FUNDING CONDITIONS AND ELIGIBILITY IN LUXEMBOURG
Luxinnovation

a public-private partnership
National Funding Rules for companies

Eligibility Criteria

Only private enterprises registered in Luxembourg are eligible for direct funding by the Ministry of the Economy.

The company:

• Must demonstrate its viability and financial soundness regarding its contribution to the project
• Shall demonstrate the positive impact of the expected project outcome on its growth and future assets

Ineligible companies

Undertakings in difficulty
For all companies (excluding SME < 3 year of existence), if more than half of subscribed share capital (share premium included) has disappeared as a result of accumulated losses.

Example of an undertaking in difficulty:

Own funds of €50k
Share capital of €200k

Luxembourgish Research Institutes and Universities are not eligible for funding in EUREKA programs
Orders and any binding commitment after submission to the Ministry of the Economy

21 October 2022: Submission deadline

December 2022: Labelling of proposals

Support by Luxinnovation

Evaluation by State Aid Commission

Instruction by the Ministry of Economy

Ministry decision

Grant payments Part 1 (based on real costs / paid bills)

Grant payments Part 2 (based on real costs / paid bills)

Max 3 years

Project start date

Project End date

Contact Luxinnovation at least 1 month before deadline

National submission
Main criteria to benefit from a financial aid

Co-financing capacity
- Equity / capital increase
- Bank loans
- Free cash flow

Economic impact
- Substance
- Exploitation of assets resulting from the project activities

Innovation
- Competitive advantage on the market
- New or improved product, process, service
- New marketing method/ New organisational method

Generic criteria
- Incentive effect
- Undertaking not in difficulty
- SME analysis

Scheme specific criteria
- Technological challenges (R&D)
- Risk of failure (IOS)
- Scoping of R&D activities (feasibility)
# RDI aid schemes

## Aid intensities

### Maximum aid intensities

*effective aid intensity is below the maximum*

<table>
<thead>
<tr>
<th>R&amp;D aid scheme</th>
<th>Large Enterprise</th>
<th>Medium-sized Enterprise</th>
<th>Small Enterprise</th>
</tr>
</thead>
</table>
| **Experimental development**  
  - Development of a solution | ≤ 25% | ≤ 35% | ≤ 45% |
| **Industrial research**  
  - Acquisition of new knowledge  
  - No direct commercial application | ≤ 50% | ≤ 60% | ≤ 70% |

**Collaboration bonus:** + max 15% in case of an effective collaboration (with a maximum of 80%)

Possible mix of Exp. Development and Ind. Research Work Packages
### Eligible costs

<table>
<thead>
<tr>
<th>Eligible costs (directly related to the R&amp;D&amp;I project)</th>
<th>Ineligible (non - project) costs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Personnel costs</strong></td>
<td></td>
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<tr>
<td>Gross salary (on a 12-month basis excluding premiums and benefits) directly related to the R&amp;D&amp;I project on the basis of 173 working hours per month</td>
<td>Bank interests related to the financing of the project</td>
</tr>
<tr>
<td><strong>Utilisation costs (depreciation over the project’s duration)</strong></td>
<td></td>
</tr>
<tr>
<td>For instruments, equipment, machines, tooling, installations, land and buildings to the extent and for the duration used during the R&amp;D&amp;I project</td>
<td>The operational activities related to the “daily business”</td>
</tr>
<tr>
<td><strong>Material costs et other consumables</strong></td>
<td></td>
</tr>
<tr>
<td>Operating costs (materials, energy, transport, supplies and similar products)</td>
<td>Fees and expenses for commercialisation of the R&amp;D&amp;I project results, e.g. marketing costs</td>
</tr>
<tr>
<td><strong>Special costs</strong></td>
<td></td>
</tr>
<tr>
<td>Technical know-how, user licenses for software &amp; patents, consulting services used for the R&amp;D&amp;I activity, contribution paid to a research organisation, etc.</td>
<td>Managements costs (CEO, CAO, accounting, etc.)</td>
</tr>
<tr>
<td><strong>General costs (25% of personnel costs)</strong></td>
<td></td>
</tr>
<tr>
<td>Total of costs which can not be directly be allocated to the project (management costs, secretariat, travel costs, energy supply costs)</td>
<td>Leave time and transport costs cannot be allocated to the project. They are taken into account as a lump sum.</td>
</tr>
</tbody>
</table>
Luxinnovation support services

What should the EUREKA partnership look like?
• Balanced partnerships
• Mutual benefit
• Exploitation plan for all consortium partners

Which type of situations should be avoided?
• One-shot project close to subcontracting
• Companies that do not have the resources to carry out or exploit project results

Luxinnovation is at YOUR SERVICE to pre-evaluate your projects
• Stress test (company/project)
  • Innovative nature
  • Financial capacity of the company
  • Business model/exploitation plan
  • Eligibility criteria

• Accompanying project measures
  • Intellectual property
  • Project scope and structure
  • Competences and relationship building
  • Project financing (subsidies, loans, etc)
Questions?
Thank you!