

European Association of Development Agencies

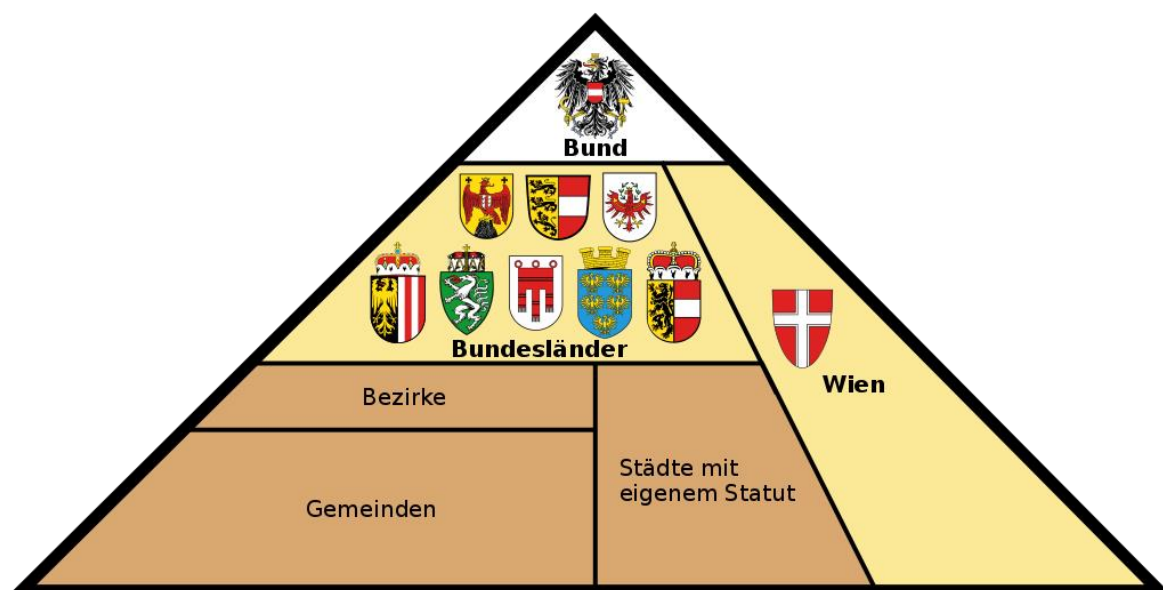
Regional Development Agencies in
Austria

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INTRODUCTION

Institutional context

Austria is a small republic with a federal organisation. The federation comprises nine states (*Länder*). Although the majority of decisions are responsibility of the federal government, the states enjoy a high degree of self-government and have their own state government, legislative body and governor. Federal states are further divided into districts (*Bezirke*) with only administrative power that gather the municipalities (*Gemeinden*).



The federal government and the states share the economic promotion and regional development policies. At the national level, economic policy is assigned to different ministries such as the Federal Ministry of Economy, Family and Youth (BMWFJ), the Federal Ministry for Transport, innovation and Technology (BMVIT), the Federal Ministry of Science and Research (BMWF) and the Federal Chancellery (BKA) Department IV/4. At the regional level, various region-based organisms are dedicated to promote the economy of their corresponding states.

Austrian RDAs (*Förderungstellen*) appeared at the end of the 1980s as offshoots of the state administrations. At that time, they only provided financial support to raise capital stock in backwards regions. Beginning with the 1990s, RDAs widened their objectives and started to take care of infrastructures, the skills and competences of human capital, the regional economic, social and institutional structures or the know-how available in the region. In the last three decades, there has been a “bottom-up” tendency, and federal institutions have lost relevance in favour of regional ones. The regional agencies are nowadays, therefore, relatively independent from federal influences in their economic promotion policies.

Legal status and competences

The limited autonomy of the Austrian states is already stipulated in Chapter I (articles 10-15) and Chapter IV of the Federal Constitution Law. Article 95.1 states: “The legislation of the Länder is exercised by the Land legislatures (Landtage)” and article 101.1: “The executive power (Vollziehung) of every Land is exercised by a Land Government, which is to be elected by Land legislature.” At the same time, in article 98.1 we read: “All legal enactments of the Land legislatures shall immediately after the adoption by the Land legislature [and] before their promulgation by the Land Governor be reported to the office of the Federal Chancellor.” In article 102.2, we find an exhaustive list of matters affecting the state that can only be performed by the federal government such as the demarcation of frontiers, matters of monopolies or the maintenance of public tranquility. None of those matters, however, concern RDAs. Its form and creation are at the entire disposal of state governments. This is why there is a considerable diversity of regional development agencies. Most of them have a GmbH (Ltd.) status and act under private law. In general, the states have outsourced their regional development activities and employ more than one agency, but in certain states (particularly Tyrol, Salzburg and Vorarlberg) the administrative bodies still perform many of those activities.

In the Austrian regional development landscape agencies can be divided into three categories regarding the tasks they carry out:

- The first category includes agencies that provide both financial and nonfinancial services. They are the follow-up institutions of the public departments in the states, which have outsourced completely the regional and business development agendas in the 1990s.
- RDAs of the second category focus on the provision of consultancy and advisory services. They usually support investors by acting as an intermediary between business corporations and the funding agencies. In most cases, they promote the state and encourage entrepreneurs to settle in the region.
- The third-category RDAs offer specialized services such as the provision of loan guarantees, liabilities and loans; the coordination of EU programmes, or the support of innovative SMEs.

National coordination

The coordination of the various public agencies whose activities have impacts on spatial planning and development is the responsibility of the Ministry of Agriculture, Regions and Tourism (BMNT), supported by the Austrian Spatial Planning Conference (ÖROK, “Österreichische Raumordnungskonferenz”). The BMNT’s coordination activities have four main objectives: i) overall coordination of the European Structural Investment Funds in Austria, ii) intensifying EU integration through cooperation with other EU Member States, iii) coordination of national interests with a view to the new EU Structural Funds period as from 2021, and iv) innovative impulses for regional policy and regional development in the country.

The Austrian Conference on Spatial Planning (ÖROK), founded in 1971, is an organisation established by the federal government, the Länder and municipalities to coordinate spatial development at the national level. Once in a decade, representatives of the member organisation prepare a so-called Spatial Development Concept. This concept is an important

(though not legally binding) reference document for the definition of the most urgent problems and priorities. The current one was published in 2011 with the theme "Space for All". A Spatial Planning Report is published every three years and contains analyses of relevant spatial developments and reports on the activities of ÖROK members with a reference to spatial development.

There are many other national institutions responsible for financing investments in the tourist sector, marketing new patents, offering credits for exporting companies, etc. The most important of those institutions possibly is the AWS (Austria Wirtschaftsservice Gesellschaft), the Austrian Promotional Bank, which supports companies in implementing their innovative projects by offering soft loans, grants and guarantees, particularly in cases where the funds required cannot be obtained sufficiently through alternative funding. One of the tasks of RDAs is to act as an intermediary between small businesses and entrepreneurs, on one side, and national economic promotion agencies, on the other.

ACTIVITIES

Development of business areas

Industrial, commercial and service companies need large areas for their offices, workshops, warehouses and factories. The RDAs take care of making these areas available to companies, as commercial or industrial areas. The areas can either be made available by the municipality as the property owner or by the RDA, which buys them from private owners. These areas are then prepared for the settlement of companies under contract to the RDA. This includes, for example, road construction, preparation of the building site and connection to public traffic routes.

The areas created in this way are then sold to the growing companies for the expansion of their business activities on site. This safeguards existing jobs and creates new jobs and tax revenues as well as additional direct and indirect income for the city or community.

Real estate construction

The market cannot always meet the demand for suitable real estate. For example, in a city there may be a need for office space for young company founders, but letting individual offices is unattractive for private property investors due to their small size. In such cases, the RDA can build or rents real estate itself - or resell it in case investors should be found. In most cases, it is also the task development agencies to provide an overview of the property market of a location, to talk to interested investors and to bring sellers together with potential interested parties.

Corporate Management / Corporate Service

Taking care of the domestic economy is an essential part of economic development. Local or newly established companies have concerns that go beyond the purchase or rental of office or commercial space. Whether it is about looking for contacts, cooperation partners, building permits, other official formalities, the search for specialists, import and export issues or the like.

Self-employment and start-up creation

People who want to become self-employed have many questions: How do I register a business? Where can I find office space? Which company form do I choose? Where can I find good funding? Who can help me? It is very important that economic development agencies support start-ups because they are the entrepreneurs of tomorrow. Many projects and initiatives have been put into practice on this matter at the Land level. RDAs may use institutions that impart knowledge, help with applications or grant funds, or create incubators that provide know-how and affordable spaces.

Funding Programmes

If companies want to grow or research new technologies, they have to invest - in buildings, machines and processes as well as in workers. In order to raise funds, they can go to their bank, alternatively use support programs - or benefit from both. There are corporate support programmes at the state, federal and EU levels. The goal of RDAs is to support companies in their growth and development and thus strengthen the location.

Settlement of companies

Another important task is the settlement of new companies. There can be many reasons for moving to another territory: a company wants to open a new branch or branch in the city because it wants to expand its business catchment area, the the current company location is unattractive compared to the new one because there are no qualified workers to be found, the transport connections are too bad or simply the space has become too small. Austrian RDAs support companies in their settlement, help them find the right commercial space or rooms, support them with financing, recruitment or similar matters. This is particularly important for international settlements, because experts with language and cultural knowledge are required.

Location marketing

When it comes to the question of what economic promotion is, location marketing should not be forgotten. In order for a location to be considered for national and international companies, they first have to know it. Economic development agencies are tasked with making their own location known. This can be done in very different ways: through classic advertising, through presence at trade fairs with exhibition stands, through the support of delegation trips or cooperation in networks. The business development agencies often prepare analyzes of their own location so that the work is made easier for investors and they receive the basis for decision-making.

Cohesion fund management: ERDF

As a member of the European Union since 1995, Austria receives European Regional Development Fund (ERDF) and European Structural Fund support, and as in many other countries, RDAs are the organisms in charge of managing the funds. ERDF action is designed to reduce economic, environmental and social problems in urban areas, with a special focus on sustainable urban development. At least 5 % of the ERDF resources are set aside for this field, through 'integrated actions' managed by cities.

For the 2014-20 support period, Austria has reorganised its structural funds administration, shifting responsibilities up to the national level. The state governors agreed to establish a common federal operational programme called "Investing in Growth and Jobs 2014-2020". The implementation of the programme is embedded in the development strategies of the Austrian states. The national programme has the following thematic priorities:

- Strengthening the regional competitiveness through research, technological development and innovation (ERDF funds: € 198.4m; national funds: €454.9m)
- Strengthening the competitiveness of SMEs (ERDF funds: €164.7m; national funds: €743.8m)
- Supporting the reduction of CO2 emissions in the economy (ERDF funds: €109.5m; national funds: €266.6m)
- Sustainable urban development (ERDF funds: €27.2m; national funds: €27.2m)
- Urban-suburban development and Community-led Local Development (CLLD) (ERDF funds: €15.5m; national funds: €15.9m)
- Technical assistance (€20.9m, ERDF: €20.9m).

AUSTRIAN DEVELOPMENT AGENCIES

WiBuG – Wirtschaft Burgenland GmbH

Created in June 1994 as the resulting organisation of the merger between the BiBAG (the Burgenland industrial and business settlement company) and the BRiKaBAG (the Burgenland risk capital participation company), WiBuG is the economic agency of the Burgenland state. Their goal is to sustainably develop the region. On the one hand, they implement economic measures through subsidies, participations and active company relocations. On the other hand, they offer companies a comprehensive package of funding programmes, their own financing companies and numerous favourable services.

They support the influx of companies and well-trained specialists into their business parks and technology centers and are the first contact point for when they arrive to Burgenland. Thanks to its extensive property database, WiBuG is capable to find the right place for the settlement of a new company. Their high-skilled employees are reliable partners on a national and international level. With their economic know-how, their competent contacts and the provision of promising commercial and office space at their business locations throughout Burgenland, they help companies you to carry out their ideas.

KWF – Kärntner Wirtschaftsförderungs Fonds

The KWF is the economic development agency of state of Carinthia. It makes decisions independently and without instructions. Since April 1993 the KWF has presented itself as a reliable and predictable partner for Carinthian companies in the area of economic promotion. It ensures balanced, regional, ecologically compatible development in Carinthia that makes the country competitive, promotes growth and creates jobs. With know-how, advice and financial aid, the KWF primarily supports small and medium-sized enterprises (SMEs) with qualified full-time jobs. It accompanies and promotes growth, innovation and project development in goal-oriented cooperation with all existing federal and EU funding agencies. The KWF's mission is: Accompany and strengthen people and companies in their development with enthusiasm and competence.

The tasks of the KWF include:

- Promotion of the Carinthian economy to increase productivity and strengthen the competitiveness of companies
- Support for the establishment and expansion of companies
- Promotion of high-tech and flagship projects
- Making a significant contribution to improving the innovative capacity of SMEs.
- Support of intra and inter-company development
- Support of regional development measures that are not profit-oriented (infrastructure measures)

- Promotion of measures and projects to improve the quality of tourism
- Participating in companies that are key for economic development
- Measures to rescue and restructure companies in troubles

ecoplus – Niederösterreichs Wirtschaftsagentur GmbH

Since its foundation in 1962, in its role as the Business Agency of Lower Austria, ecoplus has been a reliable partner of people in business as well as investors and initiators of regional and international projects. They act as an essential interface between business, politics, and science.

As part of its regional funding efforts, ecoplus backs businesses, local authorities, initiatives and associations as well as individuals with project initiatives that contribute positively to the regional economy. ecoplus provides services to support them from initial consultation until funding is secured.

In the context of Investor Services, they offer comprehensive support for anything related to commercial settlement or expansion projects. Consultation on finding the right location and funding is one of their key competencies. In addition ecoplus operates 18 business parks as owner or partner, therefore they can offer companies the ideal location in any part of Lower Austria.

As technology-networks builders, they create the framework in Lower Austria's technology hubs, known as "Technopols", for interdisciplinary collaboration among research institutions, educational facilities, and business enterprises. In addition, their subsidiary company ecoplus International guarantees international support and guidance to export-oriented businesses.

Business Upper Austria – OÖ Wirtschaftsagentur GmbH

Business Upper Austria is the Upper Austrian government's regional development agency. They are an innovation driver and the first contact partner for companies in Austria and abroad to whom Business Upper Austria offers customised solutions for their investment and innovation projects.

Business Upper Austria is the first address for everybody who wants to invest in Upper Austria as a business location. They develop business parks, provide help finding locations and assist companies in their contact with the authorities and obtaining permits. They help entrepreneurs and companies find qualified specialists and help in the qualification of employees. They ensure that companies come into contact with suitable cooperation partners in industry and research. And they advise companies on national and international funding.

Business Upper Austria works to link together the network that companies need for their economic success: they help companies find national and international cooperation partners working in industry and research. Moreover, they help companies to attract the skilled personnel they require to perform efficiently their business activities. They provide companies with an overview of the current skilled personnel situation in Upper Austria, measures to find skilled personnel, help with the training and education of the companies' employees and advice on personnel market grant policy

They also promote innovative strength and innovation strategies with a wide range of tailor-made professional services. Individual consultation, innovation grants for SMEs and advice on protecting intellectual property are also provided, as well as support with specific innovation projects and start-ups in the high technology sector.

ITG – Innovationsservice für Salzburg

ITG is Salzburg's innovation centre. As Salzburg's provincial development agency ITG coordinates and implements the technology-, innovation-related policies of the regional government especially through SME support, Cluster Networks and knowledge/technology transfer into SMEs. They raise awareness for promising future-oriented business topics and bring these to businesses in Salzburg. They advance existing Salzburg's economic strengths in cooperation with other institutions and are thus an important partner for implementing of Land Salzburg's economic model. They have years of experience in realising cooperation projects as a project or lead partner in EU grant programmes. ITG provides know-how in the realization of innovative projects and business creation, fosters collaboration, activates regional hubs and provides consulting services. Businesses are accompanied throughout their entire innovation processes, new methods are introduced via workshops or one-to-one meetings.

ITG is currently focusing on:

- Alpine construction
- Health care management & life sciences
- Information & communication technology
- Creative industries
- Synthetics & automotive
- Research & transfer
- Innovation competence
- Economic sustainability
- Innovation in tourism

SFG – Steirische Wirtschaftsförderung

The SFG (Steirische Wirtschaftsförderung) is the economic promotion agency of the state of Styria. They accelerate the success of Styrian companies through funding and financing campaigns as well as innovation and technology advice. The SFG works for entrepreneurs quickly, easily and unbureaucratically so that you can get ahead fast. They also support them

with new economic strategies, innovations and investment projects. Their areas of action include:

- Intellectual Property protection
- R&D support and transfer
- Funding and financing innovative projects
- Coaching for female founders
- Network building for entrepreneurs and young companies
- Investment attraction
- Exports and internationalisation promotion

Standortagentur Tirol GmbH

Founded in 1997 and, Standortagentur Tirol has been commissioned with the task of strengthening Tyrol as a long-term business and science location in order to safeguard jobs and to create new ones. Standortagentur Tirol provides comprehensive services focusing on the key areas of sustainable company growth, location development and location marketing.

These services are directed at companies, research institutes, municipalities and regions with the aim to give them and the business and science location of Tyrol a market advantage, to push their brand awareness and to increase competitiveness. Standortagentur Tirol provides its main target groups - business and science - with services and networks to initiate and implement sustainable projects.

WISTO – Wirtschaftsstandort Vorarlberg Gesellschaft

Wirtschafts-Standort Vorarlberg GmbH (WISTO) is a service organisation that aims at strengthening the innovation and economic dynamics in the region of Vorarlberg. They support companies and entrepreneurs when it comes to R&D, Innovation, Business Formation, Business Settlement, Cooperative Projects, etc. With their extensive networks and longstanding experience they can provide a valuable support for innovation projects. They offer information, consulting and orientation in the following fields:

- Grants
- Expansion
- Intellectual Property Rights
- Technology Transfer
- Business Founding
- Business Settlement
- Regional Development

- Chancenland Vorarlberg
- v-start
- v-digital

Vienna Business Agency – Wirtschaftsagentur Wien

The Vienna Business Agency was founded in 1982 as the Vienna Economic Development Fund (Wirtschaftsförderungsfonds) by the City of Vienna, the Vienna Chamber of Commerce, the UniCredit Bank Austria AG (formerly the Zentralsparkasse) as well as the Erste Bank der Österreichischen Sparkassen AG (formerly the Erste Österreichische Sparkasse).

The Vienna Business Agency is a service organization for all Viennese businesses. It offers Viennese companies a so-called *360° service* – grants and advice, workshops and further coaching during the establishment of a new company, assistance to find business or office space, contacts for potential partners in the technological field or the creative industries. As an active designer of urban economic and location policy, the Vienna Business Agency sets the necessary activities to make the business location successfully develop. The Vienna Business Agency also positions the capital of Austria in the international economic environment and is the first point of contact for international business settlements in the city.

CONTACT DATA



WiBuG – Wirtschaft Burgenland GmbH

+43 (0)5/9010-210

<https://wirtschaft-burgenland.at/>

office@wirtschaft-burgenland.at



KWF – Kärntner Wirtschaftsförderungs Fonds

+43-463 55 800 0

<https://kwf.at/>

office@kwf.at



ecoplus – Niederösterreichs Wirtschaftsagentur GmbH

+43 1 533 1893-0

<https://www.ecoplus.at/>

headoffice@ecoplus.at



Business Upper Austria – OÖ Wirtschaftsagentur GmbH

+43-732-79810

<https://www.biz-up.at/>

info@biz-up.at



Business Upper Austria – OÖ Wirtschaftsagentur GmbH

+43 662 254 300-0

<https://www.itg-salzburg.at>

info@itg-salzburg.at



SFG – Steirische Wirtschaftsförderungs-gesellschaft m.b.H.

+43 316 7093-0

<https://www.sfg.at/>

office@sfg.at



Standortagentur Tirol GmbH

+43 512 576262
<https://www.standort-tirol.at/>
office@standort-tirol.at



WISTO – Wirtschaftsstandort Vorarlberg Gesellschaft

+43 (5572) 552 52-12
<https://www.wisto.at/de/>
wisto@wisto.at



Vienna Business Agency – Wirtschaftsagentur Wien

+43 1 25200
<https://wirtschaftsagentur.at/>
info@wirtschaftsagentur.at



AWS – Austrian Promotional Bank

+ 43 (1) 501 75-0
<https://www.aws.at/en/>
24h-auskunft@aws.at



ÖROK – Austrian Conference on Spatial Planning

+43 1 5353444
[https://www.foroadr.es/](https://www.foroadr.es/oerok@oerok.gv.at)
oerok@oerok.gv.at



EURADA – European Association of Development Agencies

+32 22 87 08 32
<http://www.eurada.org/>
info@eurada.org

EURADA
Rue Montoyer, 24
Bruxelles BELGIUM

+32 22 87 08 32
www.eurada.org

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