

RDI support – Luxembourg

EUREKA Celtic Next Proposers Day

23.02.2021



Commerce

Logistics

Clean Technologies

Health Technologies

Diverse business sectors

Manufacturing Industry

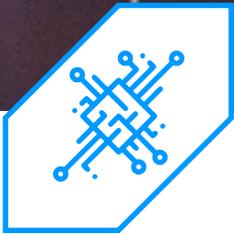
ICT, Media & e-Commerce

Smart Mobility

Space

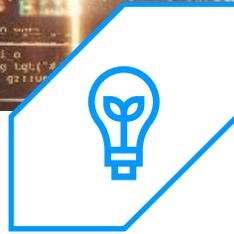
Luxembourg: Driven by innovation

Forward-looking policies



Data-driven economy

- High performance computing
- Artificial intelligence
- Industry 4.0



Sustainability

- Circular economy
- 3rd industrial revolution



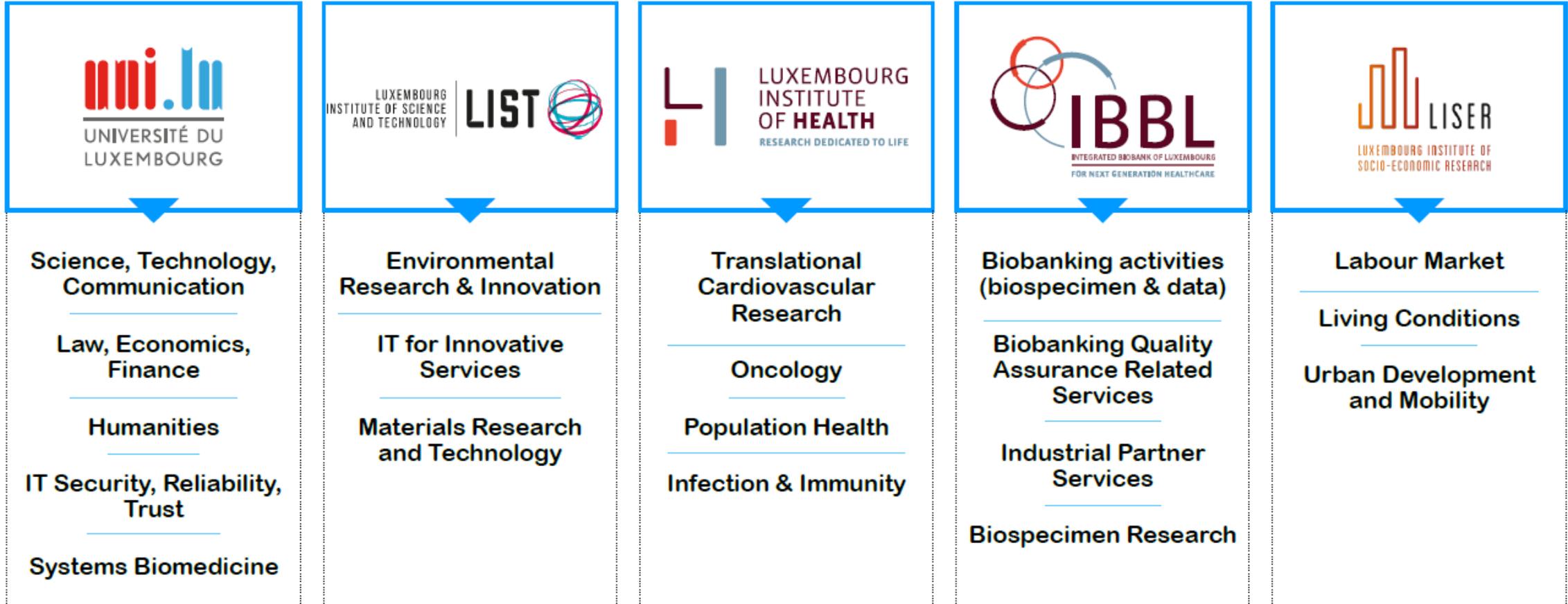
New horizons

- Space Resources



Already
home to
numerous
multinationals

Renowned public research centres



Luxinnovation

a public-private partnership



**MINISTRY
OF THE
ECONOMY**



**MINISTRY
OF HIGHER
EDUCATION
AND RESEARCH**



**CHAMBER
OF
COMMERCE**



**CHAMBER
OF SKILLED
CRAFTS**



FEDIL

EUREKA Celtic NEXT in Luxembourg

 **National Funding Body:** Ministry of the Economy

Funding of **companies only** (universities and research institutes are excluded from funding)

 **National Coordinator:** Luxinnovation

Support in the preparation of the **state aid application** to the Ministry of the Economy



LE GOUVERNEMENT
DU GRAND-DUCHÉ DE LUXEMBOURG
Ministère de l'Économie



LUXINNOVATION
TRUSTED PARTNER FOR BUSINESS

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

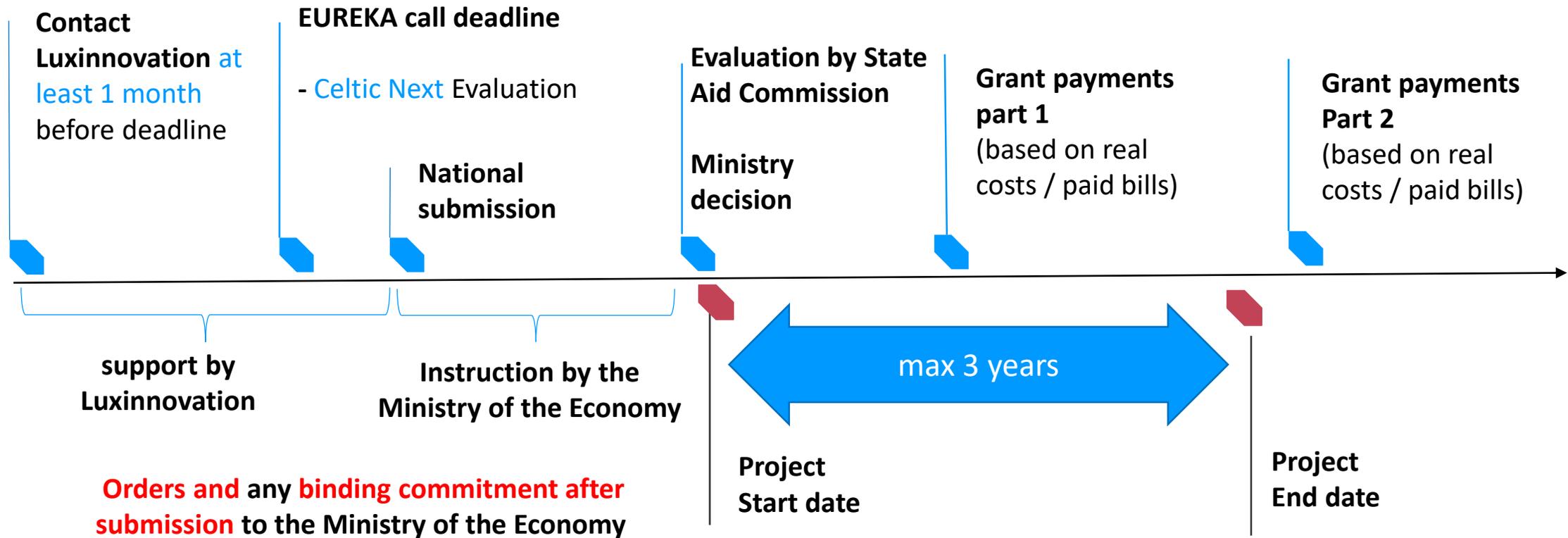
For all companies (excluding SME < 3 year of existence), if more than half of subscribed share capital (share premium included) has disappeared as a result of accumulated losses.

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 EURKEA Celtic NEXT Cluster

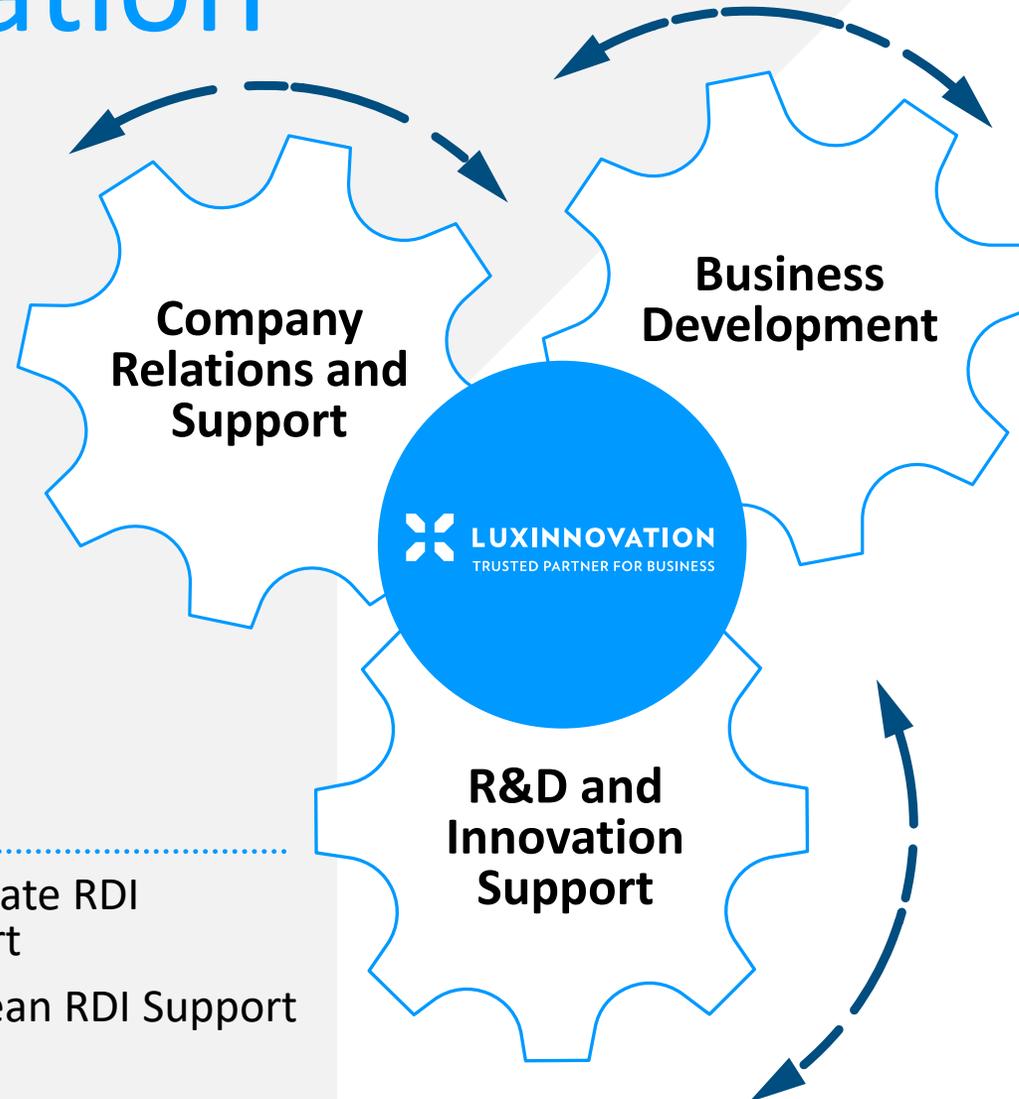
EUREKA Celtic NEXT– Decision process



Luxinnovation

- Clusters / Sectoral relationship management
- Flagship Projects
- SME Performance
- Digital Innovation Hub

- Corporate RDI Support
- European RDI Support



- International Business Development
- Start-up Acceleration
- Market Intelligence

Principles of the financial aids

Law of 17 May 2017
for the promotion
of research,
development and
innovation

- **Subsidies** to encourage companies to carry out R&D and innovation activities
- The **Innovation Fund budget is adapted** to the needs of the projects (instead of distributing a budget to a limited number of projects)
- **Individual assessment** of each project by the **Ministry of the Economy**
- **Luxinnovation** provides tailor-made support services to help companies meet the admission criteria

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 	 Collaboration bonus: + max 15% in case of an effective collaboration <i>(with a maximum of 80%)</i>	≤ 25%	≤ 35%	≤ 45%
	Industrial research <ul style="list-style-type: none"> Acquisition of new knowledge No direct commercial application 		≤ 50%	≤ 60%	≤ 70%
Possible mix of Exp. Development and Ind. Research Work Packages					

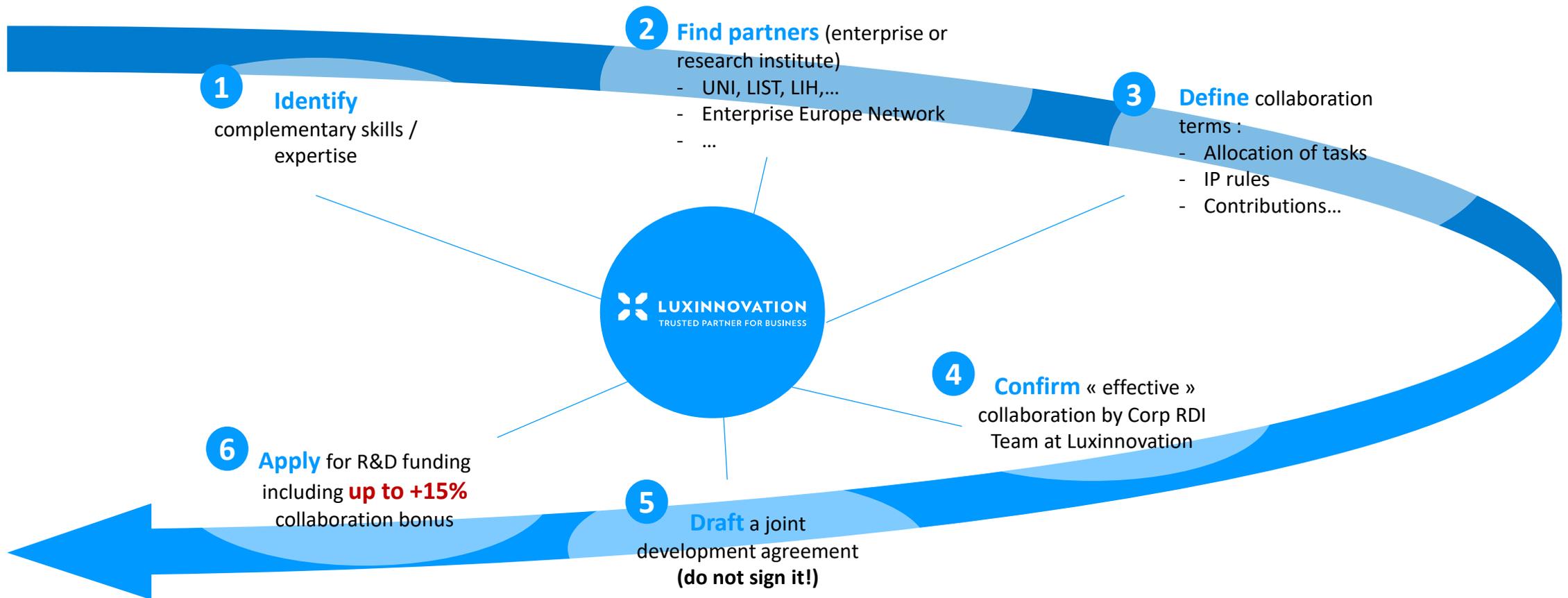
Project-driven aid schemes (SME & LE)

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.

Project-driven aid schemes (SME & LE)

Additional incentive (up to +15%) for collaborative R&D projects



Luxembourg Cluster Initiative

Company Relations and Support



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)

Thank you!

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