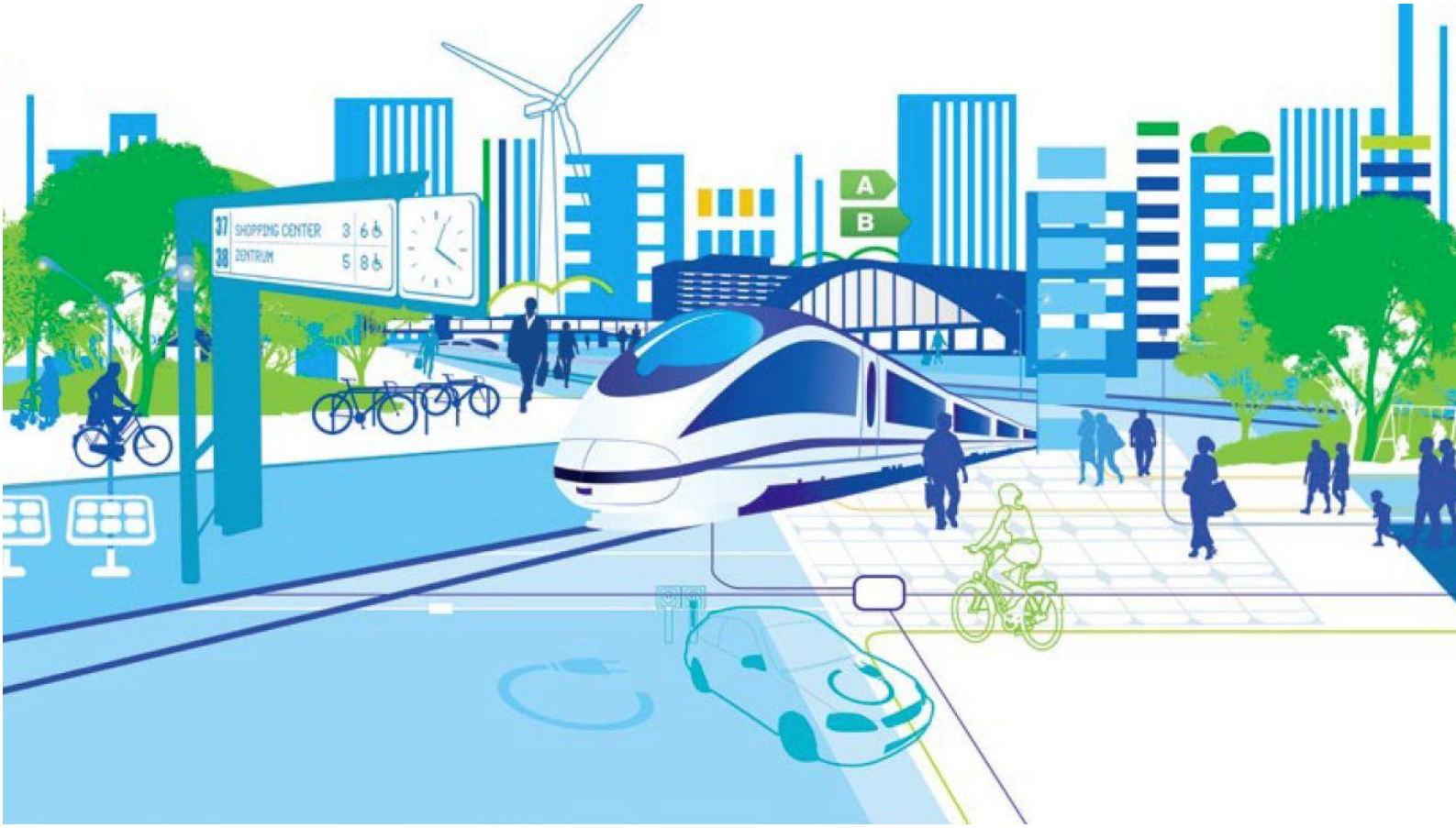
Guide for Proposers

Smart Cities – FIT for SET – 3rd call

A funding programme of the Austrian Climate and Energy Fund



Vienna, October 2012

Contents

Foreword

Our vision: The Smart City for living

Smart Cities provide a solution for meeting the challenges of growing cities in terms of transport and technology policy. Today's cities are already responsible for 75 per cent of energy consumption worldwide, and 80 per cent of global CO_2 emissions.

Smart Cities are also the answer when it comes to achieving Austria's targets as set out in the European Union's Climate and Energy Package.

The Smart Cities – FIT for SET programme launched by the Climate and Energy Fund is designed to help cities, urban regions and businesses to implement Smart City projects in Austria.

A look back

In 2010 we were pioneers in the promotion of intelligent city development. In 2011 we were able to present 19 cities and urban regions taking the first steps towards becoming Smart Cities. In 2012 the Fraunhofer Institute confirmed that Austria is playing a key pioneering role in Smart City technologies: of the 60 Smart City projects identified for Europe, six are taking place in Austria, all of them supported by the Climate and Energy Fund.

During the spring of 2013 we will present visible Smart City pilot and demonstration projects which combine existing and largely mature (individual) technologies and methods, (individual) systems and (sub-) processes into integrated solutions.

With the results of the 3rd call this year, further urban districts, residential areas and urban regions in Austria will apply intelligent, green technologies to become a zero emission city or urban region with a high standard of living.

What makes a city a Smart City?

Massive reductions in greenhouse gas emissions require innovative approaches. Therefore a strong focus must be placed on the interaction between the various infrastructure levels (buildings, grids, energy supply etc.) within urban regions in order to create intelligent solutions for the production, distribution and consumption of energy. The Smart City concept is based on the innovative design and intelligent operation of the energy system as a whole. Energy use as well as thermal and electrical grids must be integrated into urban planning.

The architecture itself is extremely important: energy-efficient, interactive buildings supplied with renewable energy are a matter of course.

Mobility is re-thought and implemented: multimodality and mobility services are the keywords of the future.

Last but not least, the city of the future is created by involving all its inhabitants and relevant players, with their varied interests and competencies.

The European dimension

The subject of Smart Cities is becoming increasingly important at European level within the framework of the SET Plan. In the summer of 2012, the European Commission announced the establishment of a Smart Cities and Communities innovation partnership, encompassing the sectors of energy, transport and information and communication technologies (ICT). The aim of this innovation partnership is to encourage economic and social change in urban areas by means of industry-driven innovations. Measures spanning the entire innovation cycle and a wide range of sectors are planned in order to demonstrate and promote cost-efficient, innovative solutions approaching market readiness in both technological and non-technological fields.

In the coming years we expect over 70 billion euros of investment from the European Commission and associated expenditure by the municipalities and industry, in research on the subject of Smart Energy and Smart Cities. The support provided by the Climate and Energy Fund is vital to properly prepare Austrian consortia for the upcoming calls which will be issued from 2014 onwards under Horizon 2020, Europe's most important research and innovation initiative and the world's largest, cross-border research and innovation programme.

By participating in these calls, Austria's cities and urban regions of the future can become reality. We are looking forward to creative ideas and innovative projects.

DI Theresia Vogel
Managing Director of Climate and Energy Fund

DI Ingmar Höbarth
Managing Director of Climate and Energy Fund

01 Key items at a glance

The vision of the Climate and Energy Fund for the Smart Cities – FIT for SET programme is to establish the first Smart City or Smart Urban Region in Austria – a district, residential area or urban region that functions as a zero emission city or zero emission urban region offering a high quality of life through the use of intelligent green technology.

Thematic orientation

In order to initiate the process needed to transform a city or region into a Smart City or Smart Urban Region as defined by the Climate and Energy Fund, the focus of the call topics will continue to be on **buildings, energy networks, supply and disposal, mobility, communication & information** as well as the **city/urban region system**.

Call topics

1. Smart City Demonstration and Pilot Projects

Clear implementation measures are to be introduced in urban areas, which integrate existing, largely mature (individual) technologies and methods, (individual) systems as well as (sub-) processes into integrated solutions. These are to be tested in the urban setting, observed and evaluated using key performance indicators.

2. Smart City Initial Projects

In preparation for subsequent R&D projects, this call topic focuses on the technical feasibility of innovative ideas and concepts in the context of Smart Cities. Research projects should address topics with potential suitability for implementation in the urban context.

3. Smart City Follow-up Funding for Transnational Projects

This call topic aims to deepen and/or broaden the content of projects that have already been submitted and approved under the 6th Energy Call in the 7th EU Research Framework Programme as part of the Smart Cities and Communities or Energy-efficient Buildings initiatives.

Budget

Total funding of up to 8 million euros is available for call topics 1 and 2 under the 3rd call of the Smart Cities – FIT for SET programme. A maximum of 1.5 million euros is available for call topic 3.

Instruments and funding intensity

Instrument	Flagship Project	Cooperative R&D Project	Exploratory Project
Brief description	Strategic cooperative R&D project with funding in excess of EUR 2 million	Cooperative R&D project	Pilot study for R&D project – experimental development
Allocation of instruments to call topics			
1 Smart City Demo and Pilot Projects	**X**	**X**[1]	
2 Smart City Initial Projects			**X**
3 Smart City Follow-up Funding for Transnational Projects		**X**	
Maximum total funding (FFG plus KPC)			
Max. total funding per project (EUR)	5 million	3.5 million	200,000
Key data of funding instruments			
Max. R&D funding (EUR)	from 2 million	100,000 to max. 2 million	max. 200,000
Funding rate	35 % to 80 %	35 % to 80 %	40 % to 60 %
Project duration	2 to max. 4 years	max. 3 years	max. 1 year
Cooperation required	Yes	Yes	No
Combined funding of environmental investments by KPC[2]	Yes	Yes	No
Application language	English	German	German
Submission deadlines			
Deadline for mandatory consulting interview	21 February 2013	19 November 2012 / 21 February 2013[3]	
Deadline for call topics 1 and 2	21 March 2013, 12:00 noon		
Deadline for call topic 3	19 December 2012, 12:00 noon		
Information on the Web			
FFG	www.ffg.at/Leitprojekt	www.ffg.at/Kooperatives-FuE-Projekt	www.ffg.at/Sondierung
KPC	www.umweltfoerderung.at/kpc/de/home/ umweltfrderung/fr_betriebe/weitere_frderungen/ demonstrationsanlagen/		
Climate and Energy Fund	www.klimafonds.gv.at www.smartcities.at		

Please note: If the proposal does not meet the formal requirements for project submission in accordance with the conditions and criteria of the funding instrument (see Chapter 4) and if the deficiencies cannot be corrected, the proposal will be excluded from the further procedure and will be formally rejected without exception in accordance with the principle of equal treatment of proposals.

[1] Cooperative R&D Projects submitted to call topic 1 "Smart City Demo and Pilot Projects" must be projects of experimental development.

[2] Kommunalkredit Public Consulting

[3] Only in the event of concurrent application for funding of a demonstration facility according to the guidelines of the Programme for Environmental Funding in Austria (UFI) (see Chapter 4.4), depending on the call topic.

Submission

Applicants must apply for a project number from the Climate Fund by registering at the following link: www.klimafonds.gv.at/foerderungen/klimafondsnummer-beantragen/

Applications must be submitted exclusively via eCall (https://ecall.ffg.at) to the Austrian Research Promotion Agency (FFG). The full set of proposal documents must be submitted by the respective submission deadline. Applications submitted after the deadline (after 12:00) will not be considered and will be excluded from the selection process.

Information and advice

Austrian Research Promotion Agency (FFG)
Sensengasse 1, 1090 Vienna
E-mail: smart-energy-demo@ffg.at

Information and advice on investment issues

Kommunalkredit Public Consulting GmbH (KPC)
Türkenstrasse 9, 1092 Vienna
E-mail: umwelt@kommunalkredit.at

Anyone interested in submitting a proposal is recommended to contact the advisory teams in good time before the submission, irrespective of the funding instrument or call topic applied for (see also Chapter 5).

Before submitting an application for a **Flagship Project**, the relevant requirements and specifications are to be clarified in a **compulsory preliminary meeting** with the funding provider and the Austrian Research Promotion Agency (FFG). The meeting must take place at the latest **one month before the submission deadline**.

Projects that include an application for **funding of a demonstration facility according to the guidelines of the Programme for Environmental Funding in Austria** (see Chapter 4.4) require a **compulsory advisory meeting** with experts from both the FFG and KPC at the latest **four weeks before the submission deadline.**

02 Programme focus and goals

2.1 Programme strategy

The **vision** of the Climate and Energy Fund for the Smart Cities – FIT for SET programme[4] is to establish the first Smart City or Smart Urban Region in Austria – a district, residential area or urban region that functions as a zero emission city or zero emission urban region offering a high quality of life through the use of intelligent green technology.

The development of a Smart City involves intelligent, networked and integrated solutions for the sustainable production, distribution and consumption of energy in urban areas. This is achieved by focusing on the interaction between the various infrastructure levels (buildings, grids, energy supply etc.) in cities and urban regions. Two of the key factors in the Smart City concept are innovative, integrated design and intelligent operation of the overall energy system at city level.

The Climate and Energy Fund's key strategic goals in securing an appropriate, sustainable energy supply in an urban context are to **raise energy efficiency**, **increase the proportion of renewable energy** and to **reduce greenhouse gas emissions**. Massive reductions in greenhouse gas emissions call for innovative approaches in urban infrastructure development. We therefore need to focus on the **interaction between the various urban infrastructure levels** (buildings, grids, energy supply etc.) to be able to develop intelligent solutions for the production, distribution and consumption of energy in urban areas.

The energy technology and smart infrastructure sector requires urban transformation processes which combine integrated energy planning, the intelligent planning and operation of thermal and electrical grids, energy-efficient and interactive buildings and building complexes, and optimised renewable energy supply technologies at city level. Technologies should not be researched individually, but should focus on synergies between several of the thematic fields noted above and subsequent implementation in demonstration projects.

In addition to energy-relevant technologies, **urban mobility** (especially public transport) and **information and communications technologies** are also of key strategic importance in implementing the **urban region as a system** and an **"active" living space.** Complex **stakeholder and innovation processes** are also necessary in order to involve all the relevant players, with their various interests and competencies, in transforming a city into a Smart City.

The **financial framework conditions** must also be considered when dealing with the subject of Smart Cities: **new models of financing** and **tariff models for the energy sector**, based on the concept of Public Private Partnerships (PPP) and supported by EU co-financing, will be necessary for securing sustainable comprehensive investment in the infrastructure sector.

The Climate and Energy Fund's Smart Cities programme creates opportunities for preparing Austrian companies to take part in the European Industrial Initiatives programme under the SET Plan (European Strategic Energy Technology Plan). The

[4] Formerly Smart Energy Demo – FIT for SET programme

programme strategy therefore follows that of the European Research Strategy for Smart Cities.

The following diagram shows the thematic areas relevant to the transformation processes in cities and urban regions in line with the strategy of the Smart Cities – FIT for SET programme:

City System Urban Region System

Integrated **urban (district), space, energy and mobility planning** at local level

Development of urban **transformation scenarios and processes**

Creation of framework conditions in the context of **governance**

Integrated Urban Infrastructure Development

Buildings and Energy Networks Supply and Disposal

Comprehensive **energy management** of energy-efficient interactive **buildings and building complexes**

Intelligent planning and operation of **thermal and electrical grids**

Optimised renewable **energy supply technologies** for urban spaces

Urban Mobility

Demo operation of integrated solutions for intermodal **mobility** – beyond city boundaries, networked, innovative

Exemplary deployment of **intelligent transport systems and services** in the urban context

Communication and Information

Comprehensive **use** and **integration** of **information and communication technologies,** e.g. in buildings, energy, supply, disposal and mobility systems

Stakeholder processes integrating all relevant actors with different interests and expertise

Transformation process of a city / urban region into a Smart City / Smart Urban Region

2.2 Programme goals

In line with the relevant programme focus, the following key goals have been defined in order to meet the overall objectives set by the Climate and Energy Fund. Submitted projects must make a substantial contribution towards meeting these programme goals in order to receive a positive funding decision:

1. Use of urban region as a test bed
The use of innovative technology developments in an urban region is to be tested, monitored, advanced and evaluated using key performance indicators in order to be well-equipped to meet future socio-economic challenges in the context of Smart Cities.

2. Optimisation of individual system/solution
The interaction and networking of individual components, solutions, technologies etc. must be optimised to form one smart, fully-integrated system.

3. Generation of added value compared with individual system/solution
Smart systems provide interfaces, thus generating added value in terms of structure, organisation, technology, processes, methodology etc.

03 Content and requirements of third call

3.1 Thematic requirements for Smart City Demonstration and Pilot Projects

Smart City Demonstration and Pilot Projects (funding instruments: Flagship Project, Cooperative R&D Project for Experimental Development) submitted under the third call must meet the following thematic requirements:

1. **Integrated and system-optimised approach demonstrated in an urban context**

The projects should address cross-system issues in the fields of **buildings, energy grids, supply and disposal, mobility, communication and information**, demonstrating their implementation in an urban context.[5] The term "urban context" covers not only entire cities, but also city districts, residential areas and regions with an urban character.

The **city/urban region system** is understood as a **living space** which includes not only **technological** dimensions but also other aspects (e.g. sociological).

The transfer of results from on-going or completed programmes or projects into an urban environment is explicitly welcomed.

2. **Embedding into a vision, roadmap and action plan of a Smart City or Smart Urban Region**

Implementation takes place within the context of an overall concept for an entire urban region. The submitted implementation projects must therefore reflect and relate to the existing requirements and/or results derived from the vision, roadmap and action plan for an actual city or urban region. This must be explicitly demonstrated for each individual action.

3. **Estimating expected impact by means of quantitative data – target/actual comparison for the submitted measures**

In order to evaluate the measures set out in the submitted projects, quantitative information about basic data as well as energy consumption, energy generation, mobility and the potential reduction of greenhouse gas emissions (GHG),[6] is required. The focus here lies on demonstrating the changes to be achieved with these measures, and should therefore outline the actual situation as well as the targeted improvements.

The areas of reference for which the measures are intended and for which indicator values are provided, depend on the technologies involved, the degree of integration and other framework conditions, and must therefore be supplied by the applicant. Applicants are required to specify and substantiate the **system boundaries** applied.

At the time of submission, the specified values may be formulated in relative terms and converted into absolute values during the course of the project using scientific support.

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[5] These are ideally reflected in integrated urban, spatial, energy and/or mobility planning at city level.

[6] See also Guidelines for GHG emissions reduction, Environment Agency Austria.

These specifications are not used to compare the submitted projects with one another; they are exclusively used for evaluating an individual submission and can influence the chance of a positive evaluation within the specified criteria (please refer to the relevant technical guidelines).

4. Scientific support for monitoring and evaluation

Scientific support for demonstration and pilot projects is mandatory and must be guaranteed through the involvement of relevant partners in the consortium. The project must include monitoring and on-going evaluation by experts qualified to assess the expected impact of the project[7].

5. Evidence of commitment

In order to guarantee that policy-makers within municipal authorities will continue to support further steps towards the establishment of a Smart City / Smart Urban Region, the city or community must provide evidence of commitment to continuing to pursue this development once the funding period has expired (e.g. with a LoI, resolution by the municipal or local government etc.).

3.1.1 Specifics of Smart City Demonstration and Pilot Projects

Applications to the **Smart City Demonstration and Pilot Projects** category may be submitted as Flagship Projects or as Cooperative R&D Projects of Experimental Development.

The formal criteria are outlined in the relevant technical guidelines.

The Climate and Energy Fund will only finance **one project per city/urban region** within these two instruments. The project may include several demonstration elements, but must supply and/or refer to a joint urban implementation concept and a joint financing plan.

In addition to the formal criteria and framework conditions, the various characteristics can be decisive for the choice of the appropriate funding instrument:

Characteristics	Flagship Project	Cooperative R&D Project
Transnational versus national focus	Clear transnational focus: the visibility should extend beyond Austria's borders.	The focus here is on cities/urban regions which plan to take the first concrete steps towards creating a Smart City or Smart Urban Region in Austria, rather than at an international level.
Relevance to European dimension	Focus on the strategic cornerstones of the **European Research Strategy for Smart Cities:** • Focus on energy systems for Smart Cities • Technology-focused research • Short-term implementation of new solutions • Systemic, interdisciplinary approach	The priority is to implement existing urban master plans to develop a Smart City / Smart Urban Region. There may be a European dimension; however, this is not a precondition.

[7] It is recommended to present and specify these services in a separate work package.

	• Cooperation/involvement of stakeholders The SET Plan serves as a guideline, although the Member States Initiatives will also be of increasing interest – Flagship Projects should be developed in this direction.	
Involvement of international project partners within consortium	There is no obligation to involve international project partners within the consortium. Any international partners involved must have a substantial impact on the project content; it must be shown how the transnational aspect of the project content benefits the project at national level.	
Duty of self-reviews/workshops in other Smart Cities	Exchange with other cities will be achieved through mandatory self-reviews, carried out by means of at least two workshops, at least one of which must be held in a Smart City outside Austria. These workshops must be planned and budgeted, as well as documented: • One workshop after roughly half of the project period to introduce the project to international experts, to present (interim) results and create space for discussion. • Dissemination workshop at the end of the project during which the project partners will be evaluated by external experts. The results of the meetings must be documented and submitted together with the interim and final reports.	The exchange with other cities is achieved through a mandatory self-review, carried out by means of at least one workshop in at least one Austrian Smart City. This workshop must be planned and budgeted, as well as documented: • Dissemination workshop at the end of the project during which the project partners will be evaluated by external experts. The results of the meeting must be documented and submitted together with the final report.
Assigning the project to research categories	A maximum of 30 % of the overall project costs may be assigned to the Industrial Research category; all project partners must be jointly assigned at work package level.	The project must be assigned entirely to the Experimental Development category.

3.2 Thematic requirements for Smart City Initial Projects

Smart City Initial Projects serve primarily as preparation for a subsequent demonstration project as defined in the criteria above. Initial Projects (funding instrument: Exploratory Project) may only be submitted in the Experimental Development category. This new instrument introduced in the 3rd call addresses research topics which may be suitable for implementation in an urban context. Smart City Initial Projects may be used to examine the technological feasibility of innovative ideas and concepts within the Smart City context as preparation for subsequent R&D projects.

Submissions for this call topic must meet the following thematic requirements:

1. **Integrative and system-optimising approach in an urban context**

The projects should address cross-system issues in the fields of **buildings, energy grids, supply and disposal, mobility, communication & information**.

2. **Embedding in the vision, roadmap and action plan of a Smart City or Smart Urban Region**

Smart City Initial Projects should also focus on implementation within a defined Smart City or Smart Urban Region. Therefore they must reflect and relate to the existing requirements and results derived from the vision, roadmap and action plan for an actual urban region.

3.2.1 Specifics of Smart City Initial Projects

Proposals to the call topic **Smart City Initial Projects** can be submitted as Exploratory Projects for Experimental Development. The formal criteria are listed in the corresponding technical guidelines.

3.3 Requirements for Smart City Follow-up Funding for Transnational Projects

A key goal of the Smart Cities – FIT for SET programme is to increase opportunities for Austrian companies and research organisations to successfully participate in European Smart City programmes and initiatives. This call topic is therefore designed to support **cooperative R&D projects** which serve to **deepen and/or broaden the content of projects** which have been submitted and approved under the 6th Energy Call in the 7th EU Framework Programme for research, technological development and demonstration activities and its **Smart Cities and Communities, and Energy-efficient Buildings initiatives** (submission deadline: 1 Dec 2011), and in which at least one Austrian municipality is involved. These projects must build on or extend the planned thematic focus of the projects approved under these initiatives. The Austrian municipality involved in the EU project must also be involved in the follow-up project.

3.3.1 Specifics of Smart City Follow-up Funding

The following documentation must be presented for projects submitted to this call topic.

- **European Commission grant agreement** for the transnational project (to be presented when drawing up the contract for the follow-on project at the latest)
- **Detailed presentation of the work packages in the funded EU project** (based on Part B of the EU project application)

The significance of deepening and/or expanding the approved EU project is particularly important for assessing the relevance of the projects submitted for this call topic.

Applicants submitting a proposal in this call topic may also apply to the KPC for funding of environmentally relevant investment costs.

04 Administrative notices on the call

4.1 Target group

The **target group** of the call includes organisations which can contribute to the implementation of demonstration projects for a Smart City, in particular:

- Provinces, towns, municipalities
- Companies (from industry/large companies to SMEs), in particular
  - energy suppliers, energy service providers
  - builders, property developers, investors
  - infrastructure operators (e.g. from the areas of building management, energy networks, local supply and disposal systems, communication and information systems, mobility, etc.)
  - Urban and traffic planners
- Research institutions
- Consumers (e.g. business enterprises, test households, etc.)
- Citizens' representatives, NGOs

4.2 Call documents

Projects must be submitted exclusively **via eCall** at https://ecall.ffg.at. The **project description** (scientific application) and the **cost plan** (spreadsheet part of the application) must be attached to the electronic application using the eCall upload function.

Applicants are requested to use the templates specifically prepared for the submission of projects to the individual funding instruments (see following overview).

The funding conditions, application deadlines and funding criteria are described in the corresponding **Technical Guidelines**. The relevant documents are summarised in the following.

Overview of call documents – funding (available for download at http://www.ffg.at/smart-cities)	
Flagship Projects	Technical Guidelines for Flagship Projects Project Description for Flagship Projects Detailed Cost Plan (by partner) Cumulative Cost Plan (overview) Declaration of SME Status (if required)[8]
Cooperative R&D Projects **IR or ED**	Technical Guidelines for Cooperative R&D Projects Project Description for Cooperative R&D Projects Detailed Cost Plan (by partner) Cumulative Cost Plan (overview) Declaration of SME Status (if required)[4]
Exploratory Projects	Technical Guidelines for Exploratory Projects Project Description for Exploratory Projects Detailed Cost Plan (by partner for cooperative projects, without partners for individual

[8] If there is no information available in the Austrian Business Compass (e.g. for associations and start-ups), a Declaration of SME Status must be provided upon submission of the proposal. In the template provided by the FFG applicants must (as far as possible) categorize their business for the last three years according to the SME definition.

	projects) Cumulative Cost Plan (overview for cooperative projects) Declaration of Cooperation for Exploratory Projects Declaration of SME Status (if required)[4]
General cost regulations	Cost Guidelines_1.3 (Guidelines for the Accounting of Project Costs)

Additional information on application forms: Applicants must assign the personnel costs stated in the cost plan to the corresponding work package and state the overall costs per work package.

Please note: If the proposal does not meet the formal requirements for project submissions in accordance with the conditions and criteria of the respective funding instrument (see Section 3.1 in the corresponding Technical Guidelines) and if the deficiencies cannot be corrected the proposal will be excluded from the further procedure and will be formally rejected without exception in accordance with the principle of equal treatment of proposals. A detailed check list specifying the conditions and criteria of the respective funding instrument can be found at the beginning of the corresponding Project Description form.

4.3 Legal Basis

Flagship Projects, Cooperative R&D Projects and Exploratory Projects receive funding under the RTD Guidelines. The documents that provide the legal basis for project funding from FFG can be found at www.ffg.at/Allgemeine-Richtlinien

Supplemental environmental funding for demonstration facilities is granted based on the 2009 Funding Guidelines of the Programme for Environmental Funding in Austria (UFI). The documents that provide the legal basis for environmental funding from KPC can be found at:
www.umweltfoerderung.at/uploads/ rechtliche_grundlagen_ufi.zip

4.3.1 Funding

Funding granted for Flagship Projects, Cooperative R&D Projects and Exploratory Projects is subject to the Guidelines for the Promotion of Industrial/Technological Research and Technology Development (RTD Guidelines) pursuant to Section 11 (1-5) of the Research and Technology Promotion Act (FTFG) of the Federal Minister for Transport, Innovation and Technology dated 19 November 2007 (file no. BMVIT-609.986/0011-III/I2/2007) and of the Federal Minister for Economics and Labour dated 30 November 2007 (file no. BMWA-97.005/0002-C1/9/2007).

The company size shall be established in accordance with the corresponding SME definition specified in EU competition law (from 1 January 2005: SME definition according to Commission Recommendation 2003/361/EC dated 6 May 2003, Official Journal L 124 dated 20 May 2003, p. 36–41).

All EU regulations shall be applicable as amended.

4.3.2 Environmentally relevant investments

Environmentally relevant investments for demonstration facilities are eligible for funding from KPC based on the 2009 Funding Guidelines of the Programme for Environmental Funding in Austria (UFI).

Funding is granted based on the 2009 Funding Guidelines of the Programme for Environmental Funding in Austria (Federal Law Gazette No. 185/1993 dated 16 March 1993 as amended by Federal Law Gazette No. 52/2009 dated 17 June 2009). The funding scheme is managed by Kommunalkredit Public Consulting (KPC). Details on the funding of demonstration facilities can be found in Chapter 4.4.

4.4 Additional environmental funding from Kommunalkredit Public Consulting

In addition to research activities, investments in demonstration facilities can also be funded based on the 2009 Funding Guidelines of the Programme for Environmental Funding in Austria. Such investments must have a positive quantifiable environmental effect. Demonstration facilities submitted for additional environmental funding under the Smart Cities – FIT for SET programme must be of key importance to the relevant research project. The research and development activities must constitute the prerequisite for the investment.

Demonstration facilities as specified in the 2009 Funding Guidelines of the Programme for Environmental Funding in Austria go beyond standard technologies such as e.g. conventional PV systems, low-energy buildings, passive or plus energy buildings, e-bikes etc. They serve to demonstrate and introduce new or substantially improved technologies and must be based on the research activities. The environmental effect expected (reduction in energy consumption, innovative supply of renewable energy, reduction in noise, waste or air emissions) must be able to be assessed and quantified as a prerequisite for funding. Funding can only be granted for the share of the investment which is directly necessary for achieving the environmental effect (environmentally relevant additional investment costs). Costs that are not or only indirectly related to the environmental effect are not eligible for funding.

Funding is based on the environmentally relevant investment costs less the corresponding reference cost model according to the Funding Guidelines of the Programme for Environmental Funding in Austria.

The following table shows the types of costs eligible for funding under the Smart Cities – FIT for SET programme:

Industrial Research FFG	Experimental Development FFG	Demonstration Facility KPC
"Industrial Research" denotes planned research or critical investigation to acquire new knowledge and abilities. The aim is to develop new products, procedures or services or to effect significant improvements to existing products, procedures or services. It also includes the creation of	"Experimental Development" denotes the acquisition, combination, formation and use of existing scientific, technical, economic and other relevant knowledge and abilities in the development of plans or concepts for new, modified or improved products, procedures or services. It also includes, for example, other activities for the	"Demonstration Facilities" as specified in the Funding Guidelines of the Programme for Environmental Funding in Austria are of a highly innovative character. They go beyond standard technologies and serve to demonstrate and introduce new or substantially improved technologies. Demonstration facilities can only be funded under the

parts of complex systems necessary for industrial research and in particular for the validation of technological fundamentals.	definition, planning and documentation of new products, procedures and services as well as the preparation of drafts, sketches, plans and other documentation, provided these are not intended for commercial purposes.	Smart Cities programme if they are directly based on the research activities within a Smart Cities project. The expected environmental effect can be assessed and quantified. Investments immediately required for achieving the environmental effect are eligible for funding.

4.4.1 Advice

If the project proposal also involves funding of a demonstration facility as specified in the Funding Guidelines of the Programme for Environmental Funding in Austria, a **mandatory joint advisory meeting** with experts from FFG und KPC must be held **at least four weeks prior to the submission deadline**. This advisory meeting serves to assess whether the planned investment is eligible for funding as a demonstration facility in the respective call.

4.4.2 Application

The application shall be in the form of **ONE** project application which must be submitted to the FFG. In addition to the project description of the R&D part, the planned demonstration parts to be funded by KPC need to be listed in detail. The additional specifications are designed to enable KPC to assess the demonstration parts and the expected environmental effects.

The following supplementary information is required:

- **Cost of facility** broken down into trades/items, assembly costs, planning costs, own work capitalised; a separate cost sheet for the environmentally relevant additional investments (investment costs beyond standard technology reference facility) must be uploaded via eCall.
- **In-house contributions** must be costed at hourly rates and quotations must be provided for **third-party services** (must be available at the date of the final accounts at the latest).
- **Clearly comprehensible description** and **quantitative prediction of the environmental effect** – the environmental effect is shown by comparing the demonstration facility to the status quo or a reference plant producing the same output using conventional technologies (example: comparison of energy consumption [MWh/a] by energy source before and after the implementation of the demonstration facility).
- Presentation of the **feasibility** and **market potential** of the demonstration plant.
- The applicant must provide a **feasibility analysis** with operating costs and profits of the demonstration facility in comparison to the status quo or a reference plant.

If no information on the environmental effect and the costs of the demonstration facility is available on submission of the proposal the applicant must provide reasonably substantiated estimates.

4.4.3 Procedure after project submission

Applications for Flagship Projects and Cooperative R&D projects for Experimental Development including demonstration facilities will additionally be sent to Kommunalkredit Public Consulting GmbH (KPC) for further processing. Experts from KPC will then check compliance with the funding requirements and prepare a funding proposal for the investment cost portion.

If necessary the respective funding agency may contact applicants to request additional information.

In the case of additional funding from KPC two funding contracts will be drawn up:

- FFG funding contract for R&D-related costs
- KPC funding contract for environmentally relevant investment costs

Information on environmental funding is available at:
www.umweltfoerderung.at/kpc/de/home/umweltfrderung/fr_betriebe/weitere_frderungen/demonstrationsanlagen/
www.umweltfoerderung.at/uploads/ rechtliche_grundlagen_ufi.zip

05 Contacts and advice

5.1 Programme mandate and responsibility

Climate and Energy Fund
Gumpendorfer Strasse 5/22, 1060 Vienna
Fax: +43 1 585 03 90-11
www.smartcities.at
www.klimafonds.gv.at

Contact and strategic advice:
Daniela Kain
Tel.: +43 1 585 03 90-27
E-mail: daniela.kain@klimafonds.gv.at

5.2 Programme management

Austrian Research Promotion Agency (FFG)
Thematic Programmes Department
Sensengasse 1, 1090 Vienna
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