poles and clusters	Direct or indirect support for knowledge and technology transfer: • direct support: aid scheme for utilising technology-related services or for implementing technology transfer projects, notably environmentally friendly technologies and ITC; • indirect support: delivered through funding of infrastructure and services of technology parks, innovation centres, university liaison and transfer offices, etc. Direct or indirect support for creation of poles (involving public and non-profit organisations as well as enterprises) and clusters of companies • direct support: funding for enterprise level cluster activities, etc. • indirect support through funding for regrouping R&D infrastructure in poles, infrastructure for clusters, etc.
Boosting applied research and product development	Funding of "Pre-competitive development" and "Industrial research" projects and related infrastructure. Policy instruments include: • aid schemes for single beneficiary or groups of beneficiaries (including IPR protection and exploitation); • research infrastructures for non-profit/public organisations and higher education sector directly related to universities. Any direct or indirect support for the creation of innovative enterprises (spin-offs and start-ups)

Instruments	**Short description**
Infrastructures and facilities	Building and equipment for laboratories or facilities for university or research centres, Telecommunication infrastructures,

	Building and equipment for incubators and parks for innovative enterprises
Aid schemes	Grants and loans for RTDI projects Innovative finance (venture capital, equity finance, special bonds, etc.) for innovative enterprises
Education and training	Graduate and post-graduate University courses Training of researchers

Beneficiaries	**Short description**
Public sectors	Universities National research institutions and other national and local public bodies (innovation agencies, BIC, Chambers of Commerce, etc..) Public companies
Private sectors	Enterprises Private research centres
Others	NGOs
Networks	cooperation between research, universities and businesses cooperation between businesses (clusters of SMEs) other forms of cooperation among different actors

ANNEX C - CATEGORISATION OF EXPENDITURE TO BE USED FOR CALCULATING EU COHESION POLICY RESOURCES DEVOTED TO INNOVATION

FOI Code	**Priority Theme**
	Research and technological development (RTD), innovation and entrepreneurship
01	R&TD activities in research centres
02	R&TD infrastructure (including physical plant, instrumentation and high-speed computer networks linking research centres) and centres of competence in a specific technology
03	Technology transfer and improvement of cooperation networks between small businesses (SMEs), between these and other businesses and universities, postsecondary education establishments of all kinds, regional authorities, research centres and scientific and technological poles (scientific and technological parks, technopoles, etc.)
04	Assistance to R&TD, particularly in SMEs (including access to R&TD services in research centres)
05	Advanced support services for firms and groups of firms
06	Assistance to SMEs for the promotion of environmentally-friendly products and production processes (introduction of effective environment managing system, adoption and use of pollution prevention technologies, integration of clean technologies into firm production processes)

07	Investment in firms directly linked to research and innovation (innovative technologies, establishment of new firms by universities, existing R&TD centres and firms, etc.)
09	Other measures to stimulate research and innovation and entrepreneurship in SMEs
	Information society
11	Information and communication technologies (access, security, interoperability, risk-prevention, research, innovation, e-content, etc.)
12	Information and communication technologies (TEN-ICT)
13	Services and applications for the citizen (e-health, e-government, e-learning, e-inclusion, etc.)
14	Services and applications for SMEs (e-commerce, education and training, networking, etc.)
15	Other measures for improving access to and efficient use of ICT by SMEs
	Human capital
74	Developing human potential in the field of research and innovation, in particular through post-graduate studies and training of researchers, and networking activities between universities, research centres and businesses