Guidelines for an application for State aid

**Aid for innovation clusters**

What are innovation clusters?

Innovation clusters mean structures or organised groups of independent parties (such as innovative start-ups, small, medium and large enterprises, as well as research and knowledge dissemination organisations, non-for profit organisations and other related economic actors) designed to stimulate innovative activity through promotion, sharing of facilities and exchange of knowledge and expertise and by contributing effectively to knowledge transfer, networking, information dissemination and collaboration among the undertakings and other organisations in the cluster.

Via State aid for innovation clusters, the government aims at supporting the creation of autonomous economic entities whose activity consists in supporting the innovation capacity of the cluster members. The participation in the cluster shall enable its members to increase their research, development and innovation activities. Furthermore, the operating economic entity shall provide services and aim at financial autonomy at the end of the period over which the aid is granted.

The innovation cluster shall be a preferential tool to encourage the creation of competence centres in technological areas deemed to be strategic for the development of the country.

Aid for innovation clusters shall be granted exclusively to the legal entity operating the innovation cluster.

The fees charged for using the cluster’s facilities and for participating in the cluster’s activities shall correspond to the market price or reflect their costs.

The applicant commits to communicate the access modalities for the cluster’s equipment and to provide access on a non-discriminatory basis. Undertakings which have financed at least 10 % of the investment costs of the innovation cluster may be granted preferential access under more favourable conditions. In order to avoid overcompensation, such access shall be proportional to the undertaking's contribution to the investment costs and these conditions shall be made publicly available.

The aid intensity of the operating aid shall not exceed 50 % of the total eligible costs during the period over which the aid is granted. If the revenues of the cluster exceed the amount of costs supported by the cluster, the aid shall be capped to the net costs.

A) Foreword

This document serves as a guidebook for undertaking compiling an application for State aid in the area of:

**Innovation clusters**

**Legal basis:** Art. 11 and 12, of the amended Act of 17 May 2017 on the Promotion of Research, Development and Innovation.

It contains **guidelines** covering the most essential items of information that need to be included in the application form. This document complements the formal application, which is to be send by post to:

Ministry of the Economy   
Department for Research and Innovation   
L-2914 Luxembourg

by E-mail to:

[FAE@eco.etat.lu](mailto:FAE@eco.etat.lu)

**It is imperative to submit the aid application before the start of the project in the company.**

The Ministry of the Economy reserves the right to request further information that it deems necessary for the full understanding of the project. This document outlines a structure for the descriptive part of the project that **may be adapted** according to specific requirements.

All the data collected on the basis of this application are processed by computer in strict compliance with the law of 1 August 2018 on personal data protection.

In compliance with the General Block Exemption Regulation (651/2014), the applicant undertaking is informed and accepts that the State aid and more specifically all the information referred to in Annex III of the regulation including the beneficiary, the registration number and the granted State aid amount, shall be published on a dedicated website in case the aid exceeds EUR 500,000.

|  |  |
| --- | --- |
| B) General information[[1]](#footnote-1) | |
| B.1. Information about the applicant organisation: | |
| Identification of the applicant undertaking | |
| Undertaking name: |  |
| Address: |  |
| Main activity: |  |
| [NACE Code](http://ec.europa.eu/eurostat/documents/3859598/5902521/KS-RA-07-015-EN.PDF) of the company or, if different, NACE Code applicable to the project: |  |
| Business permit:  (to be attached when first applying) | No dated |
| Operating permit (classified establishments): | No dated |
| V.A.T. number: | LU |
| National identification number (11 figures) : |  |
| National registration number (letter + 5 figures): |  |
| Bank: | IBAN LU BIC: |
| Share capital: |  |
| Website: | www. |

|  |  |  |  |
| --- | --- | --- | --- |
| Identification of the contact person | | | |
| Surname, First Name |  | Phone number |  |
| Position |  | Fax |  |
|  |  | E-mail |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| SHAREHOLDER(S) OF THE APPLICANT COMPANY (ULTIMATE BENEFICIAL OWNERS TO BE SPECIFIED IN AN APPENDIX, IF APPLICABLE) | | | | |
| **Name of the company or of the physical person** | **% of ownership** | **Number of employees** | **Turnover** | **Total balance sheet** |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |

|  |  |  |  |
| --- | --- | --- | --- |
| **B.2. Employment-related information**  **B.2.1. Number of employees at the time of application (Full-time equivalents)** | | | |
|  | | **Total** | **Of which R&D headcount** |
| Permanent contracts | |  |  |
| Fixed-term contracts | |  |  |
| Interims | |  |  |
| **B.2.2. Evolution of the headcount at the end of the settlement period (over the last 3 fiscal years)** | | | |
| **DATE** | **total Headcount** | | |
| \_\_ / \_\_ / \_\_\_\_ |  | | |
| \_\_ / \_\_ / \_\_\_\_ |  | | |
| \_\_ / \_\_ / \_\_\_\_ |  | | |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **B. 3. Development of the company’s key business metrics over the last 3 fiscal years (at least)**  **B.3.1. Reference period**   |  |  | | --- | --- | | REFERENCE PERIOD – FISCAL YEARS | | | Annual closing date (DD/MM) |  |   **B.3.2. Development of investments in previous years (in EUR)** | | | | |
| **Year** | **Investments (A)** | **Decpriciation (B)** | | **Net Investments  (A-B)** |
|  |  |  | |  |
|  |  |  | |  |
|  |  |  | |  |
| **TOTAL** |  |  | |  |
| **B.3.3. Change in net profit (in EUR)** | | | | |
| **Year** | **Net profit after tax** | | **DISTRIBUTED INCOME (DIVIDENDS AND ATTENDANCE FEES)** | |
| 20\_\_ |  | |  | |
| 20\_\_ |  | |  | |
| 20\_\_ |  | |  | |

**B.4. SME analysis**

In accordance with the General Block Exemption Regulation Annex I and in accordance with the model set out in Appendix I (organisational chart) or in the Excel file *SME Analysis.xlsx*, the following data shall be documented for all companies (partner and linked) related to the applicant undertaking.

Summary:

|  |  |  |  |
| --- | --- | --- | --- |
| **Date** | **HEADCOUNT (FULL-TIME EQUIVALENTS)** | **ANNUAL TURNOVER (IN EUR)** | **TOTAL BALANCE SHEET (IN EUR)** |
|  |  |  |  |

**B.5. Balance sheet and Profit and Loss accounts**

Please complete the Excel file BS and PL.xlsx which is included in the .ZIP compressed folder.

# B.6. Introduction of the cluster members

**B.6.1. Name of the participant (besides the coordinator)**

|  |  |
| --- | --- |
| **Participants** | **NumbER** |
| Enterprises |  |
| Of which SMEs |  |
| Research performing organisations  Organismes de recherche |  |
| Others |  |

**B.6.2. List of the participants (for each of the participants, a fact sheet based on the template below shall be added to the application form)**

|  |  |  |
| --- | --- | --- |
| Identification of the potential cluster member | | |
| Undertaking name : |  | |
| Address : |  | |
| Main activity : |  | |
| Website : | www. | |
| Headcount |  | |
| Turnover (in EUR) |  | |
| Description of interest for participating in the clusters activities |  | |
| Estimated annual budget for compensating the cluster’s services (in EUR) |  | |
| Identification of the contact person | | |
| Surname, First Name |  | |
| Position |  | |
| Phone number |  | |
| Fax |  | |
| E-mail |  | |
| SIGNATURE of the legal representative | | |
| Surname, First Name:  Position: | | Signature: |

**B.6.3. Project location**

Address where the cluster activities shall be organised:

Specifications regarding the hosting infrastructure of the cluster (attach a map):

* Surface of the technical buildings:
* Surface of the meeting rooms / training:
* Surface of the offices:

C) Section concerning the cluster innovation project

*For each of the entities described below, it shall be possible to make reference to a business-plan by stating for each item the page numbers to be considered.*

**C.1. Technological specialisation of the cluster**

* What is the future sector targeted by the cluster activities?
* Which is the vision/topics of mutual interest for the cluster members?

**C.2. Description of the cluster’s origin context**

* Which specific needs does the creation of the cluster address? Which barriers have been identified towards the dissemination of the innovation within the field of activity?
* How does the cluster creation represent an advantage meeting the target objectives?

**C.3. Organisation of the cluster and chosen legal structure**

* Establishment form of the cluster? (provide the status in case of creating an ad hoc structure).
* Describe the decisional process within the cluster.
* How shall intellectual property be managed within the cluster?
* Describe the profile of the cluster’s staff (CV if personnel has been identified or profile for the key positions) and point out the main responsibilities for each of the future employees of the cluster.

**C.4. Strategic objectives of the cluster**

* What are the targeted objectives? What is the expected impact?
* Which expertise shall be developed within the cluster? Are there potential synergies? Which assets are available and which ones shall be developed within the cluster (infrastructures, technologies, methods, tools…)?

**C.5. Description of the equipment to be purchased by the innovation cluster** *(if appropriate)*

|  |  |
| --- | --- |
| Identification of the equipment | Summary description – Main technical characteristics |
|  |  |
|  |  |

**C.6. Scope of the Cluster engagement / description of the services**

* Explain the missions of the pole regarding the identification and implementation of R&D projects, the sharing of expertise, the projected efforts to promote the commercialisation of innovations,…
* Describe in detail the services offered by the cluster
* Explain how the services will support the RDI activities of the cluster members

**C.7. Positioning of the cluster**

* How will the promotion of the services be ensured?
* What is the targeted market?
* What is the regional potential for the activities developed by the cluster? What is the size and the perimeter of the market?
* Who will be the main competitors of the cluster? What are the advantages of the cluster offers compared to the competitors?
* Are the innovation clusters on national and European level (clusters, knowledge networks, competitive clusters …) with similar or complementary objectives? What will be the distinctiveness of the projected cluster?

**C.8. Business model of the cluster and pricing policy**

* What the revenues of the cluster? Comment les tarifs seront-ils établis ? Provide details on the services associated to each « formula » (example: accession as a member at an annual rate of x€ gives the right to the following services; such services will be charged at cost price to the members, etc.)
* What is the planned pricing policy (for cluster members, for non-members)? If appropriate, how are the user fees of the cluster equipment calculated?
* Will the services be charged at market rates or at a rate which covers the entire costs and includes a reasonable margin? Or shall there be indirect aids for the cluster members? I applicable, how will the applicant ensure that these indirect aids are compliant with the State aid rules?

**C.9. Assigned cluster objectives and financial viability**

* Which results shall be achieved for each period? What are the main indicators the cluster plans to put in place in order to monitor its activities (number of members to be reached at certain dates; minimum level of services to be charged, etc.)
* Explain the intended growth which shall ensure the viability of the cluster at the end of the period over which the aid is granted.
* What are the main identified actions which shall be implemented over the duration of the project (annual conference, fair, etc.)? Please provide a calendar of the main expected activities during the period over which the aid is granted.

**C.10. Impact on Luxembourg**

- What is the potential effect of the cluster on the Luxembourg economy?

- How does the cluster contribute to the overall strategy of the economic development?

**C.11. Financing of the cluster**

The investment aid for innovation cluster (art. 11) and the operating aid for innovation clusters (art. 12) shall be granted under the following conditions:

* In principle, the cluster shall be supported for a first period of maximum 10 years;
* The payment of the investment aid for innovation clusters shall be made by instalments, depending on the business plan and the objectives (for example 25% based on receipts for acquiring equipment, 25% at the opening of access to the equipment for external users, 25% at a mid-term review and 25% at the closure of the financing agreement) ;
* The payment of the operating aid for innovation clusters shall be made in a linear or degressive manner without exceeding an average intensity of 50% of the eligible costs over the considered period. The aid shall be paid only on the basis of the receipt of costs incurred over a previous period (typically one semester).

Based on this:

* What are the cluster’s main sources of funding besides the State aids?
* Does the applicant prefer a linear aid with a maximum of 50% of the eligible costs or rather a degressive aid without exceeding 50% of the eligible costs during the period over which the aid has been requested?
* Attach a provisional profit and loss account as well as a cash flow forecast for the period over which the aid has been requested. The table shall be presented on a quarterly basis.

**C.12. Rationale of the eligible costs as part of the innovation cluster management**

The eligible costs encompass personnel costs and administrative expenses related to the following activities:

a) promotion campaigns in order to attract new members to the innovation cluster and to increase the visibility of the cluster;

b) facility management of the innovation cluster;

c) organisation of training programmes, workshops and conferences in order to encourage knowledge transfer and networking among the innovation cluster members as well as transnational cooperation;

d) cluster animation for the purpose of fostering collaboration, information sharing, delivery or provision of tailored support services to specialised enterprises.

Based on the services defined in C.6. and the assigned objectives defined in C.9., please determine the allocation of human resources within the cluster to the management of the innovation cluster according to the categories a) and d) provided below.

The allocation table of the resources may be presented in the following form. The example is purely indicative:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Activities** | **Type of resources** | **Q1** | **…** | **Total over 10 years** |
| 1. Promotion campaign | Employee 1 – function to be specified (in MM)  Employee 2 – function to be specified (in MM)  External service providers (in €): | 1 MM  1.5 MM  5 000€ | …  …  … | 10 MM  12 MM  15 000€ |
| 1. Facility management | Employee 1 – function to be specified (in MM)  Employee 2 – function to be specified (in MM)  External service providers (in €): | 0 MM  0 MM  0€ | …  …  … |  |
| 1. Knowledge transfer | Employee 1 – function to be specified (in MM)  Employee 2 – function to be specified (in MM)  External service providers (in €): | 1 MM  0.5 MM  2 000€ | …  …  … | 15 MM  5 MM  25 000€ |
| 1. Cluster animation | Employee 1 – function to be specified (in MM)  Employee 2 – function to be specified (in MM)  External service providers (in €): | 1 MM  0.5MM  0€ | …  …  … | 12 MM  8MM  6 000€ |

**D. Funding of the innovation cluster**

NB: A technical sheet –characteristics- of each contemplated investment shall be provided along with related quotes.

**D.1. Investments.** (Art.11, of the amended Act of 17 May 2017)

|  |  |  |  |
| --- | --- | --- | --- |
| **acquisition category**  **Designation** | **Unit Acquisition cost in EUR (excl. VAT)** | **Usage rate as a part of the innovation cluster** | Total (in EUR) |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
| **TOTAL INVESTMENTS** | |  |

**D.2. Investments financing plan**

|  |  |  |  |
| --- | --- | --- | --- |
| **Uses (detailed above)** | | **Sources** | |
| **Type** | **Amounts (in EUR)** | **Type** | **Amounts (in EUR)** |
|  |  | Equity |  |
|  |  | Capital increase |  |
|  |  | State aid |  |
|  |  | Bank loan (please provide agreement in appendix) |  |
|  |  |  |  |
|  |  |  |  |
| **TOTAL** |  | **TOTAL** |  |

**D.3. Operating costs (Art. 12,of the amended Act of 17 May 2017):**

**D.3.1. Period covered by requested operating aid:**

**Start date:**

**End date:**

**Resulting period length:**

**D.3.2. Personnel costs in EUR (based on details provided in C.12)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Responsibility Education** | Man/MOnth | **Gross monthly cost** | | | TOTAL |
| a) |  |  | | |  |
| b) |  |  | | |  |
| c) |  |  | | |  |
| d) |  |  | | |  |
| **Total (A)** |  | |

**Social security contributions :**

Social security contributions (B) = (A) x 20%

**Overhead costs:**

Overhead costs (C) = (A + B) x 25% =

**D.3.3. Special costs in EUR (based on details provided in C.12)**

|  |  |  |  |
| --- | --- | --- | --- |
| **NAME OF service provider / service provided** | Costs / MD | **Number of MD** | **TOTAL** |
| a) |  |  |  |
| b) |  |  |  |
| c) |  |  |  |

**D.4. Financing plan of the « Cluster’s operations »**

|  |  |  |  |
| --- | --- | --- | --- |
| **Uses (in EUR)** | | **Sources (in EUR)** | |
| Direct personal costs (detailed above, Total A) |  | Equity |  |
| Social security contributions,  (detailed above, Total B) |  | Membership fees |  |
| Overheads (detailed above Total C) |  | State aid |  |
|  |  | Bank loan (please provide agreement in appendix) |  |
|  |  | Short term credit agreement |  |
| **TOTAL** |  | **TOTAL** |  |

**D.5. Declaration of other State aids received for the costs included in the innovation cluster**

* Granting authority :
* Description of the received State aid:

# E. Attachments

* Copy of the business permit and the operating permit (when first applying or in case of updates)
* Mandate of the person signing the aid application and the declaration of honour, if different than the RCSL certificate
* A certificate of the company’s headcount (<http://www.ccss.lu/certificats/>) or other document justifying the number of FTE
* Cash-flow forecasts for the project duration (on a monthly or 3 months basis)
* Description of the cluster’s facilities
* Balance sheet and income statement for the past 3 accounting years if the undertaking is a company
* Completed spreadsheets:
  + Balance Sheet and Profit and Loss account for the last 3 fiscal years, file *BS and PL.xlsx,* to complete for :
    - The applicant company
    - The group, if applicable:

-the consolidated Financial Statement at the highest available consolidation level

or

-the annual accounts of the companies belonging to the Single Economic Unit (SEU)

* If the company exists for less than 3 years, a detailed business plan shall be submitted
* Legal status of the applicant undertaking
* Organisational chart of the group’s structure (if applicable), as detailed in Appendix I, specifying existing links, the percentage of participating interests and the company name, address, distribution of the share capital, workforce, turnover and total balance sheet (data for the last accounting year ended) for each undertaking.
* Excel file *SME Analysis.xlsx* or, as an alternative option, the SME self-assessment wizard <http://ec.europa.eu/growth/tools-databases/SME-Wizard/smeq.do;SME_SESSION_ID=siOT9FYJi352LK2NIZtjODOnMKCKX0Sa4DDQp8GjtubX5R9ctd96!103665658?execution=e1s1>
* Founding agreement of the cluster’s project
* List of the cluster’s participants following the template provided in B.6.2.
* Bank account statement (with the account number, bank name and address and name of the company the account belongs to)
* Other documents deemed useful

I - We[[2]](#footnote-2) the undersigned (Surnames(s) – First name(s) and position[[3]](#footnote-3))………………………………………………………………………………………

……………………………………………………………………………………………………………………….……………………………………………………………………….

certify that the undertaking……………………………….…………...……………………………………………………………..……….……………………………. is informed of, and commits to comply with the following provisions[[4]](#footnote-4) :

1. no binding commitment with regards to the acquisition of the innovation cluster has been taken before the submission of the application for aid to the Ministry of the Economy ;
2. the undertaking has or shall, before the project starts, put in place a system for monitoring the costs pertaining to the project enabling the related costs to be justified and audited. This system shall enable to determine reliably usage rate and equipment capacity for third parties ;
3. the applicant undertaking and the single economic entity it belongs to, is not subject to an outstanding recovery order following previous European Commission decision ;
4. the project is neither being carried out in whole, nor in part, on behalf of a third party;
5. access to the innovation cluster is open to any company or research performing organisation, as per the conditions presented in this application;
6. in case of preferential access, conditions will be made publicly available;
7. the undertaking has received no other State aid measures for the costs included in the innovation cluster besides those indicated in section D.5. “Declaration of other State aids received for the costs included in the innovation cluster”. Moreover, the undertaking agrees not to further apply for financial support towards the costs born for the innovation cluster from any other national or European authority without previous notice to the Ministry of Economy, whom shall verify whether this additional aid is compliant with rules regulating State aids;
8. the undertaking is not an undertaking in difficulty according to art. 2 paragraph 18 of the General Block Exemption Regulation (No. 651/2014) and has not initiated insolvency proceedings ;
9. the undertaking commits itself to inform the Ministry of the Economy forthwith of any substantial changes to the use of the innovation cluster (termination, suspension or reduction of size of the project/programme, etc.) or pertaining to its situation (in case of insolvency, etc.);
10. in cases of mismanagement, non-conformity with generally accepted rules or violations of one or more of its commitments in accordance with chapter VIII of the amended Act of 17 May 2017 on the promotion of research, development and innovation, the undertaking will reimburse the capital grants paid out as well as the applicable statutory interests.
11. the undertaking accepts that the aid measure which is the subject of this convention will be published on a website dedicated to transparency, provided that it is higher than €500,000.
12. the company is informed and accepts that certain pieces of information may be exchanged between the Ministry of Economy and Luxinnovation for the good progress of the project application.

In addition, under the provision of Annex I of the General Block Exemption Regulation No. 651/2014, the company declares to be a4:

(NB: research performing organisations are regarded as large enterprises)

The accuracy of the information provided is certified.

|  |  |  |  |
| --- | --- | --- | --- |
| Location |  | Date |  |
| Signature(s) and undertaking stamp: |  | | |

**G. Specimen aid application letter**

Letter to be sent to:

Ministry of the Economy

Department for Research and Innovation

L- 2914 LUXEMBOURG

Re.: State aid application under Art. 11 and/or Art.12 of the amended Act of 17 May 2017 on the Promotion of Research, Development and Innovation.

Dear Minister,

The undertaking … is promoting an innovation cluster project entitled «  … », aiming at … (please detail objective).

We hereby request the following aids from the Ministry of the Economy:

- an operating subsidy amounting to €xx for an eligible costs base of €xx, i.e. xx% aid rate ;

- an investment subsidy amounting to €xx for an eligible expenditure base of €xx, i.e. xx% aid rate;

The project is scheduled to start on xx/xx/xxxx, to end on xx/xx/xxxx and to take place in the municipality of …..

The aid application is appended hereto.

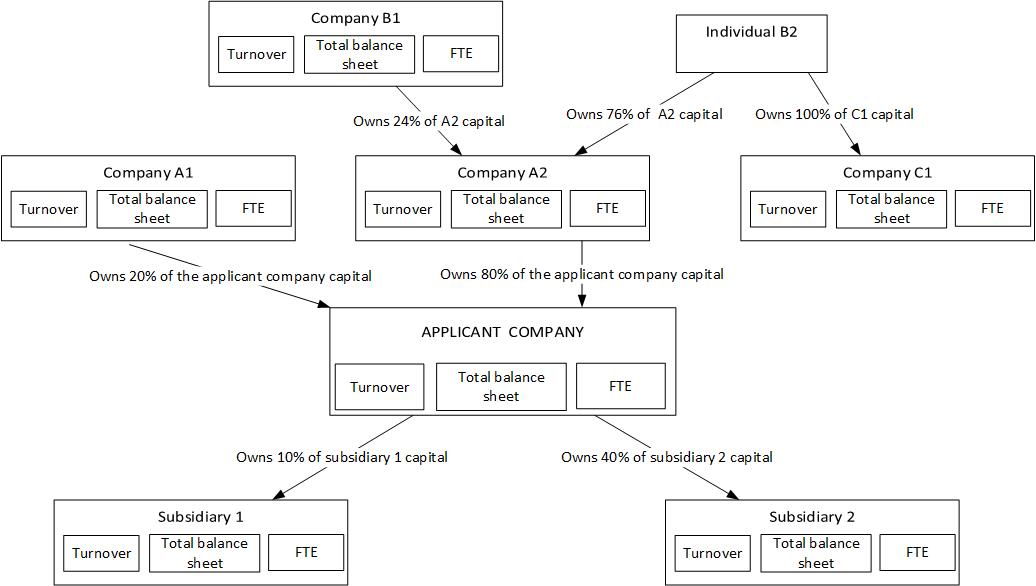
Date, place

Signature (surname-first name, position)

Stamp.

Appendix I organisational chart

As for example



In this case: computation and explanation:

|  |  |  |
| --- | --- | --- |
| Companies | % of voting rights to be considered regarding turnover, total balance sheet and number of EFT: | Grounds |
| Applicant company | 100% | applicant company |
| Company A1 | 0% | participation < 25 % in applicant company |
| Company A2 | 100% | participation > 50 % in applicant company |
| Company B1 | 0% | participation < 25 % in applicant company |
| Individual B2 | 100% | participation > 50 % in applicant company |
| Company C1 | 100% | because participation of B2 >50% in company C1 |
| Subsidiary 1 | 0% | participation of applicant company < 25 % |
| Subsidiary 2 | 40% | 25 % < participation of applicant company < 50 % |

1. Research performing organisations may not fill in irrelevant parts. [↑](#footnote-ref-1)
2. Delete as appropriate [↑](#footnote-ref-2)
3. Person(s) authorised to commit the company [↑](#footnote-ref-3)
4. Mark the appropriate boxes [↑](#footnote-ref-4)