

# RDI support – Luxembourg

IraSME Webinar DEU / LUX, 28.01.2021



Commerce

Logistics

Clean  
Technologies

Health  
Technologies

# Diverse business sectors

Manufacturing  
Industry

ICT, Media &  
e-Commerce

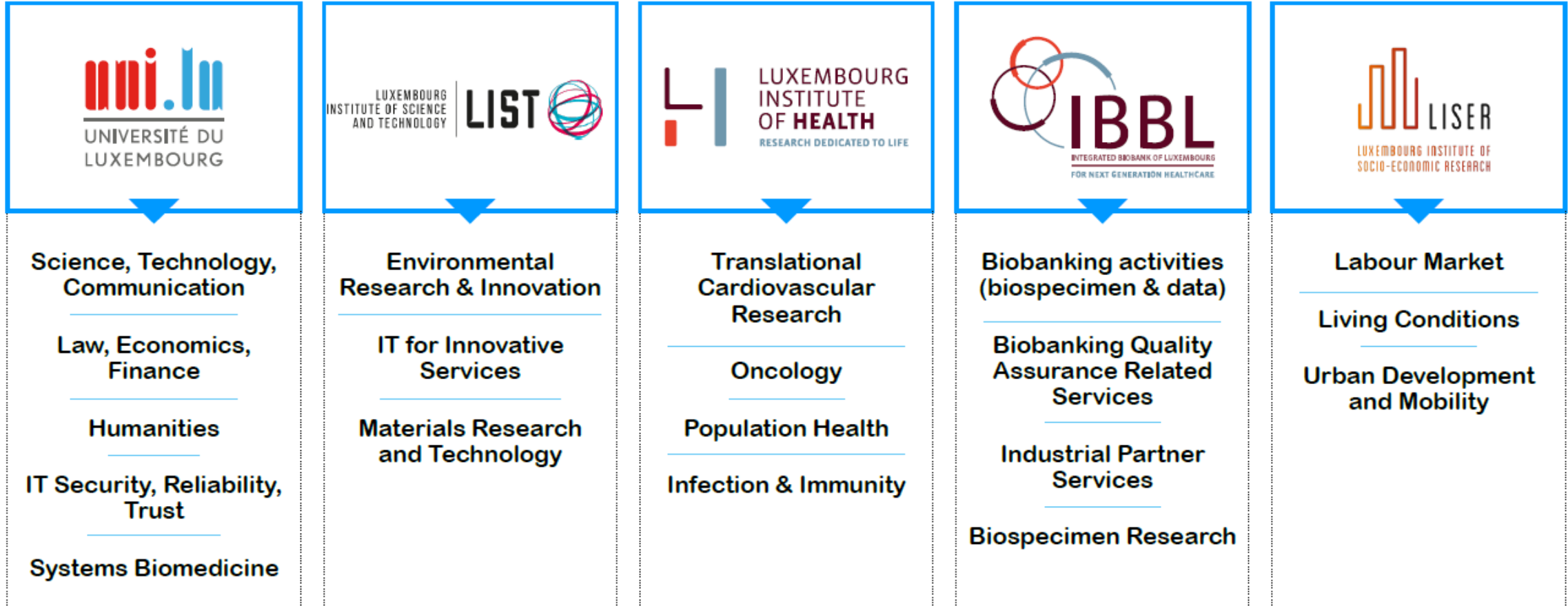
Smart Mobilty

Space



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**

# IraSME in Luxembourg

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

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

 **National Coordinator:** Luxinnovation

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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

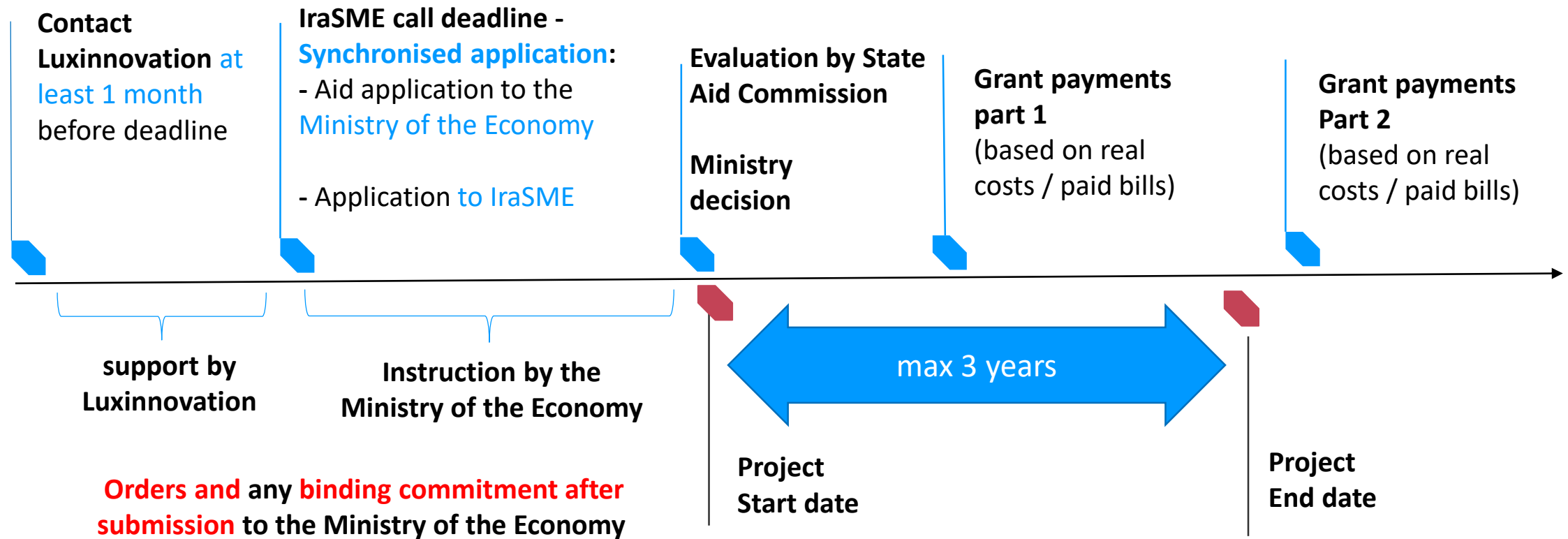
**For all companies** (excluding SME < 3 year of existence), if more than half of subscribed share capital (share premium included) has disappeared as a result of accumulated losses.

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 the IraSME program

# IraSME Aid – Decision process

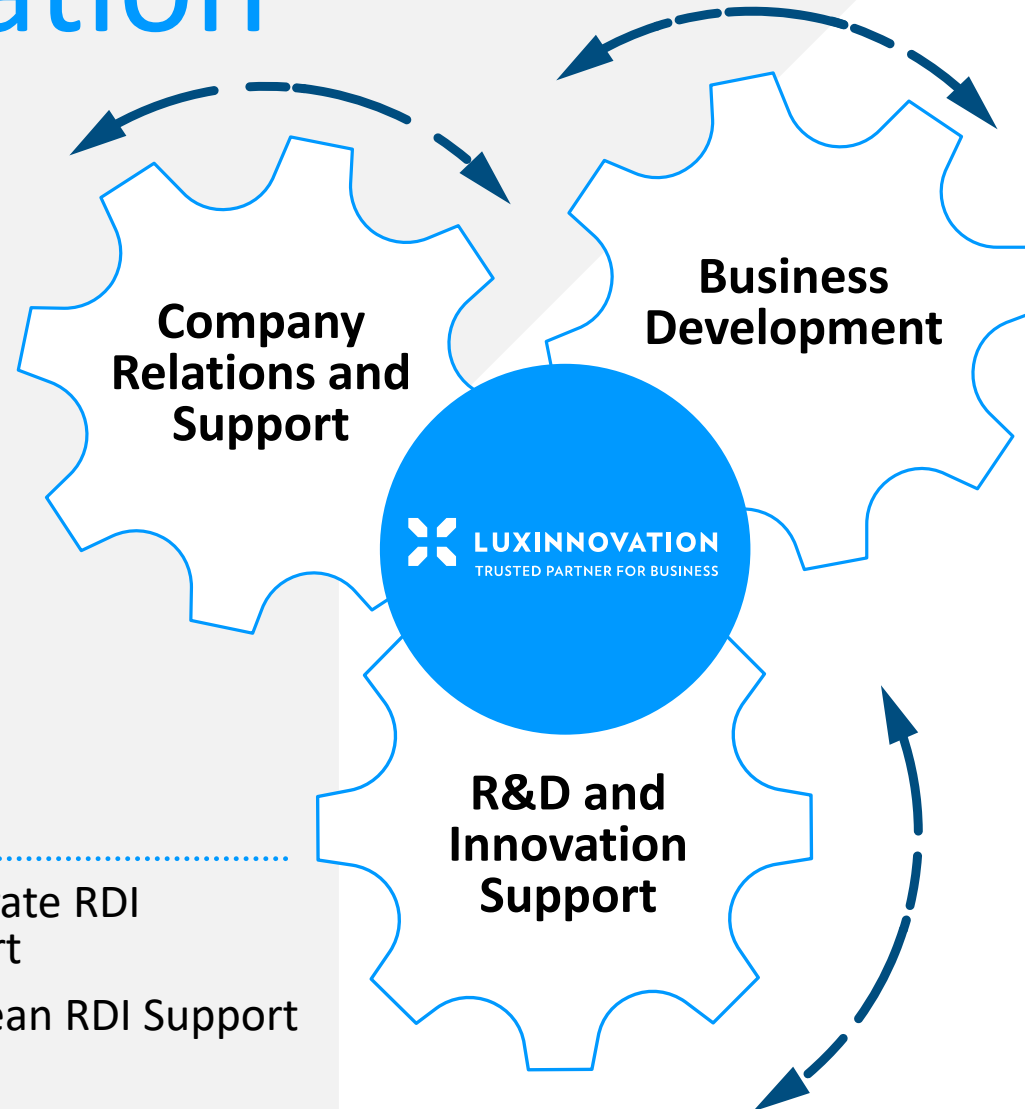




# Luxinnovation

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

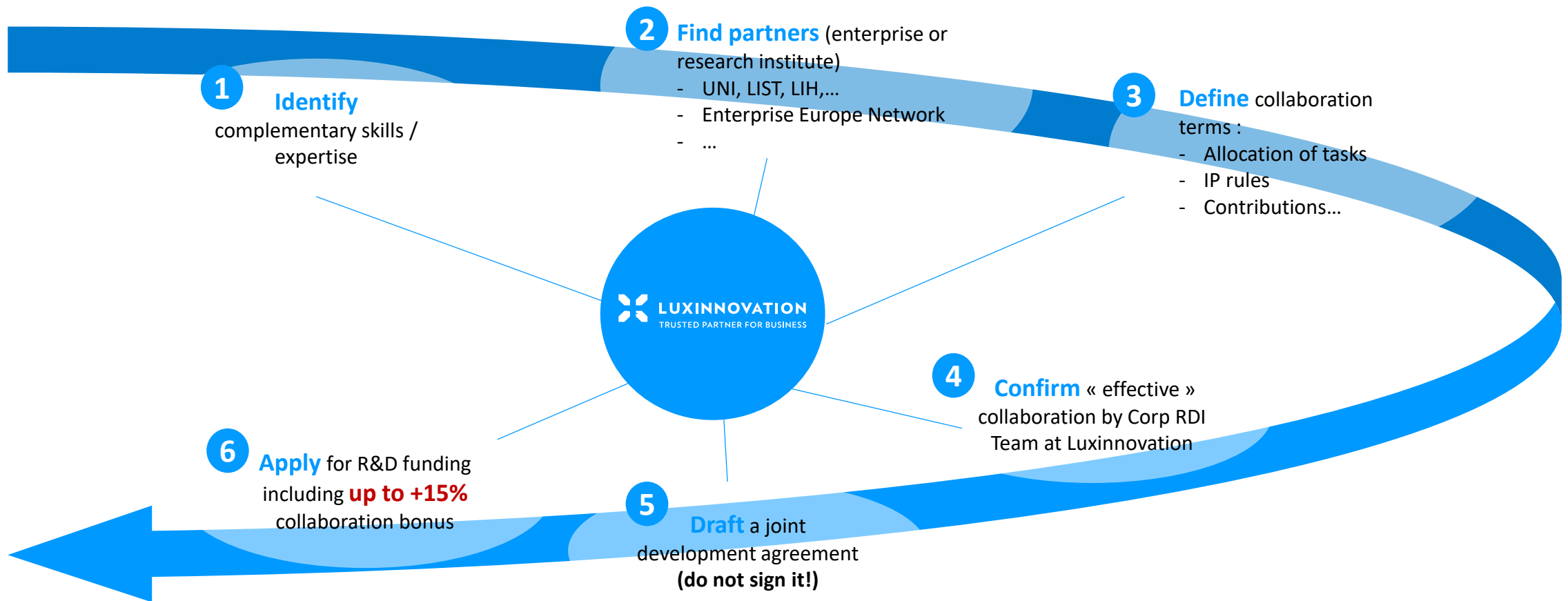
# Project-driven aid schemes (SME & LE)

## 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.

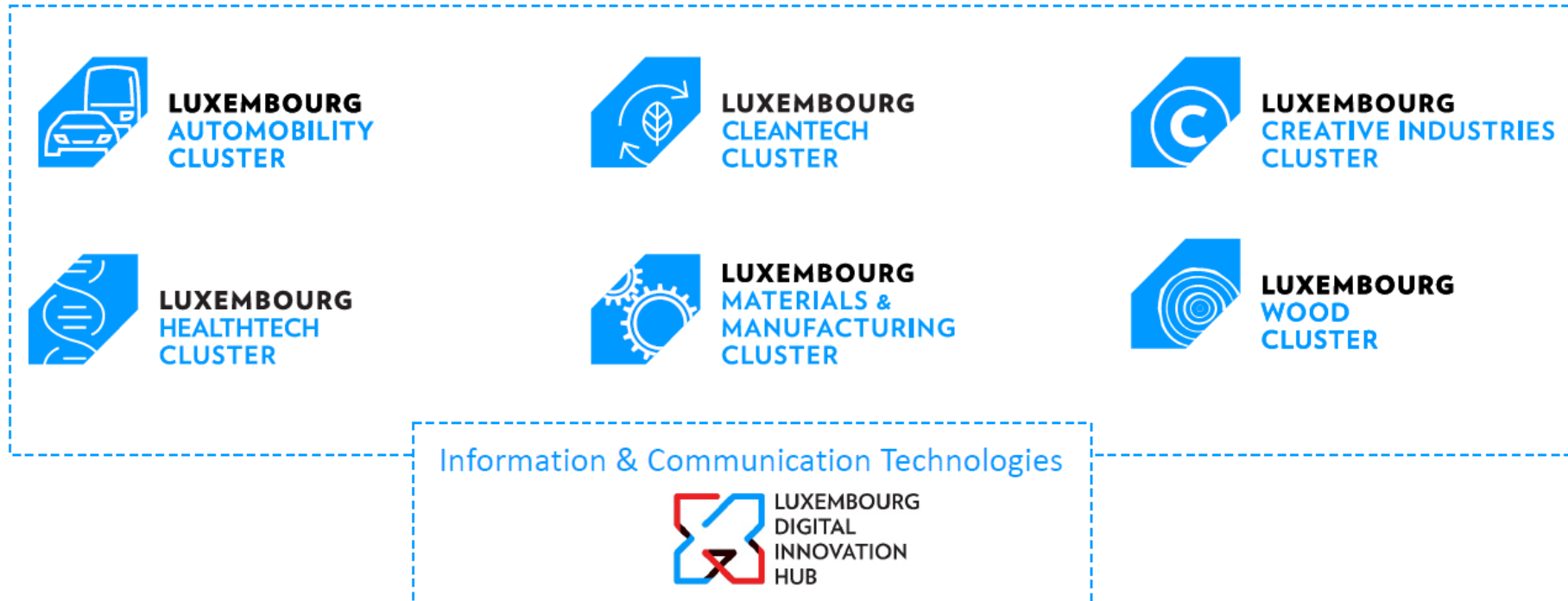
# Project-driven aid schemes (SME & LE)

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



# Luxembourg Cluster Initiative

## Company Relations and Support



# Luxembourg Sector Mappings

Wood  
Cybersecurity  
HealthTech  
CleanTech

Creative Industries  
Smart  
Manufacturing  
Data driven (new)  
Automobility (new)





# Luxinnovation support services

## What should the IraSME 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!

◆ **Alexander Link**

*Advisor – Corporate R&D  
and Innovation Support*

**LUXINNOVATION GIE**

5, avenue des Hauts-Fourneaux  
L-4362 Esch-sur-Alzette

T +352 43 62 63 - 864

M +352 621 985 156

[alexander.link@luxinnovation.lu](mailto:alexander.link@luxinnovation.lu)



[www.luxinnovation.lu](http://www.luxinnovation.lu)



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