

Corporate R&D and Innovation

Financial aid
for research,
development
and innovation



Agenda

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- 3.3 Growth
- 3.4 R&D collaborations
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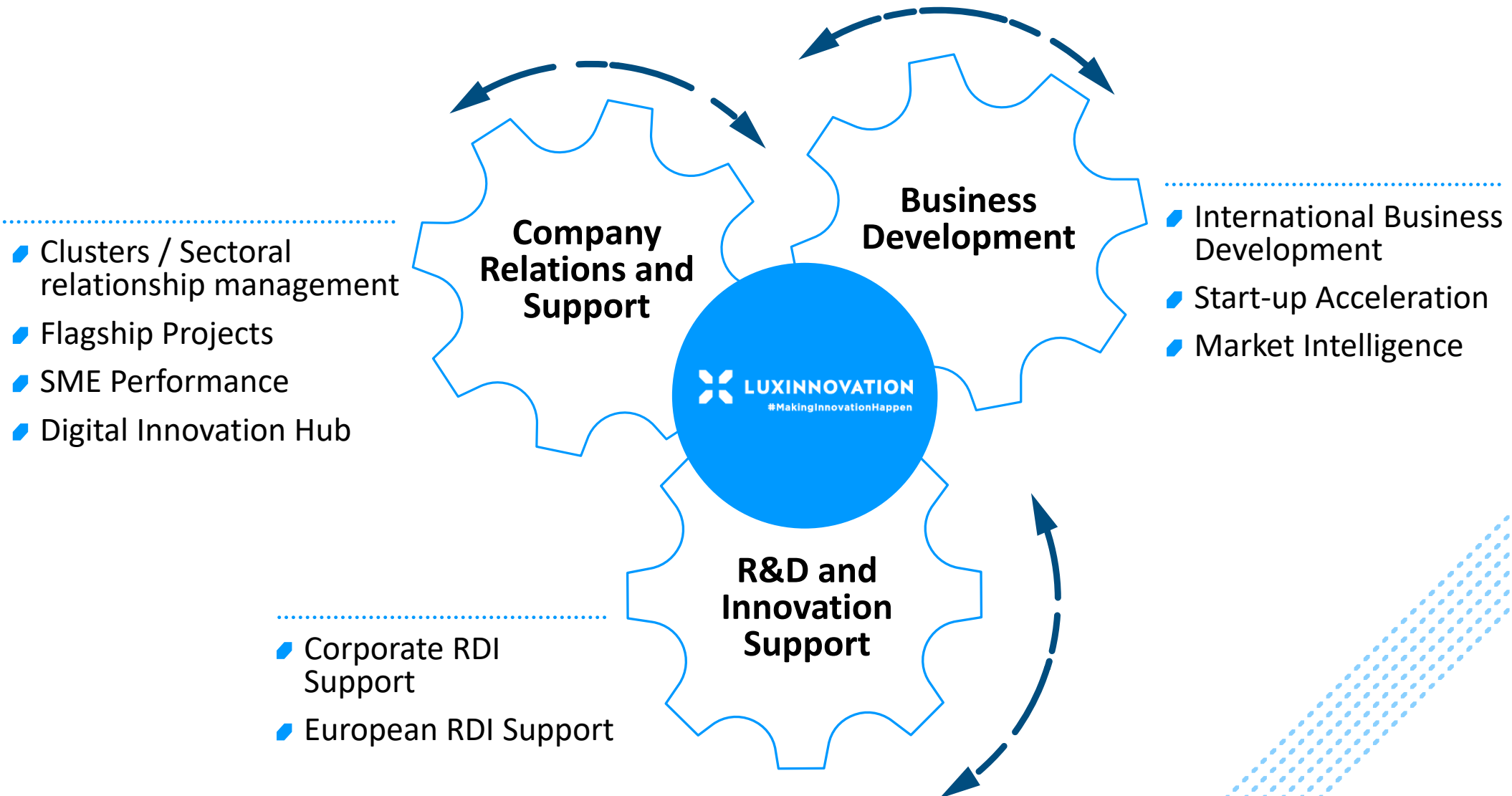
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Part 1

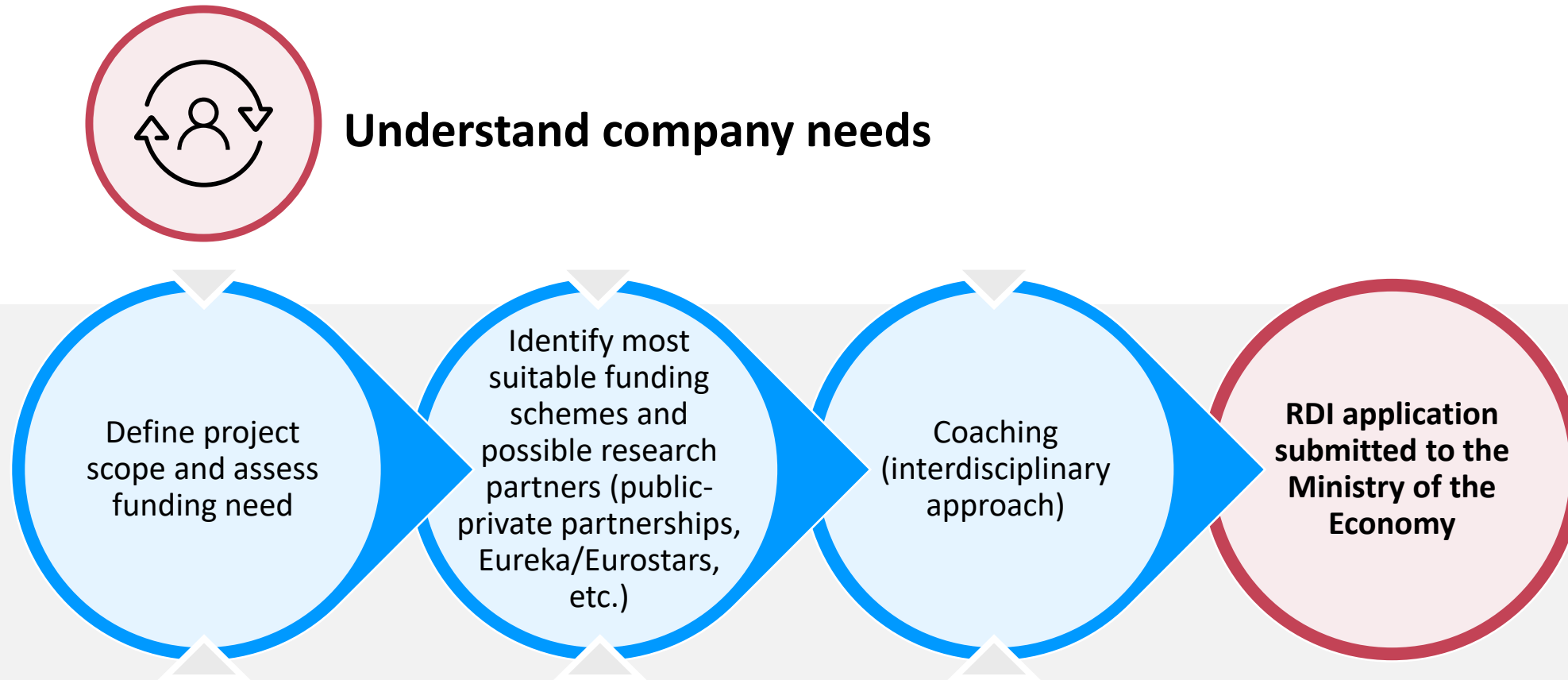
– Luxinnovation Support Services



1.1 Our services



1.2 Corporate RDI Support



Strategy and corporate structuration (company organisation, financial situation, technology, IP, business model, strategy)

Part 2

– R&D and innovation
aids, general
overview



2.1 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

2.2 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

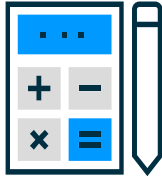
specific criteria

- Technological challenges (R&D)
- Risk of failure (IOS)
- Scoping of R&D activities (feasibility)

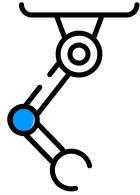
2.2 Due diligence scope



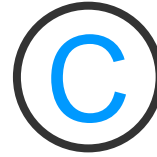
Company /
People



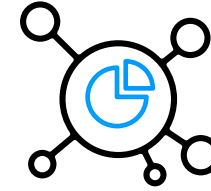
Financial
situation



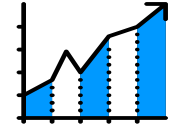
Technology



IP & freedom
to operate



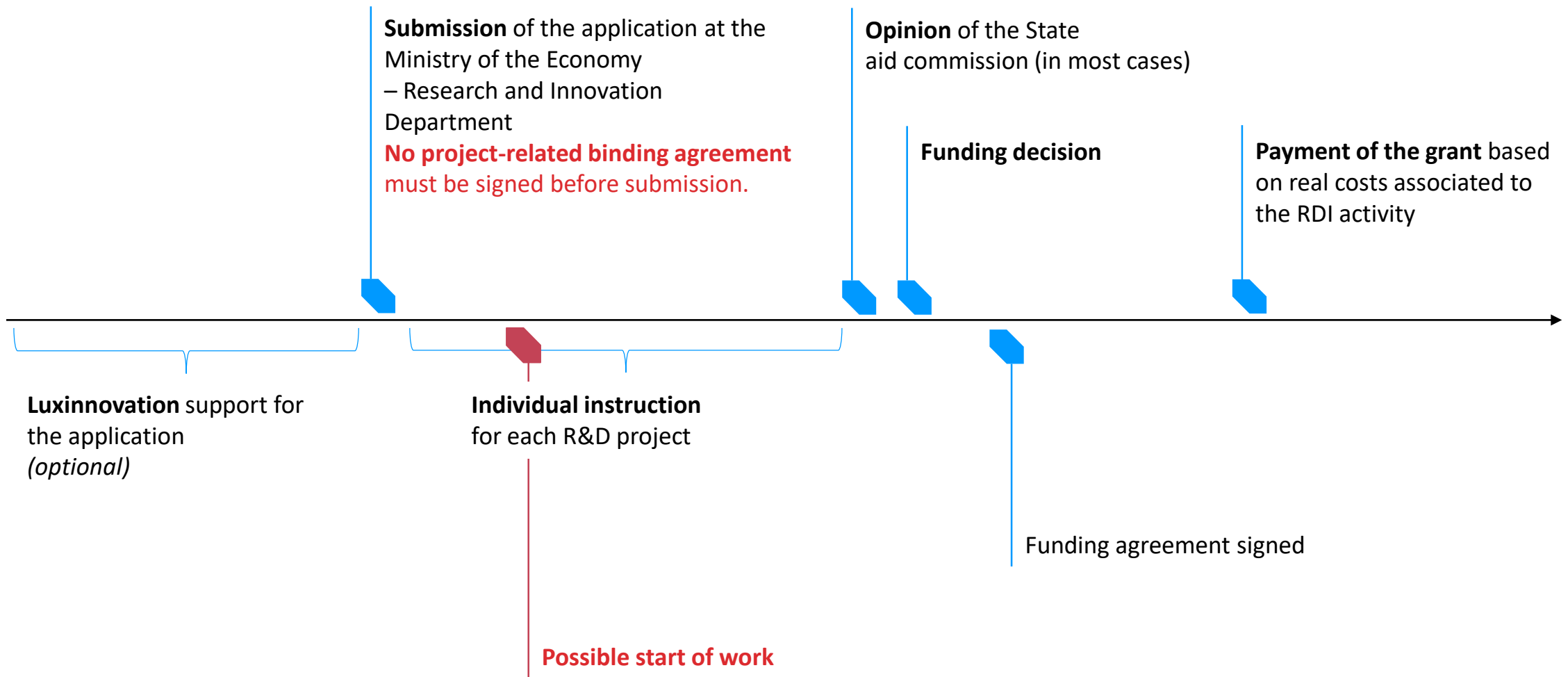
Business
model /
Market



Project
specific
issues



2.3 RDI Aid – Decision process



2.4 RDI aid schemes

Type of aid schemes

Innovation aid	Project driven	Open Innovation	Growth
<p>Innovation aid for SMEs (art. 7)</p> <ul style="list-style-type: none">■ Constitution of IP assets■ Secondment of highly qualified personnel■ Innovation advisory and support services■ External advisory services	<ul style="list-style-type: none">■ R&D aid schemes (art. 3-5)■ Feasibility studies (art.6)■ Process and organisational innovation (art.9)	<ul style="list-style-type: none">■ Research infrastructures (art. 10)■ Investment aid for innovation clusters (art. 11)■ Operating aid for innovation clusters (art. 12)	<p>Young innovative enterprises (art. 8)</p>
SMEs	SMEs and large enterprises	SMEs / large enterprises / public research institutes	Small enterprises

2.4 RDI aid schemes

Aid intensities

	Maximum aid intensities <i>(effective aid intensity is below the maximum)</i>		LE		ME	SE	
Innovation aid	Innovation aid for SMEs (art. 7)		0%		≤ 50%	≤ 50%	
Project driven	Process and organisational innovation (art. 9)		≤ 15% (effective collaboration required)		≤ 50%	≤ 50%	
	Feasibility studies (art. 6)		≤ 50%		≤ 60%	≤ 70%	
	Experimental development (art.3)	Collaboration bonus: + max 15% in case of an effective collaboration <i>(with a maximum of 80%)</i>	≤ 25%		≤ 35%	≤ 45%	
	Industrial research (art.3)		≤ 50%		≤ 60%	≤ 70%	
Open innovation	Research infrastructures (art. 10)		≤ 50%				
	Investment aid for clusters (art. 11)	Regional bonus: + max 5% in the communes of Dudelange, Bettembourg, Wiltz, Winseler and Kiischpelt					
	Operating aid for clusters (art. 12)						
Growth	Young innovative enterprises (art. 8)	Regional bonus: + max €400K in the communes of Dudelange, Bettembourg, Wiltz, Winseler and Kiischpelt	n.a.	n.a.	Up to €800K (70% of the financial need, capped at the capital increase in cash)		

2.5 Applicable rules

Ineligible companies: undertakings in difficulty

- **For all companies** (excluding SME < 3 years of existence)

- 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

- **Large enterprises**, if within the last 2 years:

- book debt to equity ratio > 7.5
- EBITDA interest coverage ratio < 1.0

- If restructuring (following a rescue or restructuring aid), subject to collective insolvency proceedings or an outstanding recovery order of a State aid

2.5 Applicable rules

SME definition

According to the European SME definition, (*Grand-Ducal Regulation of 16 March 2005*), it is required to **agglomerate company data of all linked and partner enterprises** (including companies held through holding companies or through physical persons).

(<http://www.innovation.public.lu/fr/financer/competitivite/grants/definition-pme/index.html>)

Data of all linked and partner enterprises must add up to:

Company category	Staff headcount	Turnover	or	Balance sheet total
Medium-sized	< 250	≤ € 50 m		≤ € 43 m
Small	< 50	≤ € 10 m		≤ € 10 m
Micro	< 10	≤ € 2 m		≤ € 2 m

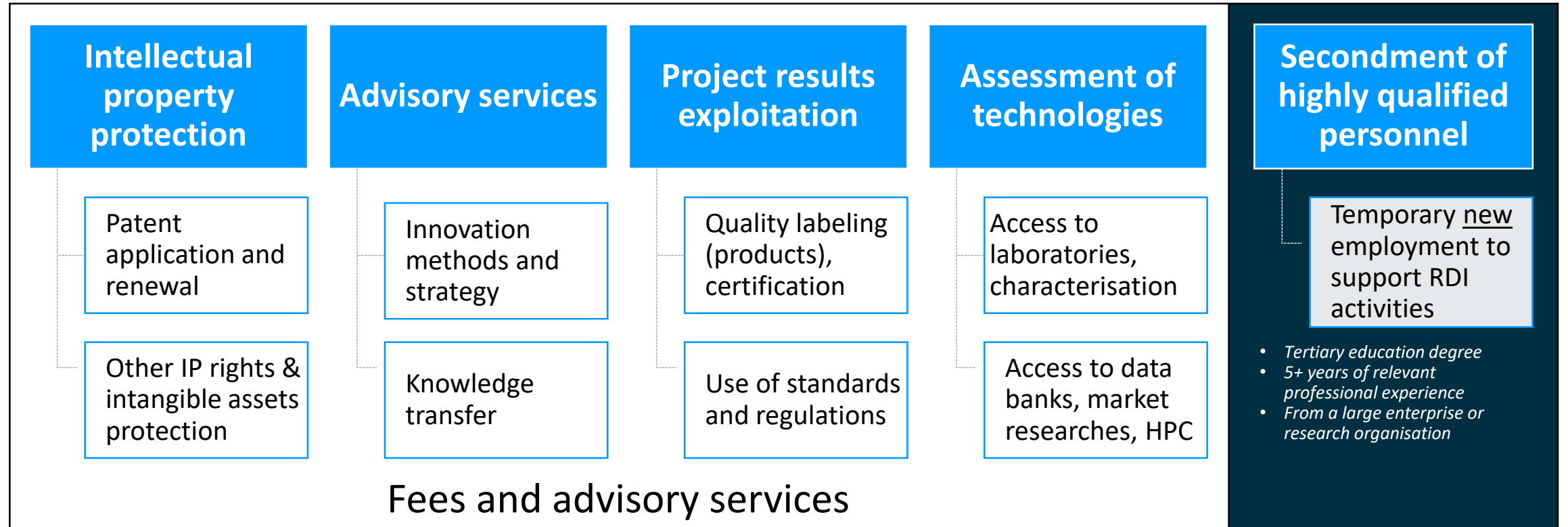
Part 3

– RDI aid schemes



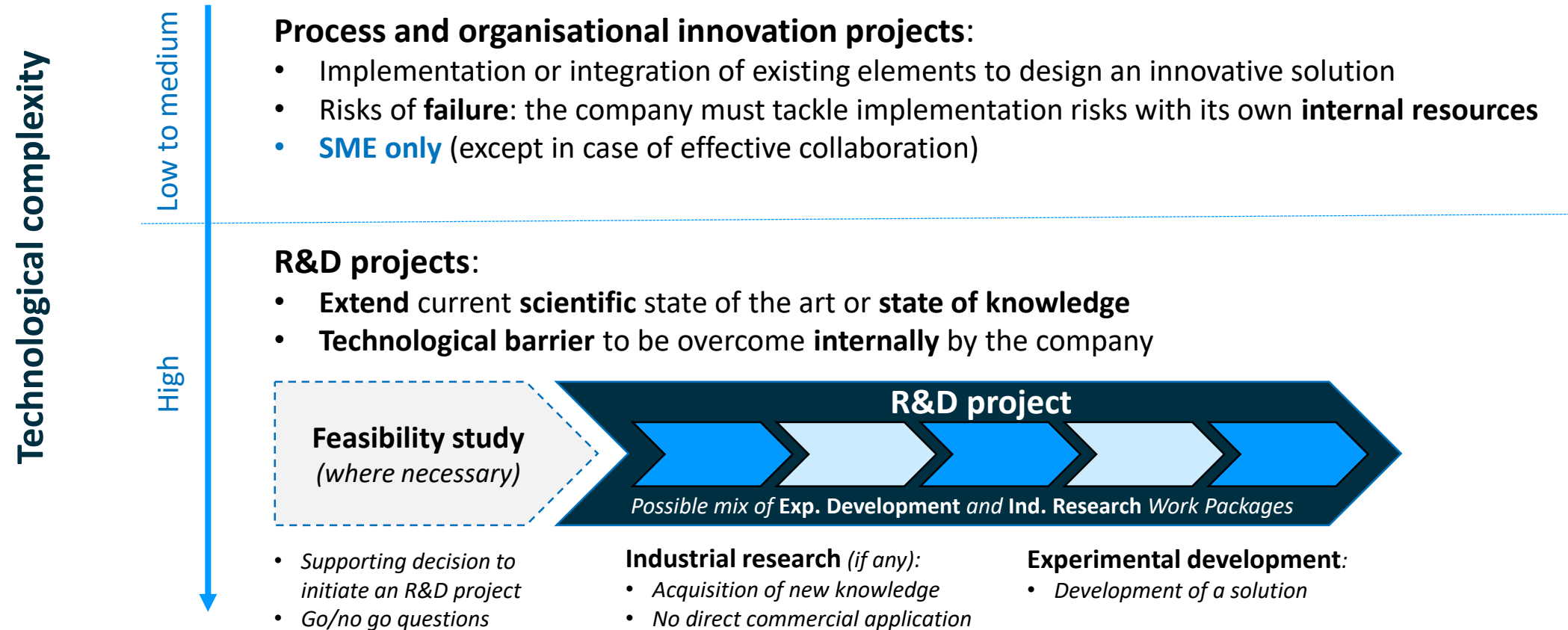
3.1 Innovation aids for SMEs

Up to 50% co-funding for external services related to innovation activities



3.2 Project-driven aid schemes (SME & LE)

Overview



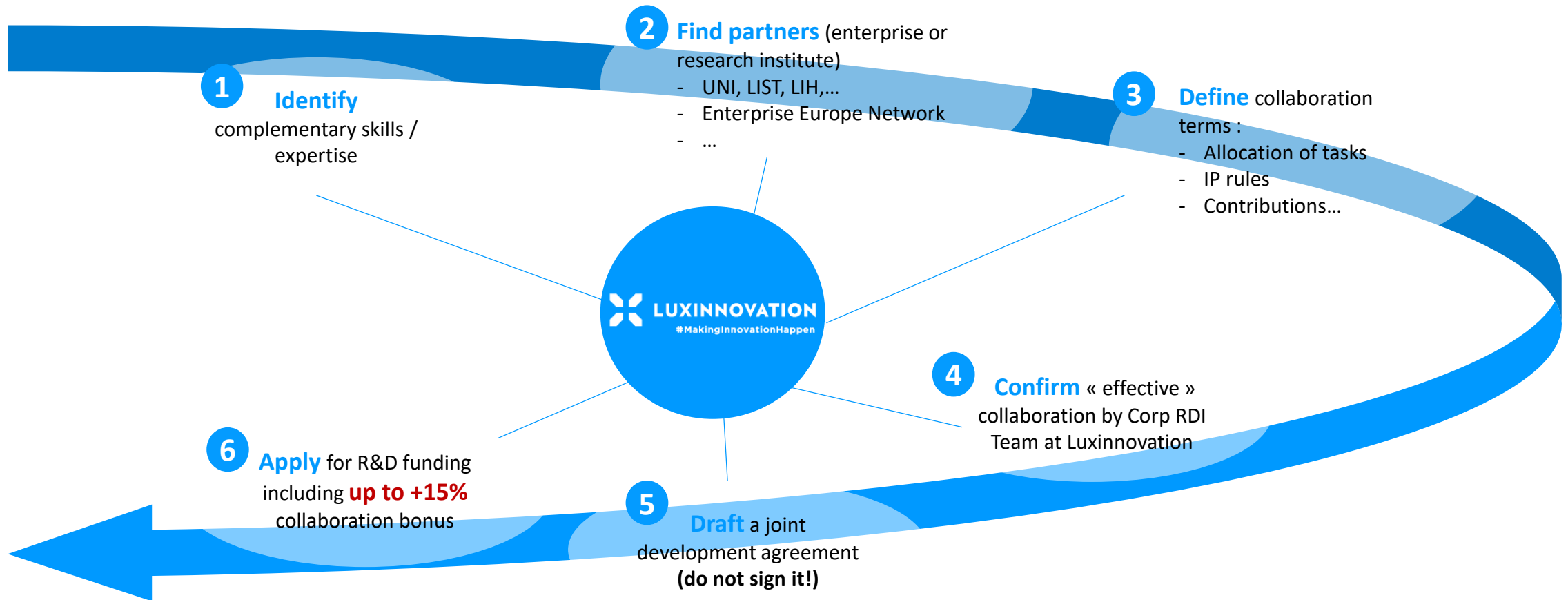
3.2 Project-driven aid schemes (SME & LE)

Eligible costs for project-driven aid schemes

	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 and 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 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.

3.2 Project-driven aid schemes (SME & LE)

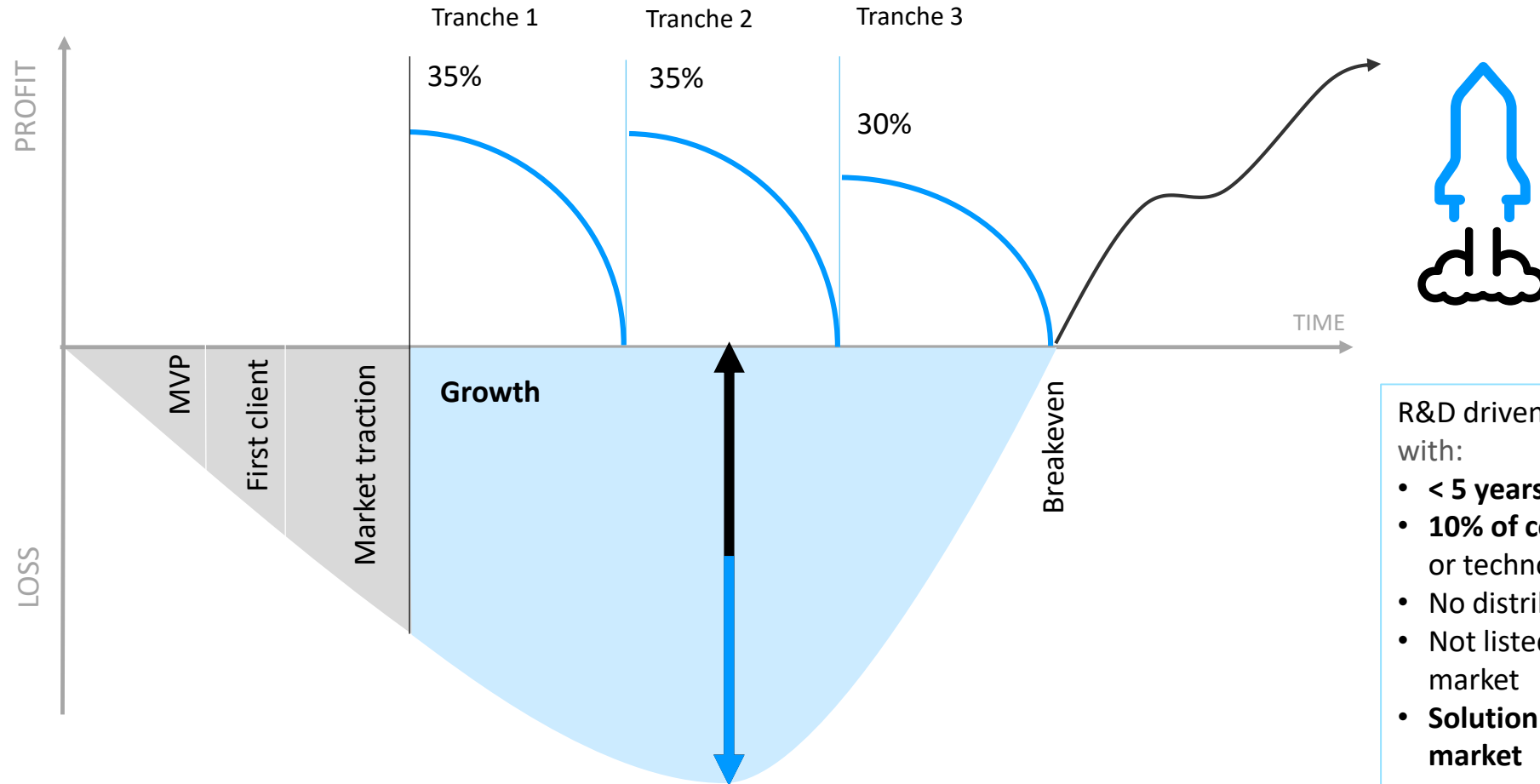
Additional incentive (up to +15%) for collaborative R&D projects



3.3 Growth

Young innovative enterprise

YIE Matching Capital increase in cash
up to 800K and up to 70% of the total financial need



R&D driven small enterprises with:

- < 5 years (at Group level)
- 10% of costs spent on R&D or technological risk
- No distributed profits
- Not listed on the stock market
- **Solution currently on the market**

3.4 Public private R&D collaborations

Aid schemes from FNR (National Research Fund) and Ministry of the Economy

Cooperation between a company and a public research organisation

	R&D project	Industrial fellowship	Bridges
Granting authority	Ministry of the Economy	FNR	FNR
Beneficiary	Company	PhD Student/Post Doc: <ul style="list-style-type: none">Contracted by a public research organization (national or foreign)Min 25% of time to be spent in a company <u>in Luxembourg</u> authorised by the Ministry of Economy	ORP: <ul style="list-style-type: none">Public research organisation <u>in Luxembourg</u>Non-profit associations and foundations engaged in research <u>in Luxembourg</u> and accredited by the Ministry of Higher Education and Research
Subsidy	15% bonus on the R&D budget of the company	Contribution up to 85% of annual salary costs of the PhD Student/ Post Doc (up to resp. 4 years and 2 years)	Maximum grant €400k (12 to 36 months)
Deadlines	continuously open	22 April and 6 October 2022	
Website		Link	Link

3.5 International R&D collaborations



Eureka label:
no thematic restriction, no deadline.

Eureka clusters:
call for proposals on priority topics (Celtic, ITEA, etc.)



International collaboration programme, focusing on R&D-performing SMEs.

2 calls per year (March / September). No thematic restriction.
www.eurostars-eureka.eu/



International collaboration programme for SMEs

(Luxembourg, Germany, Austria, Belgium, Czech Republic, Russia, Turkey, Alberta, Brazil)



Electronic components and Systems for European Leadership
www.ecsel.eu

And many other programmes including European programmes (Horizon Europe, Investhorizon)

Part 4

– Engaging with us



4.1 FIT4s

SMEs Innovation kick-starting programs

Support the digitalisation
of your company



**FIT4
DIGITAL**



**FIT4
INNOVATION**

Improve your
performance

Improve the customer
experience



**FIT4
SERVICE**



**FIT4
CIRCULARITY**

Accelerate your company's
transition to the circular
economy

Acceleration
program



**FIT4
START**



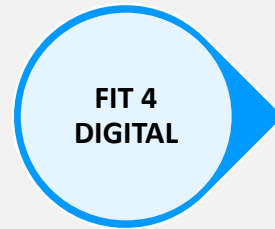
**FIT4
GROWTH**

Enable growth by unlocking your
potential and performance

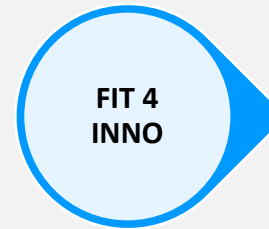
4.2 An Innovation Journey – use cases

A dedicated support scheme to each innovation trajectory

Use case 1 : an SME innovation path



Consulting Digitalisation

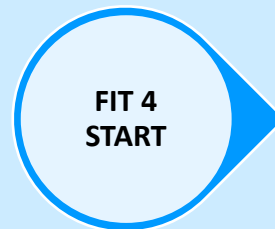


Consulting Performance

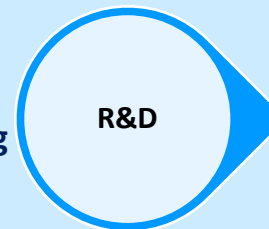


Internal costs Innovation

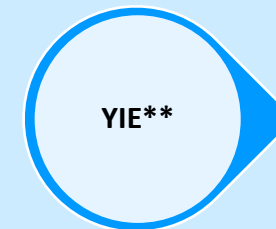
Use case 2 : a start-up innovation path



Coaching Bootstrapping



Internal costs Innovation



Capital raising Growth



Luxinnovation support services

How to get in contact with Luxinnovation

Contact us at rdi@luxinnovation.lu

Any further discussion will be most efficient if the following elements are provided along with your inquiry:

- For all enterprises: please include a **descriptive summary** of the project (1 to 2 pages): idea, innovative features, tasks to be achieved during the project, preliminary draft budget, expected economic impact.
- For start-ups: please include the **business plan**.

Get access to the guidelines



[French: lignes directrices](#)



[English: guidelines](#)



[German: Leitlinien](#)

(to access the downloading website of the guidelines, click on the desired language)

[Site: www.innovation.public.lu](http://www.innovation.public.lu) (Heading “Finance your R&D project”)

Thank you!

■ Corporate RDI Support

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