

JOINT CALL

DEFENCE 2024

MAIN ELIGIBILITY CRITERIA AND COMPLETENESS
CHECK FOR THE JOINT CALL DEFENCE



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



THE GOVERNMENT
OF THE GRAND DUCHY OF LUXEMBOURG
Ministry of Foreign and European Affairs,
Defence, Development Cooperation
and Foreign Trade

Directorate of Defence



LUXINNOVATION
#MakingInnovationHappen



Luxembourg
National
Research Fund

Welcome



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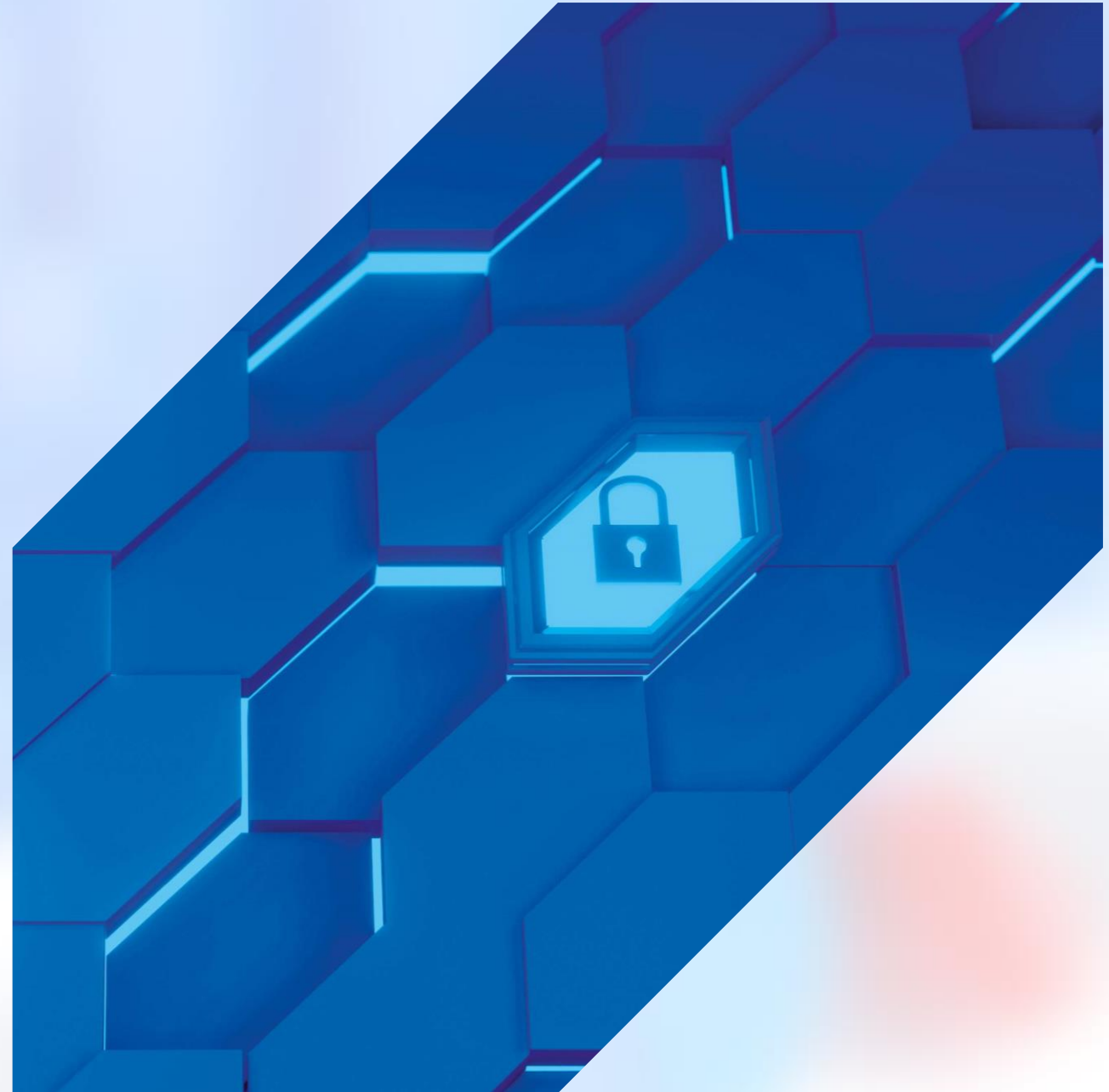
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Agenda

- 1 Main eligibility criteria for companies**
- 2 Funding conditions for companies and research organisations**
- 3 Phase 1: required documentation and submission procedure**
- 4 Q&A**

Main eligibility criteria for companies



Main eligibility criteria for companies

Main criteria to benefit from RDI State aids / joint calls

Co-funding 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

Call-specific criteria

- Collaboration with public research organisation(s)
- Dual-use solutions
- Alignment with call topics

Co-funding capacity

Balancing the company's co-funding capacity and the project budget



The company must demonstrate its **viability and financial soundness** regarding its contribution to the project.



The co-funding needs to be documented within the application and can consist of **different types of financing**:

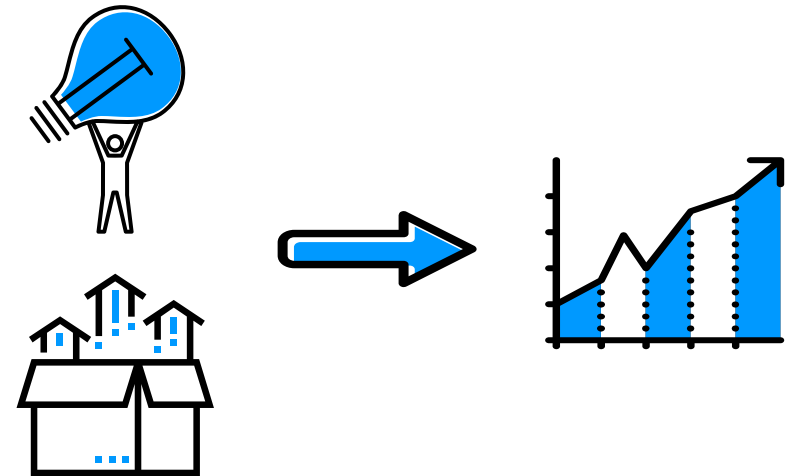
- Equity / own funds
- Capital increase
- Loans
- Free cash flow

Economic impact

Illustrating the economic substance and impact of the project

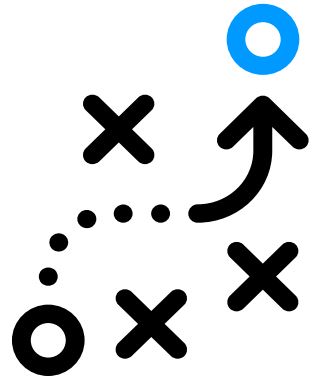
The company must demonstrate its **economic substance** and the **positive impact of the expected project outcome** on its growth and future assets:

- Developing economic substance in Luxembourg
- Implementation and exploitation of the project results
- Go-to-market strategy and business model
- Strengthening the competitiveness and growth of the involved companies (i.e. profit centre)



Generic criteria – Incentive effect

Submitting the aid application before the project start



- **Incentive effect:** The aid must change the behaviour of the company that receives it, not just subsidise activities it would have undertaken anyway.
- Within the scope of this call, **companies should await the communication of the final funding decision** before starting the project (February 2025).
- **No contracts or legally binding agreements** regarding the scope of the submitted project should be engaged **before the start of the project**.
- No retroactivity of costs.

Generic criteria – SME analysis

European SME definition and thresholds

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).

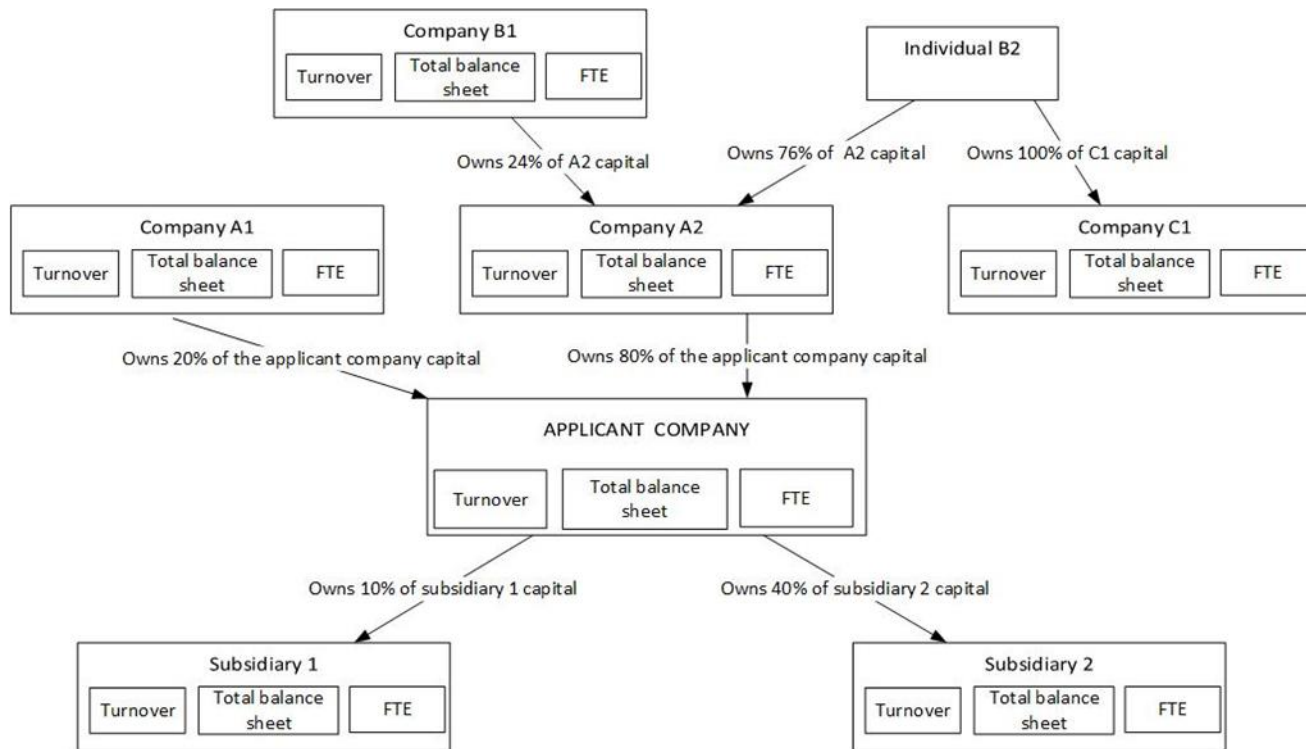
[\(User guide to the SME definition\)](#)

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

Generic criteria – SME analysis

3 categories of companies need to be considered



Autonomous companies:

If the company is either completely **independent (no participations)** or has one or more **minority partnerships (each less than 25%)** with other companies.

Partner companies:

If the holdings with other companies rise to **at least 25% but no more than 50%**.

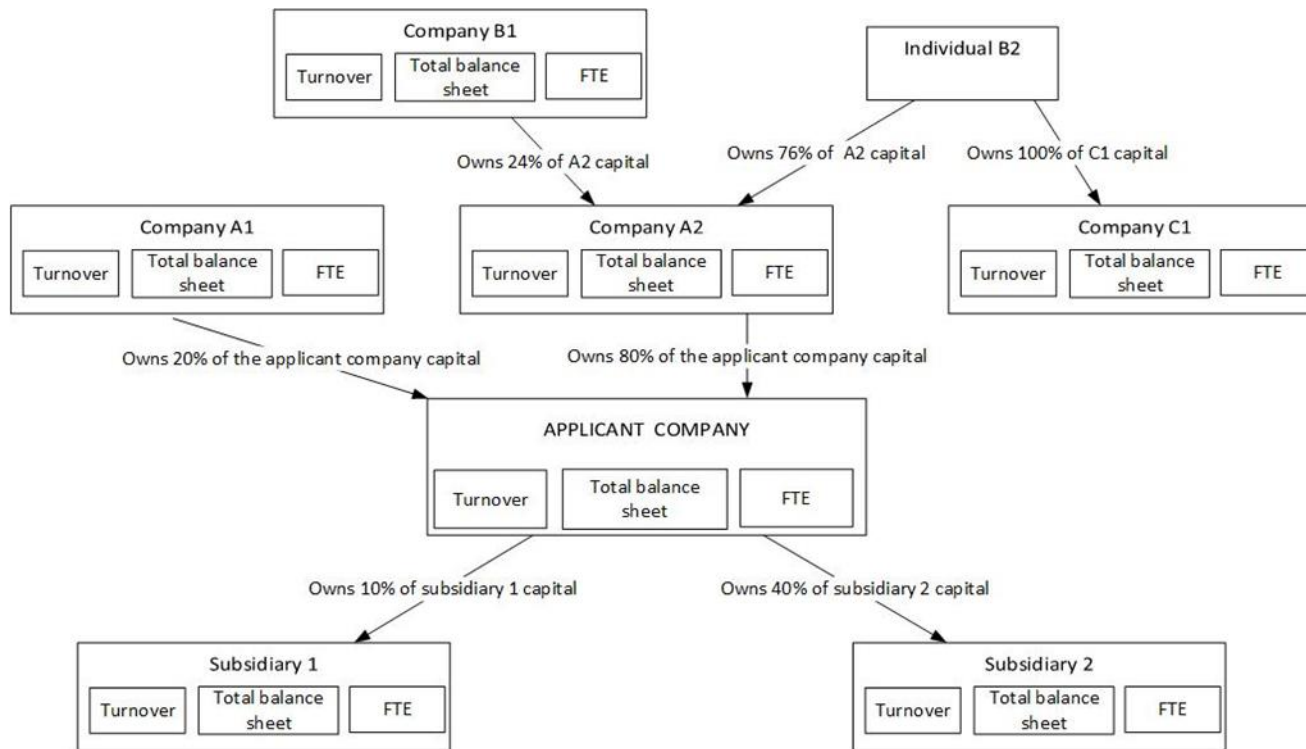
Linked companies:

If the holdings with other companies **exceed the 50% threshold**.

Links can also arise through the **direct or indirect control of the majority of voting rights** or through the ability to exercise a **dominant influence**.

Generic criteria – SME analysis

How to calculate the size of the group?



Autonomous companies:

Consideration of **100%** of the FTEs, turnover, and total balance sheet.

Partner companies:

Consideration of the **pro rata** of the FTEs, turnover, and total balance sheet.

Linked companies:

Consideration of **100%** of the FTEs, turnover, and total balance sheet.

Generic criteria – Undertaking in difficulty

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
- **Large enterprises**, if within the last 2 years:
 - book debt to equity ratio > 7.5
 - EBITDA to 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
- Needs to be assessed at the applicant level and Single Economic Unit (SEU) based on the accounts of the last financial year:
 - On the highest consolidated accounts
 - If no consolidated accounts exist this can be done through a simplified aggregation



Undertakings in difficulty need to demonstrate that they are in the process of resolving the issue, e.g. through a recapitalisation

Generic criteria – Undertaking in difficulty

Example of an undertaking in difficulty

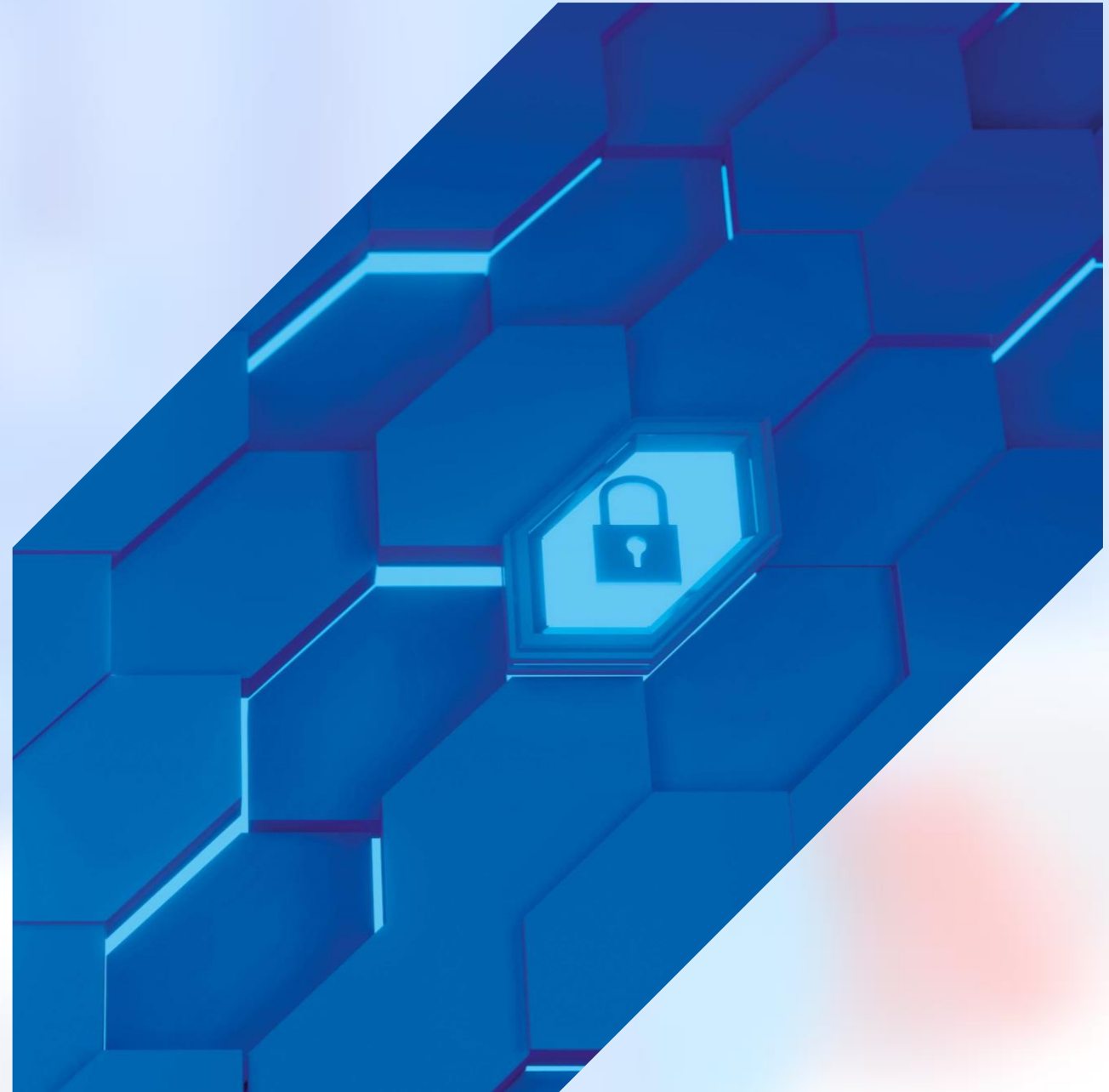
	Reference(s)	Current year
A. Capital and reserves		
I. Subscribed capital	1301 _____	301 <u>-96.714,35</u>
II. Share premium account	1303 _____	303 <u>70.000,00</u>
III. Revaluation reserve	1305 _____	305 <u>7.500,00</u>
IV. Reserves	1307 _____	307 _____
V. Profit or loss brought forward	1309 _____	309 _____
VI. Profit or loss for the financial year	1319 _____	319 <u>-114.043,41</u>
VII. Interim dividends	1321 _____	321 <u>-60.170,94</u>
VIII. Capital investment subsidies	1323 _____	323 _____
	1325 _____	325 _____

Generic criteria – Undertaking in difficulty

Example of an undertaking in difficulty

	Reference(s)	Current year
A. Capital and reserves	1301	5.699.203,69
I. Subscribed capital	1303	15.140.701,00
II. Share premium account	1305	
III. Revaluation reserve	1307	-760,24
IV. Reserves	1309	
1. Legal reserve	1311	
2. Reserve for own shares	1313	
3. Reserves provided for by the articles of association	1315	
4. Other reserves, including the fair value reserve	1429	
a) other available reserves	1431	
b) other non available reserves	1433	
V. Profit or loss brought forward	1319	-6.185.954,47
VI. Profit or loss for the financial year	1321	-3.254.782,60
VII. Interim dividends	1323	
VIII. Capital investment subsidies	1325	

Call-specific criteria



Call-specific criteria

Dual-use defence solutions

■ Goal of the call:

Development and validation of innovative dual-use defence solutions potentially benefiting the national defence forces, international defence organisations (EDA, NATO), the defence forces of allied nations, **as well as civilian research and local industry**.

Projects should present **2 use-cases**:

- Civilian related
- Defence related

Advice: get the support of an expert to validate your defence use-case

Call-specific criteria

Alignment with call Topics 2024

3.1 SMART MOBILITY

3.2 RESILIENT INFRASTRUCTURES

3.3 STRATEGIC FORESIGHT AND CLIMATE CHANGE ADAPTATION

MOBILITY 1: Autonomous Systems

MOBILITY 2: Alternative powertrain systems & fuels

MOBILITY 3: Lightweight materials

RESILIENCE 1: Resilience of critical infrastructures & supply chains

RESILIENCE 2: Onsite manufacturing and clean energy

STRATEGIC FORESIGHT: Open-Source Intelligence (OSINT)

CLIMATE 1: Earth Observation and ISR

CLIMATE 2: Clean technologies

DIGITAL

SUSTAINABLE



Call-specific criteria

Nationalities of companies/employees/subcontractors

■ Open to **national actors** (companies & RTO) only 

■ **Restriction on nationalities** for the **beneficial owner** of the company/research organisation as well as the **employees** from the company/RTO, that will work on a project :

- EU EEA/EFTA
- NATO
- NATO Indo-Pacific Partners (Australia, Japan, Rep South Korea, New Zealand)





Call-specific criteria

Nationalities of companies/employees/subcontractors

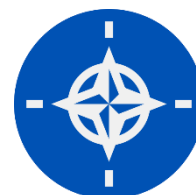
- In case of the presence of **non-NATO/ EU EEA/EFTA nationalities** (see previous slide):
 - the company/research organisation ensures that **appropriate measures are put in place for safeguarding information related to the R&D project**



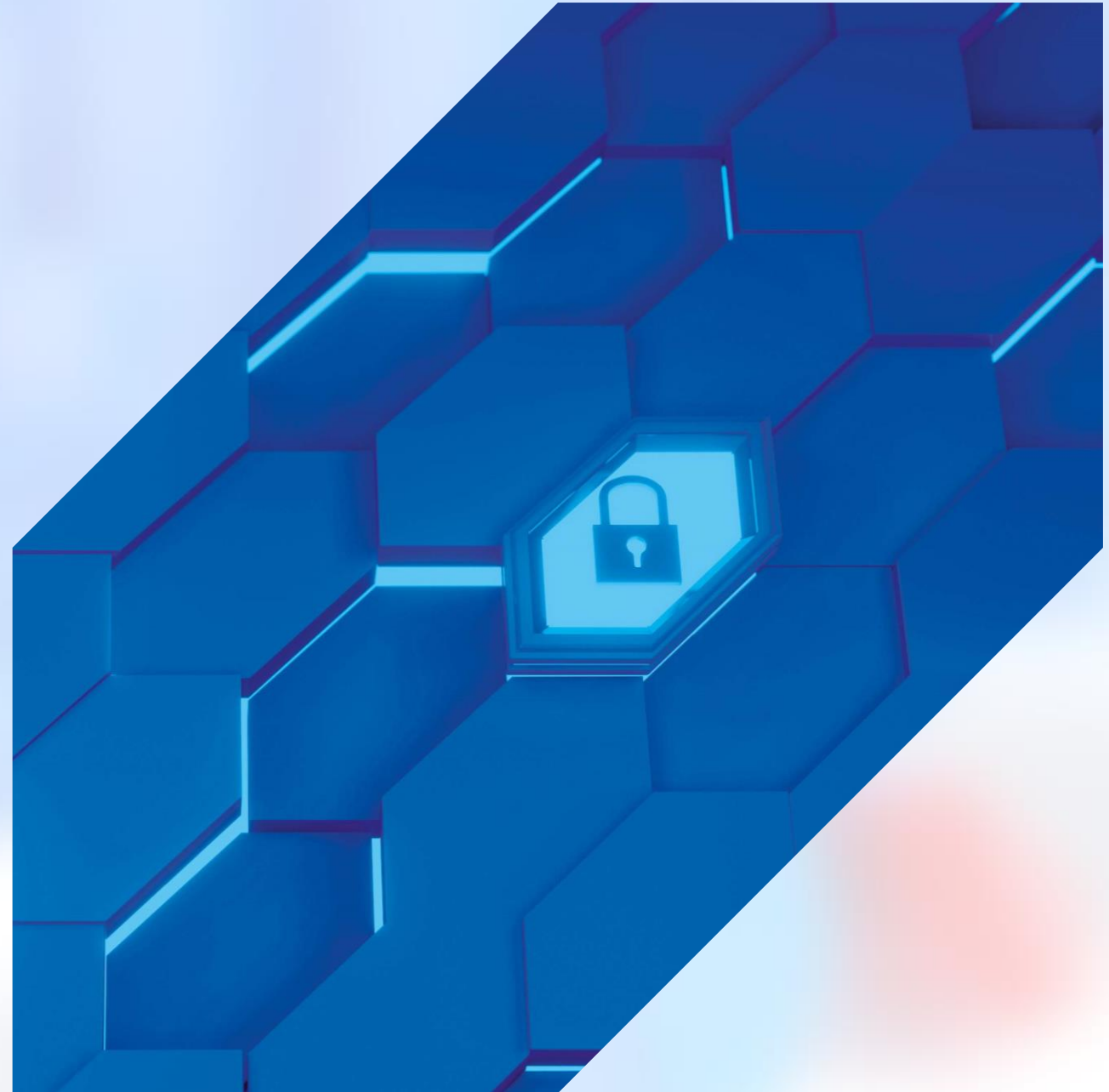
Call-specific criteria

Origin of IP

- Restriction on the origin of IP used in the framework of a R&D project – IP is originating from:
- Luxembourg
 - EU EEA/EFTA
 - NATO
 - NATO Indo-Pacific Partners (Australia, Japan, Rep South Korea, New Zealand)



Funding conditions for companies and research organisations



Funding conditions for companies



R&D aid schemes for companies

Maximum aid intensities

(collaboration with public research organisations where the latter bear at least 10% of the project costs and have the right to publish the results)

Type of research	Company Size		
	Large	Medium	Small
Experimental development	40%	50%	60%
Industrial research	65%	75%	80%

Experimental development

- *Development of solutions*
- *Building on existing knowledge*

Industrial research

- *Acquisition of new knowledge*
- *No direct commercial application*



Max. 500k EUR per project



30% upfront payment
For SMEs depending on their
liquidity needs and business plan

Eligible costs for companies



Eligible costs (directly related to the project)

Personnel costs (gross salaries on a 12-month basis including social contribution of the company)

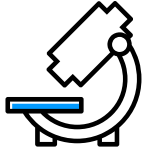
Utilisation costs of equipment (depreciation over the project's duration)

Material costs and other consumables (operating costs)

General costs (overhead costs)

Special costs (sub-contracting, consulting-services, analysis, ...)

Funding conditions for research organisations



R&D aid schemes for research organisations



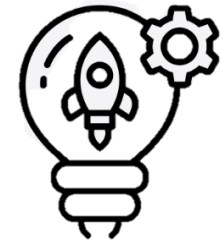
Max 500k EUR per project
([FNR financial regulations apply](#))



Only effective
collaborations between
RPOs and companies



Aid rates up to 100%



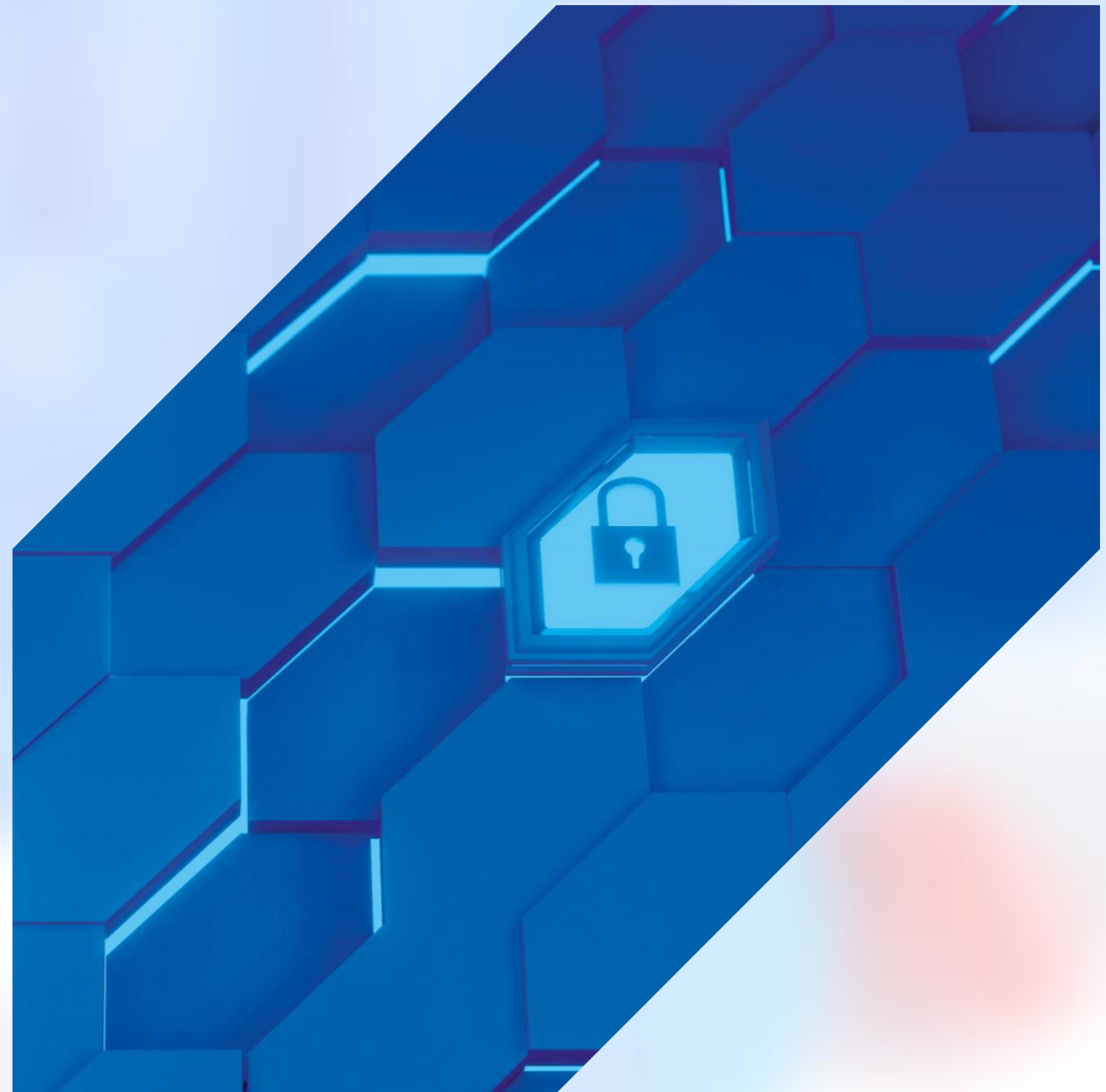
Maximum of 2
projects per PI

Research Organisations

Research organisations must be eligible under article 3-(2) of the FNR statute (*Loi modifiée du 31 mai 1999 portant création d'un fonds national de la recherche dans le secteur public*) and be registered at the FNR.



Phase 1: required documentation and submission procedure

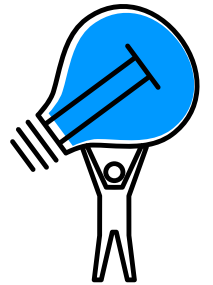
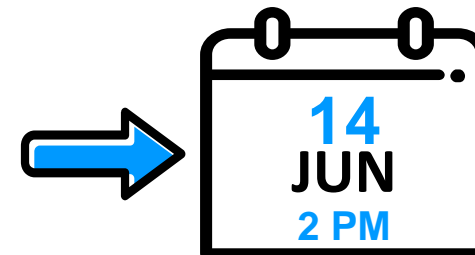


Phase 1 submission procedure

Mandatory submission of project outlines before 14 June (2pm)

Collaborative project applications (private-public partnerships)

1. Create your project via <https://research-industry-collaboration.lu/calls/joint-call-defence-2024>
2. Invite your collaboration partner(s)
3. Validate your participation (at least one validation is required per partner)
4. Fill in the project outline (online questionnaire)
5. Upload the mandatory attachments of all partners
6. Send project outline / submit



Research-industry-collaboration.lu



Step 2

Calls ▾

How it works

Toolkit

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Joint Call Defence 2024

The Directorate of Defence of the Ministry of Foreign and European Affairs, the Ministry of the Economy, the National Research Fund and Luxinnovation join forces to offer a new funding opportunity to enterprises and research organisations ("Stakeholders") looking to develop defence technologies (products, services and systems).



Starting date
15 April 2024



Application deadline before
14 June 2024

Taking reference to Luxembourg's coalition agreement of 2018 to support the LU Industry in getting access to the defence market, the Directorate of Defence of the Ministry of Foreign and European Affairs, Defence, Development Cooperation and Foreign Trade, the Ministry of the Economy, the National Research Fund ("Granting authorities") and Luxinnovation join forces to offer a new funding opportunity to companies and research organisations ("applicants") looking to develop dual-use defence technologies (products, services and systems).

According to the European Defence Agency, dual-use research concerns areas with strong civil-military synergies. There are numerous examples where defence research has led to spin-offs for the civilian world, but equally so can technologies developed by funding schemes from civilian research programmes bring benefits to cutting-edge defence systems. A large number of technologies are generic, i.e not specific to a certain application. Consequently, they are dual-use in nature. Research for new materials, nano-electronics, IT, photonics and automation are just a few examples where the research results can be used for multiple applications.

Select the Joint Call Defence 2024



View all the ideas
being explored

To have access to all the ideas already proposed, you need to log in.

[Browse ideas >](#)

Browse existing project ideas



Do you have a project
idea you would like to
explore?

Tell us about it! We will help you to get in touch with the right partners for the realisation of your idea.

[Share an idea >](#)

Find partners for your project idea



Do you have a concrete
project you would like
to start?


Do you have a project idea and have already identified project partners? Apply right now.


[Apply >](#)


Create your application for phase-1


Project outline


General structure and examples of questions



Executive summary


Duration


Intended Research


Consortium


Project Costs


Attachments

Title

Test

0/80

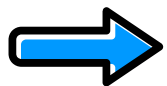
What is the targeted call topic of the project proposal?

Call topic 1: Smart mobility (land, air, space, cyber)


Call topic 2: Resilience (space, cyber, energy & environment)


Call topic 3: Strategic foresight and climate change adaptation (space, cyber, cleantech)


Project description





Project outline must be prepared online



Executive summary


Duration


Intended Research


Consortium


Project Costs


Attachments

Company

—

Staff

?

€

Subcontracting

?

€

Use of infrastructure / equipment

?

€

Materials / consumables

?

€

Overheads

?

€

Research organisation

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Staff

?

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Subcontracting

?

€

Equipment

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€

Materials / consumables

?

€

Other costs

?

€

Overheads

?

€

Required attachments for research organisations



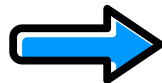
CV of the staff involved in the project

- Narrative CV for PI(s)
- Europass CV for all other employees working on the project



Declaration of Honour (to download directly on the platform)

- To be signed by a legal representative



Additional information can be found in the [FNR Financial Regulations](#)

Required attachments for companies



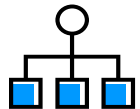
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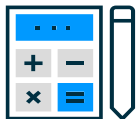
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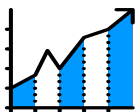
Organisational chart

- Shareholding structure / organigram up to the ultimate beneficial owner(s)



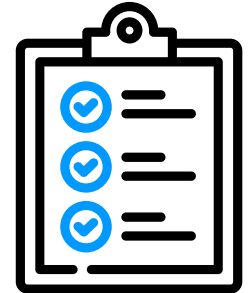
2022 & 2023 balance sheets and P&L accounts

- Applicant company and
 - Consolidated at group-level (if applicable)
- Undertakings in difficulty need to demonstrate that they are in the process of resolving the issue, e.g. recapitalisation



Cash-flow forecast

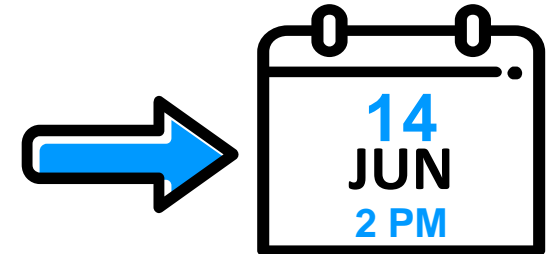
- Start-ups (< 3 years): detailed CFF
- All other companies: simplified CFF



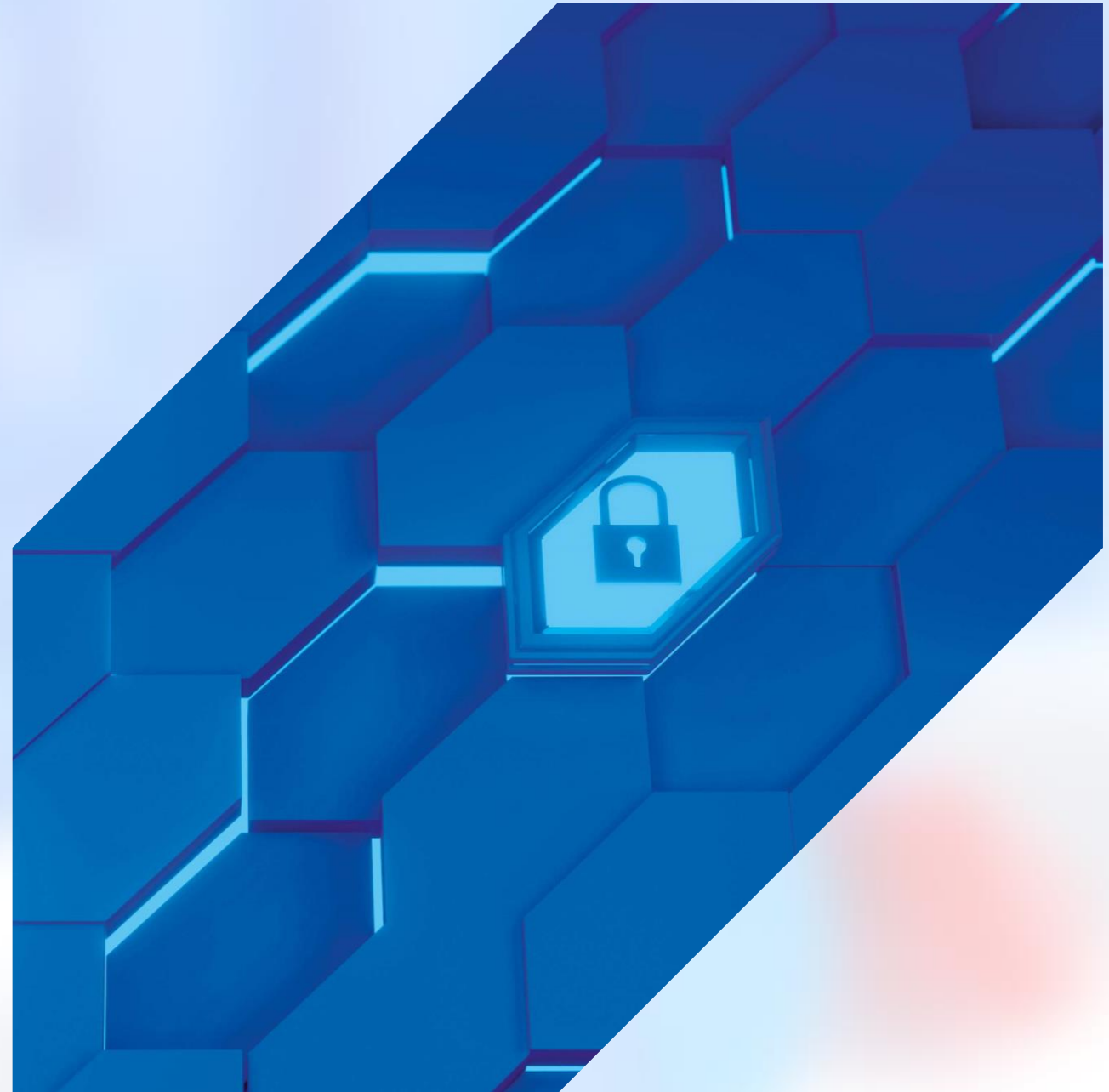
What next?

Final tips and tricks you should know before the submission

- Have a look at the [replays and presentation slides](#) of the webinars
- Regularly check the [FAQ section](#) on research-industry-collaboration.lu
- **Mandatory submission of the project outline and attachments before the deadline on 14 June (2 pm)**
 - Online submission via research-industry-collaboration.lu
 - Consortia that have not submitted a project outline during phase 1 cannot participate in phase 2
- **Any partner of the consortium can submit the project outline**
 - Make sure that all partners agree with the submitted version
 - Make sure that someone submits before the deadline



Q&A



Thank you!



Create your projects on
the [research-industry
collaboration platform](#)

Questions on joint call to be
addressed at [contact@research-
industry-collaboration.lu](mailto:contact@research-industry-collaboration.lu)

Questions related to research
organisations:
[https://www.fnr.lu/funding-
instruments/joint-call-defence/](https://www.fnr.lu/funding-instruments/joint-call-defence/)



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