



FFG

Promoting Innovation.

VERSION 2.0
VALID FROM 15 APRIL 2024

**GUIDELINES FOR COMPANY PROJECTS OF
EXPERIMENTAL DEVELOPMENT
WITH A THEMATIC FOCUS**

TABLE OF CONTENTS

LIST OF TABLES.....	3
1 PREFACE	5
2 THE BASIS OF FUNDING.....	6
2.1 What are company projects of experimental development?.....	6
2.2 Who is eligible for funding?.....	7
2.3 How much funding is granted?	8
2.4 What costs are eligible?	8
2.5 What about intellectual property rights?	9
2.6 What are the criteria used to assess funding applications?.....	9
2.7 What information and documents are required for submission?	11
2.8 Is it necessary to mention other projects?	11
2.9 Is research integrity ensured?.....	12
3 SUBMISSION PROCEDURE	12
3.1 What is the procedure for submission?.....	12
3.2 How secure are confidential data?.....	13
4 EVALUATION AND DECISION	15
4.1 What is the formal check?	15
4.2 How is the evaluation procedure organised?	15
4.3 Who makes the funding decision?	16
5 THE FUNDING PROCEDURE.....	16
5.1 How is the funding contract concluded?	16
5.2 How are requirements taken into account?	16
5.3 How are the funding rates paid?.....	17
5.4 What reports and accounts are required?	18
5.5 How should changes to the project be communicated.....	18
5.6 Can the funding period be extended?	19
5.7 What happens after the conclusion of the project?	19
6 ANNEX	20
6.1 Research category experimental development.....	20
6.2 Definitions	21
6.3 Funding criteria.....	22
6.3.1 Quality of the project: Innovative content (novelty of the project idea).....	22
6.3.2 Quality of the project: Difficulty of development (risk).....	22
6.3.3 Quality of the project: Benefit and solution approach	23
6.3.4 Quality of the project: Sustainability of project content	23

6.3.5	Economic potential and exploitation: Market prospects (potential)	25
6.3.6	Economic potential and exploitation: Market experience.....	25
6.3.7	Economic potential and exploitation: Exploitation	26
6.3.8	Suitability of funding applicants/project participants: Technical/methodological feasibility.....	26
6.3.9	Suitability of funding applicants/project participants: Financial feasibility.....	27
6.3.10	Suitability of funding applicants/project participants: Management and corporate organisation.....	27
6.3.11	Relevance of the project: Relevance to the call topics and objectives.....	28
6.3.12	Relevance of the project: Impact of the funding (additionality) at project level	28
6.3.13	Relevance of the project: Impact of the funding (additionality) at company level	28
6.3.14	Relevance of the project: Economic aspects	29
6.3.15	SMEs: Relevance of the project: Social aspects.....	30
6.3.16	Large enterprises: Relevance of the project: Sustainability and social responsibility at company level	30
6.4	Technology Readiness Levels.....	32
6.5	Call milestones.....	33

LIST OF TABLES

Table 1: Funding rates.....	8
Table 2: Funding criteria	10
Table 3: FFG instalment scheme	17
Table 4: Quality of the project – Innovative content (novelty of the project idea) ...	22
Table 5: Quality of the project – Difficulty of development (risk)	22
Table 6: Quality of the project – Benefit and solution approach.....	23
Table 7: Quality of the project – Sustainability of project content.....	24
Table 8: Economic potential and exploitation – Market prospects (potential).....	25
Table 9: Economic potential and exploitation – Market experience	25
Table 10: Economic potential and exploitation – Exploitation	26
Table 11: Suitability of funding applicants/project participants – Technical/methodological feasibility.....	26
Table 12: Suitability of funding applicants/project participants – Financial feasibility	27
Table 13: Suitability of funding applicants/project participants – Management and corporate organisation.....	27
Table 14: Relevance of the project – Relevance to the call topics and objectives.....	28
Table 15: Relevance of the project – Impact of the funding (additionality) at project level	28

Table 16: Relevance of the project – Impact of the funding (additionality) at company level	28
Table 17: Relevance of the project – Economic aspects	29
Table 18: SMEs: Relevance of the project – Social aspects	30
Table 19: Large enterprises: Relevance of the project – Sustainability and social responsibility at company level	31
Table 20: Technology Readiness Levels	32

Changes from version 1.1

- New name of the funding instrument (formerly “Individual Project of Experimental Development”)
- [Sections 2.1](#), [6.1](#) and [6.2](#): Adapted to Community framework for state aid for research and development and innovation 2022
- [Sections 2.2](#) and [4.2](#): Underlying European law specified in more detail
- [Sections 2.7](#) and [3.1](#): Reformulation of elements required for submission (depending on call guideline)

1 PREFACE

The [Austrian Research Promotion Agency](#) (FFG) is your partner for research and development. These Guidelines for “company projects of experimental development with a thematic focus” are designed to support you in submitting your research and development (R&D) projects to FFG calls or initiatives. It describes:

- how to obtain funding
- what conditions must be met
- how online submission via eCall works

Guidelines for funding instruments are an integral part of FFG calls or initiatives. The goals and priorities, the budget and the submission deadlines that are relevant to your project are described in more detail in the corresponding **call guideline**.

2 THE BASIS OF FUNDING

2.1 What are company projects of experimental development?

A “company project of experimental development” is an innovative research and development project conducted by an organisation in the research category of “**Experimental Development**”. The organisation carries out major parts of the project and also bears the full thematic and economic project risk. One funding criterion for company projects of experimental development is the aspect of additionality (see also [section 2.6](#)), i.e. the effect of funding. This criterion examines the extent the funding contributes to carry out the project or enables an expansion of the project scope.

Experimental Development (EE)

Experimental development has the following characteristics:

- Acquiring, combining, shaping and using existing scientific, technological, business and other relevant knowledge and skills
- Development of new or improved products, processes or services, including digital products, processes or services
- Development of prototypes, demonstrators, pilot projects
- Testing and validation of new or improved products, processes or services in environments representative of real life operating conditions
- Experimental development does not include routine or periodic changes made to existing products, production lines, manufacturing processes, services and other operations in progress, even if those changes may represent improvements.

For details on this research category see the [Annex](#).

These **criteria** must be met:

- Max. duration: 24 months
- Funding amount: max. EUR 2 million per project
- One funding applicant with a branch in Austria

2.2 Who is eligible for funding?

Legal entities, partnerships and sole proprietorships that are not part of the Austrian federal administration are eligible to receive funding.

The following are not eligible for funding:

- Research and knowledge dissemination organisations (see [General Block Exemption Regulation \(GBER\): Regulation \(EU\) No. 651/2014, OJ L 187/48](#), amended by Regulation (EU) 2023/1315 of 23 June 2023)
- Other non-economic institutions

The following may participate but may not receive funding:

- Subcontractors: They are not directly involved in the project. They provide defined services for project participants which are listed under the cost category “third-party costs” and are not entitled to exploit the project results. Research and knowledge dissemination organisations and other non-economic institutions (e.g. municipalities) can be involved via subcontracts and must then be listed under “third-party costs”.

Their participation needs to be justified in the application. Potential “other participants” may also include persons or institutions of the Austrian federal administration.

Not eligible to participate:

- Organisations which have substantially contributed to the evaluation or design of a funding programme related to the relevant call within the last three years on behalf of the FFG or the funding provider are not allowed to participate in the call in any way for reasons of incompatibility.

If this refers to different units of an organisation, a participation in this specific call has to be coordinated with the FFG programme management. The organisation must demonstrate that there is no conflict of interest.

The FFG reserves the right to exclude applicants due to incompatibilities.

2.3 How much funding is granted?

Funding is paid in the form of **non-repayable grants** and is limited to a **maximum of EUR 2 million** per project.

The funding rate varies depending on the type of organisation:

- The funding rate for enterprises is based on the company size
- If the project receives additional funding from other funding institutions this must be stated in the application. In the event of multiple funding (i.e. funding from different funding authorities) the cumulative funding must not exceed the state aid limit under European law (see [GBER](#)).

Funding rates

Table 1: Funding rates

Type of organisation	Research category Company Projects of Experimental Development
Small enterprise	45 %
Medium-sized enterprise	35 %
Large enterprise	25 %

The company size is to be determined according to the SME definition as specified by EU competition law: see information on [SME definition](#).

The types of organisation are defined in more detail in [section 6.2](#).

2.4 What costs are eligible?

Eligible costs must be allocable directly to the project. This means that:

- they are incurred additionally to the normal operating costs during the funding period;
- they are in accordance with the funding contract;
- they can be evidenced by receipts.

The earliest possible date for the start of the project is after submission of the application for funding.

You can find details on the eligibility of costs in the [Cost Guideline](#).

Special provisions for company projects of experimental development:

Third-party costs are limited to 50% of the total costs. Any excess must be justified in the Project Description (e.g. scientific services). This limit does not apply to services provided by affiliated companies based in Austria which are shown as third-party costs.

2.5 What about intellectual property rights?

The research results obtained with the support of FFG funding must be used to provide maximum benefit to the Austrian economy. The funding recipients hold the intellectual property rights for the project results.

The funding recipients shall notify the FFG of any patent application for the research results obtained with the support of funding or disclosure of the research results to third parties via licence or know-how agreements.

Please note in this context that expenditure for the protection of intellectual property (IPR) is eligible for funding for SMEs. This includes costs for patent applications and patent searches. Patent maintenance costs are not eligible for funding.

2.6 What are the criteria used to assess funding applications?

The provision of funding for a “company project of experimental development” is dependent on a positive assessment of the funding criteria displayed in the table. The respective weightings vary according to the size of the company making the submission (start-ups, small and medium-sized enterprises, large enterprises). A maximum of 100 points can be achieved for each of the main criteria. Funding can be secured if at least 50 points are achieved in all four main criteria.

Table 2: Funding criteria

Criteria	Description
Quality of the project	<ul style="list-style-type: none"> – Innovative content (novelty of the project idea) – Difficulty of development (risk) – Benefit or solution approach – Sustainability of project content
Economic potential	<ul style="list-style-type: none"> – Market prospects (potential) – Market experience – Exploitation
Suitability of funding applicants/project participants	<ul style="list-style-type: none"> – Technical feasibility – Financial feasibility – Management and corporate organisation
Relevance of the project in relation to the programme	<ul style="list-style-type: none"> – Relevance to the call topics and objectives – Impact of the funding at project level – Impact of the funding at company level (increase in expertise, R&D dynamics) – Economic effects – Social aspects (SMEs) or social responsibility/sustainability at company level (large enterprises)

Funding applicants who are or have been involved in insolvency proceedings or extrajudicial reorganisation proceedings generally do not sufficiently meet the economic criteria.

The Austrian Research Promotion Agency (FFG) uses all reasonable efforts to ensure the widest possible distribution of funding. Funding applicants who are already engaged in one or more ongoing FFG projects will therefore be analysed in detail to determine the extent to which further funding may be possible.

Details of the funding criteria can be found in [section 6.3](#).

2.7 What information and documents are required for submission?

Project applications may only be submitted electronically via [eCall](#).

The submission of research and development projects includes the following elements:

- **Content Description** presents the project content.
- **Consortium** describes the expertise of the funding recipients.
- **Work Plan** describes the work packages, the associated costs and elements of project management such as the time management plan (GANTT diagram), duties, milestones, results.
- **Cost and Financing** describes all cost categories. The sums for each individual work package are automatically displayed in the work plan.

Attachments to online submission via eCall:

- Balance sheet and profit & loss account of the previous 2 financial years or account balance (please enter the data for your organisation under “Organisation” > “Annual Data” > “Add further year for annual data” and/or indicators and upload the full annual accounts via the eCall system in PDF format)
- Declaration of SME Status ([download template from the FFG website, Legal Services for SMEs](#)).

If any additional documents or attachments are required, this will be specified in the call guideline, which also provides more detailed information on project submission.

The call guideline also specifies the language in which applications are to be submitted, which is usually German and/or English.

2.8 Is it necessary to mention other projects?

Applicants are required to list additional projects related to the proposed project in order to facilitate the evaluation. The results and expertise obtained must be presented. Relevant are:

- previous projects whose results provide the basis for the proposed project,
- ongoing or completed projects (of the previous 3 years) that are thematically related to the proposed project.

Multiple recognition of costs that have already been funded is not permitted. The proposed project must be clearly distinguished from thematically related projects that have already received funding.

2.9 Is research integrity ensured?

Funding may only be granted to applicants who demonstrate scientific integrity during application and project execution.

The FFG is a member of the [Austrian Agency for Research Integrity](#) (OeAWI). The Association Statutes ensure compliance with the standards of good scientific practice.

If a lack of scientific integrity or misconduct is suspected in the course of the evaluation process or project reviews, the relevant documents may be forwarded to the OeAWI Commission for Research Integrity, which will then decide whether to initiate an independent investigation procedure and, if necessary, will undertake the necessary investigations.

If the investigation reveals a lack of scientific integrity or misconduct (e.g. plagiarism), the application must be rejected for formal reasons. If funding has already been granted, the funding must be reduced, retained or reclaimed.

3 SUBMISSION PROCEDURE

3.1 What is the procedure for submission?

Applications must be electronically submitted via [eCall](#) before the deadline.

How does it work?

- Enter the project description consisting of content description, consortium, work plan, cost and financing via eCall.
- The system will verify whether the costs entered meet the funding conditions (e.g. funding amount, maximum project size).
- Upload the required documents in PDF format (if necessary).
- Finalise the application in eCall and click "**Submit application**".
- Upon successful submission, an acknowledgement will be sent automatically by email.

Not necessary:

- Additional postal submission of company signed copy

Not possible:

- Revision of the online eCall application after submission

The application documents are to be submitted by the funding applicants or by duly authorised representatives. The FFG may request evidence that this person is authorised to represent the funding applicant. If funding applicants are unable to provide such evidence the FFG reserves the right to reject the application for formal reasons.

If a funding application is incomplete, the FFG may request the applicant to correct and amend project-relevant information directly in eCall within a reasonable period of time. If necessary on-site research will be carried out.

Consult the [eCall tutorial](#) for more information.

3.2 How secure are confidential data?

The FFG processes the personal data of funding applicants and funding recipients provided by the data subjects as part of the application for funding, data collected by the FFG for the purpose of concluding the funding contract, and data generated by searches in the transparency portal according to Sec. 32(5) of the Transparency Database Act (TDBG 2012) for the following purposes:

- Processing of the funding application and assessment of whether the general and specific funding requirements have been met;
- Conclusion of the funding contract and (if a funding contract has been concluded) compliance with the relevant contractual obligations, including but not limited to administration of the funding payments and monitoring of compliance with funding requirements;
- Compliance with statutory obligations, including but not limited to reporting obligations and control purposes in order to avoid double funding (i.e. Sec. 38 in conjunction with 18, 27 ARR, as well as Sec. 12 FTFG and Sec. 9 FFG-G).

The legal basis of processing is therefore Art. 6(1)(b) GDPR, i.e. performance of a contract, and Art 6(1)(c) GDPR, i.e. compliance with legal obligations.

The personal data will be disclosed to the following institutions in compliance with legal obligations:

- the FFG's owner ministries, other contracting authorities for the management of funding measures (e.g. other federal ministries, regional governments, KLIEN)
- third parties, which may include the Court of Audit, EU bodies, and other federal or regional funding agencies.

National and international experts will be given access to the submitted documents for the purpose of project evaluation, see [section 4.2](#). Such experts act as processors in the name and on behalf of the FFG and are required to take technical and organisational measures to ensure data security and data confidentiality. Project content and results may only be published (e.g. on the website or in social media forums) with the consent of the funding recipient (Art 6(1)(a) GDPR) unless the FFG has a legal obligation to publish such information.

The FFG must also obtain the consent of the data subject for any other data use exceeding these provisions.

The FFG is under a legal obligation to maintain secrecy about company and project information pursuant to Sec. 9(4) of the Austrian Research Promotion Agency Act (FFG-G, Federal Law Gazette BGBl. I No. 73/2004).

The FFG will ensure a level of security appropriate to the risk in terms of confidentiality, integrity, availability and resilience of the systems by implementing technical and organisational measures within the meaning of Art. 32 GDPR that are sufficient and appropriate for protecting the data against accidental or unlawful destruction, loss and unauthorised access.

Further information about ensuring the confidentiality and security of personal data during the course of the project is available in the [eCall Tutorial](#).

4 EVALUATION AND DECISION

4.1 What is the formal check?

The formal check serves to examine the application for formal correctness and completeness.

The FFG will communicate the result of the formal check within four weeks of submission via an eCall message.

- If the formal criteria are not met and the deficiencies cannot be corrected, the application for funding will not enter the subsequent steps of the procedure.
- If the deficiencies can be corrected, you may rectify these problems within a reasonable period of time.

Should it transpire after the formal check that incorrect information has been given, the funding application may also be removed from consideration at any later point in the procedure.

The **checklist for the formal check** can be found in the call guidelines.

4.2 How is the evaluation procedure organised?

The documents submitted will be reviewed by experts based on the criteria described in [section 2.6](#).

Details on the funding criteria can be found in [section 6.3](#).

The evaluation committee will make a funding recommendation under considerations of the written reviews.

It is possible to exclude reviewers (individuals or staff of particular organisations) stating a reason. eCall includes an entry field for this purpose.

FFG experts examine the financial potential of the companies involved, including credit rating and liquidity. They may request additional documents that are required for completing the financial check. Companies in difficulty are not eligible for funding. The decision if a company is considered to be “in difficulty” is made based on the definition contained in the [General Block Exemption Regulation](#) (OJ L 187 as amended, Art. 2(18)), which provides the European legal basis of the present funding scheme.

Additional recommendations and requirements may be formulated in the course of the assessment. Recommendations are non-binding remarks and opinions of the evaluation committee, which are designed to support the funding recipients in the implementation of the project.

Requirements form an integral part of the contract and are binding (see [section 5.2](#)).

4.3 Who makes the funding decision?

At the end of the evaluation process, the [Advisory Board of the FFG General Programmes](#) will provide an expert decision, including specifying requirements and conditions if required. Seven Advisory Board meetings are held each year. The funding decision is made by the FFG Management based on the expert decision provided by the Advisory Board.

5 THE FUNDING PROCEDURE

5.1 How is the funding contract concluded?

In the event of a positive funding decision, the FFG will send the applicant a view showing the key parameters of the funding contract (e.g. amount of funding granted, amount of eligible costs, start and end date of the funding period, reporting obligations and possible binding requirements) via the eCall system.

Once the view is accepted within the given deadline, the FFG will prepare the funding contract and send it to the funding applicant. The funding applicant must return the duly signed contract to make it legally valid. There is no entitlement to funding until the signed contract has been returned.

For more information on contractual requirements, refer to [section 5.2](#).

5.2 How are requirements taken into account?

Requirements may be imposed in the course of the review.

Two types of additional requirements are possible:

- Requirements that must be met prior to the conclusion of the funding contract.
- Requirements that must be met by the funding recipient during the course of the project.

These requirements are an integral part of the contract and are binding.

5.3 How are the funding rates paid?

The first rate will be paid once the requirements have been met and the funding contract has been signed, however, not earlier than one week before the start of the funding period. The amount will be transferred to the bank account of the funding recipient.

Subsequent rates will be paid in accordance with the progress of the project:

- Once the interim reports and interim accounts have been approved
- Where necessary: once additional requirements have been met
- Payments will be made according to the FFG payment plan

If the interim reports indicate a delay in project progress or if the costs are below budget the rate can be reduced.

The payment of funding during the course of the project does not imply approval of the costs.

FFG instalment scheme

Table 3: FFG instalment scheme

Reports and irates	Project duration 0 to 18 months	Project duration 19 to 30 months
Number of reports (interim and final reports)	2	2
1st instalment (% of contractual funding)	50 %	50 %
2nd instalment (% of contractual funding)	30 %	40 %
3rd instalment (% of contractual funding)	0 %	0 %
Final instalment (max. % of contractual funding)	20 %	10 %

Deviations from this standard instalment scheme may be specified in the funding contract.

5.4 What reports and accounts are required?

- Within one month of the reporting deadlines specified in the funding agreement, an interim technical report and an interim statement must be submitted via the reporting function of the eCall system. The submission of interim statement is not necessary for projects with a duration of less than 19 months.
- A final report, a (publishable) summary and the final statements must be presented within 3 months of project conclusion, again via the eCall reporting function. The summary will not be published in case of incompatibility with commercial exploitation, confidentiality obligations for security reasons or because of data protection regulations.
- If the project is aborted during the project term the funding recipient must submit a final report and final statements. The FFG is entitled to reclaim money if the funding already paid exceeds the eligible costs.

The reports and accounts must meet the following requirements:

- They include a description of the activities and the cost statements of the funding recipient.
- Reports must be prepared using the eCall templates.

Support of public relations: The funding recipient agrees to work together with the FFG and the responsible ministries to support PR work, if required. This includes in particular the provision of non-confidential project information and images for electronic dissemination portals and other media purposes.

5.5 How should changes to the project be communicated

Any changes to contractual points such as project content, costs, deadlines or funding period must be substantiated and submitted for approval:

- via eCall message
- in the interim or final report

All relevant documents should be uploaded as an attachment to the eCall message. Any modifications to the contract parameters require the approval of the FFG.

Immediate notification is required for:

- substantial changes to the project,
- changes concerning the funding recipient such as new ownership structure or insolvency proceedings.

The following changes should be communicated in the interim or final report:

- cost reallocations between cost categories, e. g. material costs to personnel costs.

5.6 Can the funding period be extended?

If the project goals have not been achieved and the approved level of costs has not been exceeded, the funding period may be extended for up to one year on a cost-neutral basis.

The following requirements must be met:

- The funding recipients are not responsible for the delay;
- The project is still eligible for funding;
- An eCall application for extension has been submitted within the approved funding period.

5.7 What happens after the conclusion of the project?

Following the conclusion of the project, the FFG Project Controlling & Audit Division will examine whether the funding has been used appropriately. The audit will establish the final eligible costs.

You will receive the result of the audit in written form:

- In the event of a positive result, the appropriate use of the funding will be confirmed.
- In the event of a negative result, procedures may be initiated to secure repayment of funding.

Funding details: The final rate will be transferred once the specified costs have been reached. If the project is underspent, the level of funding will be reduced accordingly. The funding amount may also be reduced for scientific reasons, as well as on formal or legal grounds.

For more information about eligible costs, see the [Cost Guideline](#).

6 ANNEX

6.1 Research category experimental development

Experimental development includes acquiring, combining, shaping and using existing scientific, technical, economic or other relevant knowledge and abilities with the aim of developing new or improved products, procedures or services, including digital products, processes or services.

This may also include:

- Activities for conceptual definition, planning and documentation of new products, processes and services.
- If the primary objective is to make further technical improvements on products, processes or services that are not substantially set: prototyping, demonstrating, piloting, testing and validation of new or improved products, processes or services in environments representative of real life operating conditions.
- Development of commercially usable prototypes and pilots if the developed product would be too expensive for demonstration and validation purposes alone.

Experimental development does not extend beyond the demonstration of the prototype (system) in a relevant environment. Exception: commercially usable prototypes and pilot projects if the developed product would be too expensive for demonstration and validation purposes alone.

Experimental development does not include routine or periodic changes, even if those changes may represent improvements.

The following questions may help you allocate your project to the appropriate category. If the answers to most of these questions are positive the project qualifies as experimental development:

- Does the project build on existing scientific, technical, economic or other relevant knowledge and abilities so that it generates new, expanded knowledge and abilities or recombines existing knowledge?
- Does the project exclude routine or periodic changes to products, production lines, manufacturing processes, existing services or other operations in progress?
- Does the project exclude the direct commercial exploitation of the results or the final product? Exception: a commercially usable prototype or pilot project which is necessarily the final commercial product and which is too expensive to produce for it to be used only for demonstration and validation purposes.
- Does the project explicitly exclude activities to realise series production?
- Does the project explicitly exclude activities for market introduction?

6.2 Definitions

SME – small and medium-sized enterprises: are enterprises within the meaning of the applicable SME definition specified in EU competition law ([Definition of small and medium-sized enterprises in accordance with Commission Recommendation 2003/361/EC of 6 May 2003, \(OJ L 124 of 20 May 2003, p. 36\)](#)). The category of SMEs is made up of enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding EUR 50 million, or an annual balance sheet total not exceeding EUR 43 million (links/affiliations with other enterprises must be taken into account in calculating the company data). Large enterprises must not hold an interest of more than 25%.

Small enterprises: are enterprises which employ fewer than 50 persons and which have an annual turnover or annual balance sheet total not exceeding EUR 10 million.

Large enterprises: are all enterprises that do not fall under the definition of small and medium-sized enterprises.

Start-ups: SMEs (according to Commission Recommendation 2003/361/EC of 6 May 2003) that were established no more than five years prior to receipt of the funding application by the FFG. If a spin-off or start-up is established by a person who has already been active as an entrepreneur in the past, the new company must focus on a new business field clearly different from the previous activities and plan a research/development/innovation project within this field in order to fulfill the conditions of the definition of start-up.

Experimental development: see [section 6.1](#).

Industrial research: planned research or critical investigation aimed at the acquisition of new knowledge and skills for developing new products, processes or services, including digital products, processes or services or for bringing about a significant improvement in existing products, processes or services. It comprises the creation of component parts of complex systems, and may include the construction of prototypes in a laboratory environment or in an environment with simulated interfaces to existing systems as well as of pilot lines, when necessary for the industrial research and notably for generic technology validation.

6.3 Funding criteria

The funding of an R&D project is depending on a positive assessment of the following technical, economic and programme-related criteria with their composition and weighting generally varying according to the size of the company making the submission (start-ups, SMEs, large enterprises):

6.3.1 Quality of the project: Innovative content (novelty of the project idea)

This criterion is used to assess the novelty content of the submitted project. The protectability, long-term competitive advantage and anticipated future significance are also taken into account.

Table 4: Quality of the project – Innovative content (novelty of the project idea)

Positive (+)	Negative (-)
+ New developments for the industry, possible knowledge spillover at an international level	– Minor modification of an existing product
+ Adequate protection strategy to avoid imitations	– Imitation of existing solutions
+ The innovation will have a long-term impact and can be expanded	– Lack of novel content or an established idea
	– Absent or inadequate protection strategy or infringement of property rights

6.3.2 Quality of the project: Difficulty of development (risk)

This criterion is used to assess the risk of the project not being completed successfully from a technical or methodological perspective. The complexity and difficulty of the problem are taken into account.

Table 5: Quality of the project – Difficulty of development (risk)

Positive (+)	Negative (-)
+ High difficulty level of the problem (but feasibility of the project must still be ensured)	– Trivial problem, simple interrelations and solutions, few influencing parameters, low experimental effort
+ Many problems to be clarified	– Very advanced projects with only a low level of residual risk
+ Complicated or extensive work required to clarify these problems	– Funding applicant bears no significant risk
+ Insufficient or difficult to access information relating to the problems (market failure)	

6.3.3 Quality of the project: Benefit and solution approach

Assessment of the anticipated benefits for users, the scope of applications of the finished product or process and the quality of the solution approach.

Table 6: Quality of the project – Benefit and solution approach

Positive (+)	Negative (-)
+ Substantial practical benefit or positive effects for the user, affected third parties or society	– Custom-made solutions for specific clients (funding can only be granted in such cases if the project has an above-average level of innovative content and difficulty)
+ Wide range of possible applications (other areas, other sectors)	– No substantial improvement over existing products or processes
+ Good technical or methodological approaches	– Approaches not adequate to the objective based on the current state of knowledge
	– Insufficient or inadequate methodology

6.3.4 Quality of the project: Sustainability of project content

Research funding provided by the FFG must be in line with the national objectives and the two underlying initiatives, the United Nations' 17 Sustainable Development Goals (SDGs) and the eight aspects of the [EU Green Deal](#).

For this reason, projects must also meet ecological and social standards, in addition to thematic and economic criteria.

Ecological sustainability topics of the project, for example

- Environmental and climate protection, including emissions, water and soil pollution;
- Resource consumption and responsible consumption and production patterns, e.g. circular economy;
- Energy consumption and clean energy, mobility and transport

Socio-economic sustainability topics of the project, for example

- Social: combatting poverty, health, education, [gender aspects](#) and positive impacts, diversity, inclusion
- Economic: working conditions, combating corruption, strengthening institutions

Table 7: Quality of the project – Sustainability of project content

Positive (+)	Negative (-)
<p>+ Ecological: Improvement of air, water or soil quality; climate protection measures; support for a sustainable lifestyle; reduction in greenhouse gases, noise, resource or energy consumption; strengthening of the circular economy; use of renewable resources or sustainable raw materials; reduction in waste, no food waste; contribution to decarbonisation of the energy sector, industry or mobility through clean energy, etc.</p> <p>+ Social: Improvement of AI procedures with regard to data bias for gender and diversity aspects; transparent presentation; new educational methods, including promoting equality and high-quality education; measures to promote health and strengthen civil society; improved inclusion of marginalised groups and measures to increase inclusion; contribution to combating poverty, etc.</p> <p>+ Economic: Improving the safety of workers in hazardous environments; sustainability at partner companies across the entire value chain; anti-corruption measures</p> <p>+ Relevant gender aspects are taken into account in the project</p>	<ul style="list-style-type: none"> – No improvement in one of the sustainability aspects: ecological, social, economic – The minimum legal requirements are met – Sustainability aspects are not anchored within the main objectives of the project, but only occur as a side effect – Catching up with the status quo which is already standard in the industry – A significant deterioration of the status quo in any of the sustainability aspects leads to the project being rejected

6.3.5 Economic potential and exploitation: Market prospects (potential)

Since the FFG General Programmes only provide funding for industry-oriented projects, the products or processes to be developed must have the potential to increase turnover and earnings. The market potential, competitive situation and position of the funding applicants are assessed.

Table 8: Economic potential and exploitation – Market prospects (potential)

Positive (+)	Negative (-)
+ Competitiveness in terms of price and manufacturing costs	– No recognisable market potential
+ Competition leaves market opportunities open	– No identifiable customer advantages compared to available alternatives
+ Possibility of opening up new markets	
+ Plausible market potential for start-ups	

6.3.6 Economic potential and exploitation: Market experience

This criterion is used to assess the market knowledge and successes of the funding applicants in the project field.

Table 9: Economic potential and exploitation – Market experience

Positive (+)	Negative (-)
+ Detailed target group and competitor analysis and presentation of the market position	– Unrealistic assessment of market entry barriers
+ Existing contacts and sales in the project area	– Projects by industry newcomers with an undefined target group
+ Synergies with current product programme	– Unrealistic assessment of the market and competitive situation

6.3.7 Economic potential and exploitation: Exploitation

This criterion is used to assess the company's exploitation and marketing capacity.

Table 10: Economic potential and exploitation – Exploitation

Positive (+)	Negative (-)
+ Sufficient capacity or coherent production and distribution concept (can also be achieved via partnerships)	– Unrealistic assessment of the market and competitive situation
+ Strong market position of the company compared to potential competitors	– Lack of experience in product launch, sales and marketing
+ Existence of a distribution network	– Lack of clarity in production options
	– Insufficient service options or lack of corresponding collaborations

6.3.8 Suitability of funding applicants/project participants:

Technical/methodological feasibility

The assessment is based on whether the company is able to implement the submitted project in the required quality and within the specified time frame. Project management and implementation expertise are also assessed.

Table 11: Suitability of funding applicants/project participants – Technical/methodological feasibility

Positive (+)	Negative (-)
+ Qualified staff with R&D experience and competent cooperation partners	– Inadequate R&D capacity for efficient project implementation (however, this capacity can be partially secured either externally or with collaborations)
+ In-house R&D department and good technical and methodological equipment	– The necessary cooperation partners are not available
+ Detailed work plan based on milestones	– Inadequate technical, methodological and staff resources to implement the project results
	– Non-specific work planning

6.3.9 Suitability of funding applicants/project participants: Financial feasibility

The FFG uses key indicators such as sales development, cash flow, equity base or capital injection options as the basis for assessing the financial feasibility of the project.

Table 12: Suitability of funding applicants/project participants – Financial feasibility

Positive (+)	Negative (-)
<ul style="list-style-type: none"> + The company is able to finance the FFG project from its own resources (a significant part of the costs must be covered by the company's own funds) + The company is able to finance any follow-up costs of the development work through to implementation of the project 	<ul style="list-style-type: none"> – The project and follow-up costs exceed the economic capacity of the company – Lack of a financing concept

6.3.10 Suitability of funding applicants/project participants: Management and corporate organisation

The evaluation includes both the management and R&D experience of the employee in question and the management tools used such as cost accounting, project planning and contribution margin accounting as well as strategy development, innovation focus, organisational structure and the priority given to R&D.

Table 13: Suitability of funding applicants/project participants – Management and corporate organisation

Positive (+)	Negative (-)
<ul style="list-style-type: none"> + Comprehensive planning of the overall project (incl. resources, controlling, exploitation, etc.) + For start-ups: sector and market knowledge of the founders, coherent business plan 	<ul style="list-style-type: none"> – Lack of transparency in corporate structures and processes – Lack of ability to work in a team or lack of willingness to co-operate – Lack of management and sector experience – Lack of a business plan for start-ups – Poor quality of the documents submitted

6.3.11 Relevance of the project: Relevance to the call topics and objectives

This criterion is used to assess whether the project is related to the topics and objectives of the relevant call.

Table 14: Relevance of the project – Relevance to the call topics and objectives

Positive (+)	Negative (-)
+ The project is in line with the topics and objectives of the call.	– The project has no relevance to the topics and objectives of the relevant call

6.3.12 Relevance of the project: Impact of the funding (additionality) at project level

Funding is only permitted if the project can be demonstrated to have a corresponding impact.

Table 15: Relevance of the project – Impact of the funding (additionality) at project level

Positive (+)	Negative (-)
+ The funding makes the project possible in the first place or enables it to be carried out at a faster, larger or more comprehensive level	– The project scope, range and duration are not influenced by the funding
+ The implementation of the project results in an increase in R&D expenditure and creates additional R&D jobs at the location	

6.3.13 Relevance of the project: Impact of the funding (additionality) at company level

This criterion is used to assess whether and to what extent the implementation of the project expands the knowledge of the funding applicants and increases their level of qualification (increase in expertise). Companies which have previously shown a low level of research activity and start-ups can score particularly well here. The priority given to research and development by funding applicants reflects the R&D dynamic of the company.

Table 16: Relevance of the project – Impact of the funding (additionality) at company level

Positive (+)	Negative (-)
+ Knowledge building through own development activities in new areas of application	– Decline in R&D expenditure, reduction in research staff

Positive (+)	Negative (-)
+ Knowledge transfer to the company through cooperation with qualified external partners	– Subordinate role held by the project within the company's overall R&D activities
+ Use of new technologies or methods	– Project does not correlate with the corporate strategy
+ Increase in development activities through expansion of human or instrumental resources	– Projects based on technologies or methods already in use within the company or variations thereof
+ Start-ups with their own relevant development activities	– Projects which are predominantly carried out by external partners and do not lead to a transfer of knowledge to funding applicants
+ High level of importance of the project in relation to the corporate strategy	

6.3.14 Relevance of the project: Economic aspects

A project will also score points if its benefits extend beyond purely business-related aspects at company level.

Table 17: Relevance of the project – Economic aspects

Positive (+)	Negative (-)
+ Improvement in the trade balance	– Inadequate value creation in Austria
+ Creation or preservation of jobs	– Reduction in jobs
+ Development of generally applicable expertise	– Increase in imports
+ Knowledge transfer through cooperation	

6.3.15 SMEs: Relevance of the project: Social aspects

This criterion is used to assess the impact on overarching aspects such as social values, diversity, legal compliance and working conditions. These criteria apply to small and medium-sized enterprises.

Table 18: SMEs: Relevance of the project – Social aspects

Positive (+)	Negative (-)
+ Environmental benefits (e.g. lower noise or dust pollution)	– Possible health risks due to project implementation
+ Socially desirable solutions (e.g. projects to improve the lives of people with disabilities)	– Breaches of the principle of equal treatment during project implementation
+ Positive gender impact (e.g. women involved in the project organisation, gender-sensitive framework conditions within the company)	– Violations of standards in labour and social law – Deterioration of the working conditions of employees – Development of weapons or products promoting violence – Content which takes advantage of the weaknesses of particularly vulnerable people (e.g. people susceptible to gambling addiction)

6.3.16 Large enterprises: Relevance of the project: Sustainability and social responsibility at company level

This criterion is only relevant for large enterprises. It is used to assess primarily measures and effects which extend beyond the usual scope of the sector as well as management structures, certifications and awards in the field of sustainability. The following sustainability dimensions are taken into account at a company level: ecology, social issues (including statements on gender balance and balanced working conditions in the company) and economy.

Table 19: Large enterprises: Relevance of the project – Sustainability and social responsibility at company level

Positive (+)	Negative (-)
<p>+ Ecology: Climate-friendly and environmentally conscious focus; raising the awareness of employees and customers to eco-friendliness and climate neutrality; significant reduction in resource consumption and/or energy; sustainable mobility offers for employees; certification according to ISO 14001 or EMAS</p> <p>+ Social: Measures for the integration and employment of people with special needs; measures for the inclusion of all employees within the context of digital transformation; offers to promote the health of employees extending beyond the usual industry standard; offers for training and further education, including equal opportunities and high-quality education; measures with a positive gender impact (e.g. gender-sensitive framework conditions within the company)</p> <p>+ Economy: Measures to improve working conditions; tracking of sustainability throughout the supply chain; consideration of working conditions at third-party suppliers; fair procurement and pricing</p>	<p>– No improvement in one of the sustainability dimensions: ecology, social issues, economy</p> <p>– Only the legal requirements or the usual industry standards are fulfilled</p> <p>– A significant deterioration of the status quo in any of the sustainability aspects leads to the project being rejected</p>

6.4 Technology Readiness Levels

Where a call refers to the TRL scheme (Technology Readiness Levels), the following definitions apply:

Table 20: Technology Readiness Levels

Research category	Technology Readiness Level
Oriented basic research	TRL 1 Basic principles observed
Industrial research	TRL 2 (Technology) concept formulated TRL 3 Experimental proof of (technology) concept at component level TRL 4 Technology validated in lab (on lab scale) at system level
Experimental development	TRL 5 Technology validated in relevant environment (industrially relevant environment in the case of key enabling technologies) TRL 6 Technology demonstrated in relevant environment (industrially relevant environment in the case of key enabling technologies) TRL 7 System prototype demonstrated in operational environment TRL 8 System complete and qualified
Market introduction	TRL 9 System proven in operational environment (competitive manufacturing in the case of key enabling technologies)

Technology Readiness Levels are described in the publication [“Communication from the Commission: A European strategy for Key Enabling Technologies – A bridge to growth and jobs”](#), page 18.

6.5 Call milestones

Figure 1: Milestones of the call

