

FUNDING CONDITIONS AND ELIGIBILITY IN LUXEMBOURG



LUXINNOVATION

#MakingInnovationHappen

Luxinnovation

a public-private partnership



**MINISTRY
OF THE
ECONOMY**



**MINISTRY
OF HIGHER
EDUCATION
AND RESEARCH**



**CHAMBER
OF
COMMERCE**



**CHAMBER
OF SKILLED
CRAFTS**



FEDIL

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

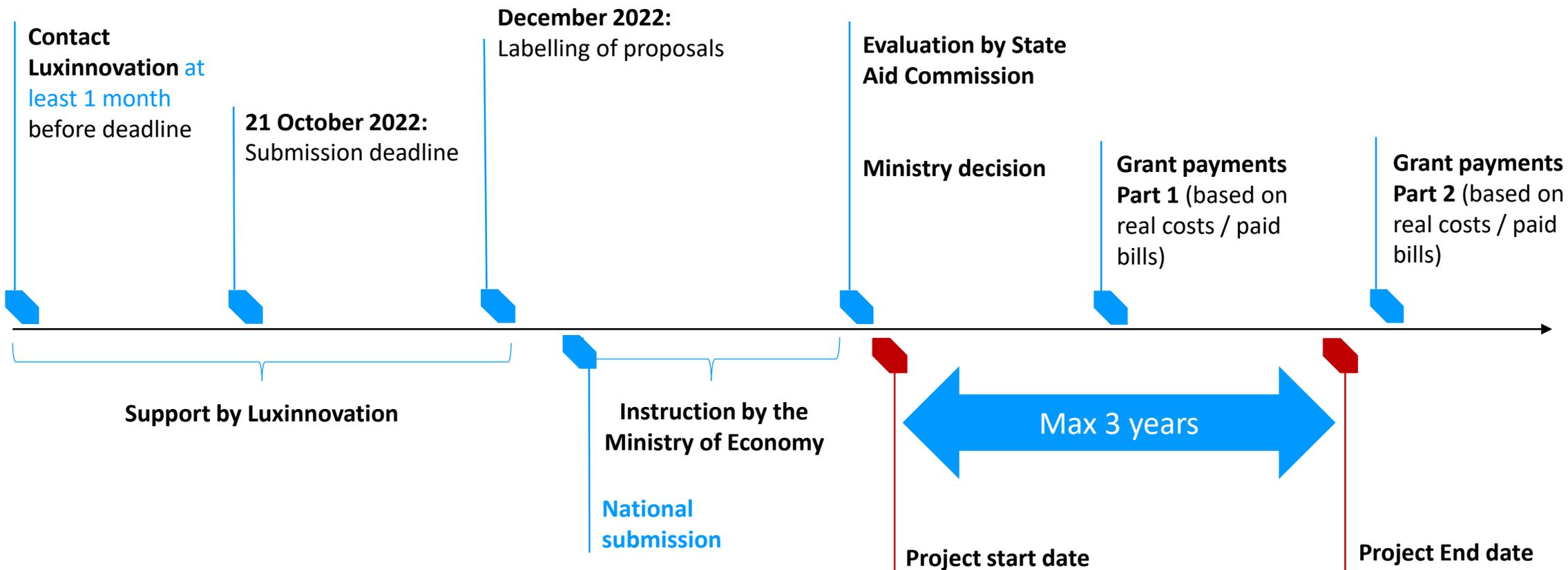
Undertakings in difficulty

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

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 <i>(effective aid intensity is below the maximum)</i>		Large Enterprise	Medium-sized Enterprise	Small Enterprise
R&D aid scheme	Experimental development <ul style="list-style-type: none"> Development of a solution 	≤ 25%	≤ 35%	≤ 45%
	Industrial research <ul style="list-style-type: none"> 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

Project-driven aid schemes (SME & LE)

Eligible costs

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

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!

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