

DigiBEST - Digital Business EcoSystem Transformation

Local Action Plan

Austria

Austria Wirtschaftsservice Gesellschaft mbH



<https://www.britannica.com/topic/Maps-of-the-World-1788586>

Table of Content

Part I – General Information	3
Part II – Policy Context.....	4
Part III – Actions in Detail.....	5
Introduction on Austria and Digitalization	5
Introductory words to all Actions	6
ACTION 1. Re-issuing and updating of the “Industry 4.0” funding program of Austria	
Wirtschaftsservice	7
Background	7
<i>Digital Business EcoSystem Transformation</i>	7
ACTION	8
<i>General Description</i>	8
PLAYERS INVOLVED	8
TIMEFRAME	9
COSTS	9
FUNDING SOURCES	9
Expected impacts.....	9
Action 2: Transformation to an economically, ecologically and socially just food system	10
Background	10
<i>Digital Business EcoSystem Transformation</i>	11
ACTION	11
<i>General Description</i>	11
PLAYERS INVOLVED	11
TIMEFRAME	12
COSTS	12
FUNDING SOURCES	12
List of Abbreviations	14
Signatures	15

Part I – General Information

Project:	DigiBEST - Digital Business EcoSystem Transformation
Partner organization:	Austria Wirtschaftsservice Gesellschaft mbH
Organizations involved:	Ministry of Environmental Protection and Regional Development of the Republic of Latvia – Lead Partner University of Latvia – Advisory Partner Trondelag County Council – Partner Sviluppo Basilicata SPA – Partner Granada County Council (Provincial County of Granada) – Partner Austria Wirtschaftsservice Gesellschaft mbH – Partner Intermunicipal Community of Tamega and Sousa – Partner
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Part II – Policy Context

- The Action Plan aims to impact:
- Investment for Growth and Jobs program
 - European Territorial Cooperation program
 - Other regional development policy instrument**

Name of the policy instrument addressed: ERDF Program Investments in Growth and Jobs Austria 2014-2020 - Operational Program for the use of ERDF funds, Priority axis 2, Priority 3D, Measure 9

National Foundation for Research, Technology and Innovation (NFTE)

Austrian Ministry of Digital and Economic Affairs UG 42

This document represents an Action Plan developed by Austria Wirtschaftsservice Gesellschaft mbH in the framework of the Interreg Europe project DigiBEST - Digital Business EcoSystem Transformation. Interreg Europe is a program financed by the European Commission that helps regional and local governments across Europe to develop and deliver better policy. Projects under the program are structured in two phases whereby the first phase is dedicated to exchanging experience in between partner countries ending with the provision of an action plan (present document), and the second phase focuses on the implementation and monitoring of the proposed actions.

Part III – Actions in Detail

Introduction to Austria and Digitalization

The Republic of Austria (germ.: “Republik Österreich”) is a landlocked East Alpine country in the southern part of Central Europe and consists of nine federal states (Bundesländer): Vienna, Lower Austria, Upper Austria, Burgenland, Salzburg, Carinthia, Styria, Vorarlberg and the Tyrol). Vienna also is Austria’s capital and its largest city (over 1,9 million as of Jan 1st, 2020). Austria occupies an area of 83.879 km² and has a population of nearly 8,9 million people. Austria is a mountainous country with one of the largest natural land reserves in central Europe. The official language is German, in some regions there are additional official languages.

History has shown that technological change can be a powerful force for positive change processes in society. New technologies have always presented people with challenges, but have also expanded their possibilities, made their lives easier and made progress possible. The Neolithic and industrial revolutions were the results of economic and social change made possible by technology, just as the invention of printing allowed science and world views to advance. The overall digitalisation performance of Austria is marked by good performance in the manufacturing industries and weaknesses in the service sector:

- Austrian firms in digitally intensive sectors derive their competitive advantage from the technological content of their products, the qualified work force, product quality and the customisation of their products. The main challenges to promote further digitalisation are unexpected changes in the market environment and operative aspects related to the adoption of digital technologies.
- Austria ranks above the average of the EU-28 in many indicators for the adoption of Industry 4.0 related technologies, but it is not among the leading countries in Europe. Weaknesses can be detected concerning the take-up of digitalisation in service industries. Thus, reform needs emerge with respect to policies promoting the diffusion of digital technologies.

Introductory words to all Actions

Austria Wirtschaftsservice Gesellschaft mbH (aws) is the promotional bank of the Austrian federal government. It supports companies in implementing their innovative projects by offering loans, grants and guarantees, particularly in cases where the funds required cannot be obtained sufficiently through alternative funding. Specific information, coaching and services are also offered to prospective, existing and expanding companies. The support provided through aws can help to:

- to set up an enterprise more easily,
- access loans from EUR 10,000 up to EUR 30 Mio.,
- access finance by providing guarantees,
- develop and implement innovations,
- check strategies thoroughly.

National Foundation for Research, Technology & Development

aws is legally mandated to operate the office of the National Foundation for Research, Technology & Development (NFTE). Endowed with funds from the Austrian federal government, the Austrian National Bank and the ERP Fund, the NFTE Foundation offers grants to federal funding agencies.

On January 13th and 14th, 2022 aws held their peer review with experts from Norway and Portugal. We are currently applying for new pilot funding programs financed by the National Foundation for Research, Technology and Development (NFTE). Two of the pilots aws is considering were intensely discussed within the peer review with the experts. Those two planned Pilots will also be the 2 Actions aws would like to follow.

As the new programs for Action 1 and 2 are still being edited, aws was happy to receive feedback from European experts through the peer review.

ACTION 1. Re-issuing and updating of the “Industry 4.0” funding program of Austria Wirtschaftsservice

Introduction to Action 1

Austria Wirtschaftsservice had a funding program called Industry 4.0 running from 2015 until 2021. Within this funding program, aws was supporting companies based in Austria to enable digital change, implementation of advanced tools and data integration by the means of grants. Digitalization, digital transformation of business- and production processes, and high-end automatization were mainly financed. This was a non-repayable grant up to EUR 500.000 per project.

Until now more than 150 projects have been funded, most of them in combination with soft loans out of the ERP Programme (low interest rate, long grace periods). Altogether about EUR 15 Mio. were spent within this funding program.

It is now planned to update this Industry 4.0 funding program.

Background

The new Industry 4.0 program shall be more flexible. It is planned that companies can now apply for different modules that also reflect to current issues and topics which arose e.g. through COVID-19.

The improvement and better implementation of data integration within the entire value chain and value networks can be financed as well as the improvement of data integrity within the value chain. Vertical integration and cross-linked production systems, new business models and the implementation of cyber physical production systems (CPPS) can be financed. It is also planned to expand into new fields (AGRO 4.0, food and food systems, personalized medicine, innovative solutions).

Even though financed through the National Foundation Austria for Research, Technology and Innovation (NFTE), Action 1, the Industry 4.0 program, will certainly have a positive effect on the policy instrument "ERDF Program Investments in Growth and Jobs Austria 2014-2020 - Operational Program for the use of ERDF funds, Priority axis2, Priority 3D, Measure 9" through supporting the growth in companies, particularly SMEs, by supporting SMEs in being better digitalized, being more gender balanced and enhancing dislocated working which will also help making jobs to become more attractive to employees.

Digital Business EcoSystem Transformation

This Action was mainly influenced by the DigiBEST Peer Review that took place in Vienna on January 13th and 14th, 2022. During those two days aws received a lot of input from the experts from Norway and Portugal on how to best implement this new and updated version of their Industry 4.0 funding program.

However, there were also good practices that have influenced this Action, such as the GP from Spain Digital transformation offices who support companies in establishing methodologies to improve the management of the company through the use of the ICT, like aws plans to do within its Industry 4.0 program. Also experiences of the GP “Digital Advisors” program from ES have influenced this Action since we might also add the element that the costs for advisory services of digital experts can be included in this new pilot funding program.

ACTION

General Description

The updated Industry 4.0 funding program is planned to be a grant, under the legal base of de-minimis or GBER (Group Block Exemption Regulation). With this grant the following costs can be funded: Industry 4.0 specific costs, personnel costs of the company, investments e.g. in cyber security, software etc.

This program should support companies not only in being a successfully digitalized company, but it shall also add elements that are not directly digital elements, but which are crucial for companies to consider in order to consistently grow and become a sustainable AND fully digitalized company.

The modules aws wants to add in this funding program that were not part of the previous Industry 4.0 funding program are:

- Integrate safety and cyber security issues into business support initiatives:

Safety and cybersecurity become more important for companies to take care of. aws is interested in extending an already existing funding program supporting companies in digital topics to successfully also addressing the issues of safety and cybersecurity in their company.

- Support new/digital ways of work (hybrid working, dislocated working etc.):

New/digital ways of working seem to become more important for companies to apply and offer, especially since the COVID-19 crisis. aws is interested in supporting companies in successfully implementing new/digital ways of working in their company

- Use digitalization to support inclusion and gender topics

Austria is performing particularly bad in gender inclusion. aws is interested in adding such supporting measures in already existing funding programs.

PLAYERS INVOLVED

Administrative body: Austria Wirtschaftsservice (aws)

Contracting Authority:

- National Foundation for Research, Technology and Innovation (NFTE) OR
- Austrian Ministry of Digital and Economic Affairs UG 42

Stakeholders:

- Austrian Ministry of Digital and Economic Affairs
- Austrian Ministry of Climate Action, Environment, Energy, Mobility, Innovation and Technology (BMK)

DigiBEST Local Action Plan Austria

Beneficiaries: SMEs needing support in digitalization, new ways of working and/or gender equality in digital projects.

TIMEFRAME

Steps already done:

- Development of a rough concept / strategy of the initiative
- Research on national & international level (also through the DigiBEST Peer Review)

Steps to be done:

- May 2022: Application for funding at NFTE
- In case of positive funding decision: set up of the initiative
- In case of negative funding decision: summer 2022 lobbying directly at Austrian Ministry of Digital and Economic Affairs UG 42 in order to finance this important initiative
- 2023: start the updated version of the Industry 4.0 funding program

COSTS

It is planned to apply for a funding of EUR 10 Mio. per year with which 20-40 projects could be financed, with about EUR 250.000 to EUR 500.000 each. Co-financing rate up to 50%.

FUNDING SOURCES

This pilot is planned to be financed by the National Foundation for Research, Technology and Innovation (NFTE)¹. The task of the foundation is to promote research, technology and development in Austria, especially interdisciplinary research measures that can be used over the long term. The foundation's grants are to be distributed to federal funding agencies in accordance with the resolutions of the Board of Trustees.

If the NFTE will not finance this pilot it is planned to apply for this budget at the UG 42 directly at the Austrian Ministry of Digital and Economic Affairs.

Expected impacts

With this updated version of the Industry 4.0 funding program it is expected to improve the overall digital environment of companies. Additionally, this planned funding program addresses the most recent changes that came up due to COVID-19.

This program shall not only support companies in improving in digitalization but it also supports them in topics like dislocated hybrid working, cyber security, using blockchain technologies and changing the gender balance in digital jobs.

¹ <http://www.stiftung-fte.at/> The financial endowment of the National Foundation Austria for Research, Technology and Innovation is composed by contributions of the National Bank of Austria, the National ERP-Funds and the Austria-Funds.

On the long run this funding program is expected to have some positive effects for the Austrian economy.

Action 2: Transformation to an economically, ecologically and socially just food system

Introduction to Action 2

Austria Wirtschaftsservice does not have any funding program relate to food systems yet. Sustainability and the SDG goals are one of the main topics Austria.

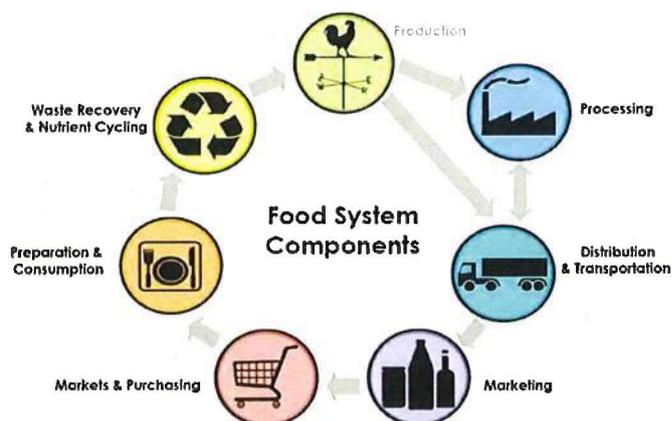
With the experts we were discussing what digitalization can contribute to each of those areas, how can digital tools / services enable new solutions within each area of responsibility and how can we enhance all of this in companies.

Background

Our food system is inextricably linked to the climate crisis and to the future of our planet. According to international studies, the sustainability of the food system is widely regarded as one of the most important global challenges facing humanity in the 21st century. Robust scientific evidence supports this in the context of climate change, biodiversity loss and resource scarcity, as well as increasing social inequalities and serious health issues.

However, despite its relevance in economic, ecological and social terms, experts consider the topic "food / food system" to be "fully underestimated". The SAPEA report "A Sustainable Food system for the European Union" from April 2020 summarizes policy at the EU level as "fragmented and without an overarching framework" and sees it at the national level as "sporadic and often rather symbolic".

This seems to be changing and international strategies such as the Green Deal, Horizon Europe or the SDGs are increasingly underpinning the importance and thus also the need for innovation and transformation in the context of food / food system through their focus (e.g. farm-to-fork, focus in pillar 2 in H.E, EIT Food). Moreover, the COVID-19 crisis and the current Ukraine war have brought home to us the vulnerability of the food system.



Digital Business EcoSystem Transformation

The main input we received through the peer review which took place on January 13th and 14th, 2022 where we dedicated quite some time to discussing this Action and getting some input from the experts from Norway and Portugal, as well as from an Austrian stakeholder who is an expert in circular economy.

However, we also included some elements of the GP TICCAMARAS from ES, especially the thorough check of the companies they do and the mixed methodology of diagnosis, support in the process of solutions' implementation and dissemination of the knowledge. Of course, this action does not focus on food, but we could integrate the holistic approach to check companies in order to improve the competitiveness of the company. Also, in this Action we intend to check companies holistically and find solutions on how to improve the direct producer-consumer interaction.

ACTION

General Description

Along with these above-mentioned current developments and due to international recommendations to move from a silo to a more collaborative approach aws intends to establish a new funding initiative focusing on the "Transformation to an economically, ecologically and socially just food system" in order to address this relevant topic systematically with their funding instruments (monetary & non-monetary) and initiate, enable and support sustainability innovation in the context of food / food system.

The initiative aims to provide a mix of instruments and measurements ranging from agenda setting, awareness raising measures, eco-system building, cross-sectoral matchmaking to monetary funding.

Due to the complexity of the food system there will initially be – without neglecting a system perspective – a focus on so called Food system painpoints ("areas of responsibility" or "purpose areas") like circular economy | food loss/food waste | shorten of (supply) chains | rethinking packaging | transparency | regionality/seasonality/regional supply systems | new forms of organization (participation models) | solutions for direct producer-consumer interaction.

Digitalization plays an important role in this context, but was deliberately not defined as a separate "area of responsibility" because it is or can be used and an essential tool in all of the above-mentioned areas.

PLAYERS INVOLVED

Administrative body: Austria Wirtschaftsservice (aws)

Contracting Authority: not defined yet

Stakeholders:

- Austrian Ministry of Climate Action, Environment, Energy, Mobility, Innovation and Technology (BMK)

DigiBEST Local Action Plan Austria

- Cooperation and Integration of regional and topic-relevant initiatives as well as international cooperation (t.b.d)

Beneficiaries: Actors in the food system

TIMEFRAME

Steps already done:

- Development of the concept / strategy of the initiative
- Research on national & international level (also through the DigiBEST Peer Review)
- Study on "Potential of sustainability innovations in the context of food / food system in Austria"

Steps to be done:

- Application for funding
- In case of positive funding decision: set up of the initiative

COSTS

The decision if this action will be financed by NFTE will be taken in summer 2022, also the amount is to be decided in summer 2022.

FUNDING SOURCES

This action is planned to be financed by the National Foundation for Research, Technology and Innovation (NFTE)². The task of the foundation is to promote research, technology and development in Austria, especially interdisciplinary research measures that can be used long term. The foundation's grants are to be distributed to federal funding agencies in accordance with the resolutions of the Board of Trustees. The decision if this action will be financed by NFTE will be taken in summer 2022.

Expected impacts

The following impacts are to be expected within this planned funding program:

- Addressing the entire value creation system - system approach
- Addressing the strong pressure for change in the food system
- Incentivizing new collaborations; new constellations of actors
- Addressing established and young companies, including new - previously non-industry - players

² <http://www.stiftung-fte.at/> The financial endowment of the National Foundation Austria for Research, Technology and Innovation is composed by contributions of the National Bank of Austria, the National ERP-Funds and the Austria-Funds.

DigiBEST Local Action Plan Austria

- Creation of experimental spaces
- Enabling and strengthening niche innovations
- Knowledge transfer: more knowledge along the value chain / within the system (basic research, data bases)
- In addition to technological innovations, innovation focus also on low-to-medium tech and the non-tech sector (including social innovations)
- Apply new funding formats: Establishment of a structured, moderated open innovation process in the modules "Moderation Ecosystem Building" as well as Labs, Inspiration Calls, Skills Clinics, Labs, Sandpits, Fellowships

List of Abbreviations

aws – Austria Wirtschaftsservice Gesellschaft mbH

BMDW – Ministry for Digital and Economic Affairs

BMWFW – Ministry of Education, Science and Research

BMF – Ministry of Finance

BMK – Ministry of Climate Action, Environment, Energy, Mobility, Innovation and Technology

ERDF – European Regional Development Fund

ERP – European Recovery Program

NFTE – National Foundation Austria for Research, Technology and Innovation

SME – Small and Medium Enterprises

SDG – Sustainable Development Goals

Signatures

Date: **29. JULI 2022**

Name: **Bernhard SAGMEISTER**
(CEO)

Signature:



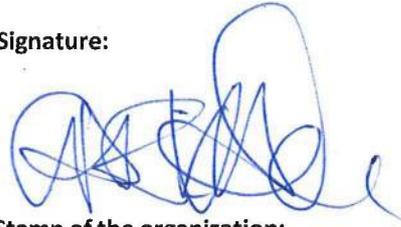
Stamp of the organization:



Date: **29. JULI 2022**

Name: **Carina MARGREITER**
(head of entrepreneurship unit)

Signature:



Stamp of the organization:

