



Federal Ministry  
for Economic Affairs  
and Energy



# Central Innovation Programme for SMEs

Boosting innovation

# Imprint

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SMEs with up to 250 employees and research institutes	31.12.2014		



# Central Innovation Programme for SMEs – Funding for innovation

The Central SME Innovation Programme (ZIM) is a nationwide funding programme for SMEs and business-related research establishments co-operating with them. It is open to all technologies and sectors. Based on a decision by the German Bundestag on the 2012 Federal Budget, and in accordance the mid-term fiscal plan, the Central Innovation Programme will be continued at a high level throughout the country.

At the end of 2011, the Central Innovation Programme was presented with the Dieselmedaille award for the best funding programme for innovation, and was rated best practice for the third consecutive time in the innovation report published by the German Chambers of Industry and Commerce. The Central Innovation Programme continues to be the Federal Ministry for Economic Affairs and Energy's core programme for the market-based funding of technology for innovative German SMEs. It offers these companies reliable support for their efforts to innovate.

Support is given to companies to help them continue their research and innovation efforts at a high level and develop more new products, processes and services in order to be successful in global competition. The intense cooperation between companies and business-related research establishments speeds up the transfer of cutting-edge technologies to business.

The Central Innovation Programme is contributing to the new innovation concept announced by the Federal Ministry for Economic Affairs and Energy on 31 May 2012.

ZIM-SOLO	ZIM-KOOP	
Individual projects	Cooperation projects	Cooperation networks
R&D projects undertaken by individual companies	R&D projects undertaken by several companies or between a company and research institutes	Cooperation networks covering both network management and R&D projects
<b>Project management agency</b> EuroNorm GmbH Stralauer Platz 34, 10243 Berlin in cooperation with VDI / VDE Innovation + Technik GmbH	<b>Project management agency</b> AiF Projekt GmbH Tschaikowskistraße 49 13156 Berlin	<b>Project management agency</b> VDI / VDE Innovation + Technik GmbH Steinplatz 1 10623 Berlin
 <b>EuroNorm</b>	 <b>AiF</b> Projekt GmbH	<b>VDI   VDE   IT</b>

# Who can receive funding?

## Individual projects (starting on 8)

Funding may be provided for R&D projects undertaken by individual companies:

- small and medium-sized companies in accordance with the definition of an SME (box on page 7)

## Cooperation projects (starting on 9)

Funding may be provided for cooperation R&D projects undertaken by several companies or between companies and research institutes in:

- small and medium-sized companies in accordance with the definition of an SME (box on page 7)
- public<sup>1</sup> and non-profit-making private research institutes

1 Universities, institutes of higher education, universities of applied science and their establishments; establishments of the Helmholtz Association, Institutes of the Leibniz Association, the Max Planck Institute and the Fraunhofer Institute, national and independent regional establishments conducting R&D

## Cooperation networks (starting on 12)

Funding – covering both management and R&D projects – may be provided for network management services as well as individual projects and cooperation projects initiated by the network.

For the beneficiary companies, the funding of network management represents a form of state aid in line with the EU's de-minimis process. The network partners in Germany make an increasing financial contribution and receive a de-minimis notification detailing the level of their own contribution.

External establishments that have been commissioned with project work by the companies participating in the network may apply for funding for network management.

Eligibility criteria for funding applications for R&D projects initiated by the networks are the same as those for individual and cooperation projects (starting on 8).

### Definition of an SME

	Small enterprises	Medium-sized enterprises
Number of employees	less than 50	less than 250
Annual turnover or	up to €10m	up to €50m
Annual balance sheet total	up to €10m	up to €43m

The company must be an “independent company” or, if working in cooperation with “partner companies” and “affiliates”, must not exceed the above defined threshold criteria for the number of employees or annual balance sheet total in accordance with the EU method of evaluation (cf. Official Journal of the European Union No. L 124 of 20.5.2003).

# What is funded?



## Individual projects

Funding may be provided for R&D projects conducted by a single company (“individual projects”) focussing on the development of innovative products, processes or technical services and is not limited to particular technologies or branches.

Funding should support the development or strengthening of internal innovation skills within the company.

Funding may also be provided for support and consulting on innovation (page 10).

## Project types eligible for funding

Individual projects	
EP	Individual R&D projects in companies
DL	Support and consulting on innovation for companies



## Cooperation projects

Funding may be provided for R&D cooperation projects between companies, or between companies and research institutes, for the development of new products and processes. These projects should be conducted in a balanced partnership in which all partners make innovative contributions.

Funding may also be provided for support and consulting on innovation (page 10) to foster use of the results.

### Project types eligible for funding

Cooperation projects	
<b>KU</b>	Cooperation R&D projects between at least two companies
<b>KF</b>	Cooperation R&D projects between at least one company and at least one research establishment
<b>VP</b>	Special type of KF: Cooperation R&D projects that cut across technology domains, between at least four SMEs and at least two research establishments
<b>KA</b>	Company R&D projects involving the awarding of an R&D contract to a research partner
<b>DL</b>	Support and consulting on innovation for companies

# What else is funded?

## DL support and consulting on innovation

New products and processes only become successful innovations if they make it to the market. Further ideas and financing are necessary for the commercial exploitation of R&D results. For this reason, funding may also be provided for the services of third parties providing support for the commercial exploitation of results of the R&D projects (for funding levels see page 16). This applies to all R&D projects. Applications may be submitted exclusively by SMEs whose R&D project has already been approved. Applications for funding may be submitted up to six months following successful completion of the R&D project.

### DL services eligible for funding include:

- **Management consulting on**
  - business strategy and innovation strategy
  - sales and marketing
  - concepts for market launch
  - project-based financial services
- **Technical support for**
  - move to series production following conclusion of the project
  - technical consulting on product preparation and product launch (standardisation issues such as DIN) and process design
  - creation of product documentation and operating manuals (including translations)
  - product data sheets
  - manuals and process descriptions

→ **Technology transfer services**

- information on research results
- listing in technology and user databases
- support for the internationalisation of project results (market entry abroad)
- fees for the presentation of new products in lectures, presentations, trade press, or at trade fairs, workshops, conferences etc.

→ **Training**

- participation in external project-based training on the implementation of the innovation
- sales and marketing preparation

→ **Consulting in connection with acquisition, protection and trading of intellectual property rights and with licensing agreements**

- patent work
- consulting on the acquisition of intellectual property rights and licensing agreements

→ **Consulting on the use of standards**

→ **Costs of office space for product presentation**

→ **Use of databases**

→ **Certification**

Funding for support and consulting on innovation is also provided for the market introduction of your products and processes.

The total costs per application should be no lower than €1,000.

You will find further examples of support and consulting on innovation at [www.zim-bmwi.de](http://www.zim-bmwi.de).

# What is funded?

## Cooperation networks

Funding may be provided for network management services and development projects initiated by the network. Networks must be made up of a minimum of six small and medium-sized enterprises according to the definition of SMEs (box on page 7). These networks may work together with research institutes, institutes of higher education, other companies and other establishments, such as associations or territorial authorities.

### Phase 1

Development of network design and contracts, establishment of the network in the public domain and development of a technology roadmap setting out the development projects.

### Phase 2

Supervision and implementation of the network design for the development projects in line with technology roadmap and preparations for the market launch and stabilisation of the network.

In the second phase of funding, support is available not only for management services but also for development projects conducted by network partners, and support and consulting on innovation. Such funding is provided in accordance with the modalities applicable to individual and cooperation projects (see page 6). Relevant applications should be submitted to the project management agency VDI / VDE-IT.

# Network management

## Eligibility criteria for applicants

Applications may be submitted by the establishment commissioned with the network management for participating companies:

- an external network management institute or
- a research establishment involved in the network

## Tasks and service capabilities

- acquisition and contractual engagement of further suitable network partners
- research on state-of-the-art of technology and on trade mark and patent rights
- analysis of strengths and weaknesses of the network partners and their potential to conduct R&D
- analysis of the market situation and of possibilities for generating synergies
- co-ordination of the concept development work, development of a technology roadmap
- support for the preparation of funding applications
- support for the development of marketing concepts
- creation of a network identity through public relations work
- compilation of the commercial results of the network
- concept development for self-funded continuation of the network

In order to provide these services, the network management team must be able to draw upon a broad base of skills and experience. You will find a more detailed description of necessary service capabilities in annex 2 of the guidelines in the downloads area at [www.zim-bmwi.de](http://www.zim-bmwi.de).

# Funding criteria

## Project criteria

- The project seeks to develop a new product, process or new technical services which surpass existing products, processes or technical services in terms of their functions, parameters or features.
- The product is based on the international state of the art in technology and raises the level of technological performance and the innovative skills of the company.
- The project carries a significant, but predictable technical risk.
- The competitiveness of the companies will be permanently raised, new markets will be opened, and jobs will be created or safeguarded.
- Without funding, the project cannot be realised or can only be realised with a considerable time delay.

The project may not

- be in receipt of other funding
- begin before submission of the funding application has been confirmed
- be carried out on behalf of third parties.



## Criteria for project staff

Funding is available for the costs of personnel working on the project if

- proof of a specialist qualification and task can be provided and officially recognised for these persons.



## Criteria for companies and establishments

Companies and establishments must

- have suitably qualified scientific and technical personnel or be envisaging the temporary employment of staff from research establishments or the employment of appropriate staff
- ensure that the remaining staff, including management, can carry on with business without the staff employed for the project
- have properly completed any previous funding projects and
- have orderly accounting procedures.

The companies must

- have completed the process of founding the company
- raise their necessary own contribution.

# How does funding work?

## Types of project costs

Project costs eligible to receive support in all projects:

- **personnel costs**
- **costs for project-related contracts to third parties**  
(up to 25 % of personnel costs or 25 % of the total costs in the case of network management)
- **other costs**  
(lump-sum based on personnel costs)
  - for companies: up to 100 %
  - for research institutes: up to 75 %

## Co-financing rates

### R&D projects

(For co-financing rates for network management see page 18)

- for companies: 35 % to 55 % of the costs eligible for support, up to a maximum of €350,000 per sub-project
- for research institutes: 90 % to 100 % of the costs eligible for support, maximum support per KF sub-project: €175,000 (for cooperation projects: €350,000)
- for cooperation R&D projects: the costs eligible for support for the whole project are limited to €2m.

### Services and consulting on innovation

- 50 % of the costs eligible for support für DL contracts, up to a maximum of to €50,000
- in special cases: up to €75,000 for the internationalisation of export-oriented project results



## Maximum co-financing rates for individual projects and cooperation R&D projects

The funding for individual projects and cooperation projects is granted as a non-repayable subsidy in the form of co-financing up to the following rates based on the eligible costs.

	EP	KA <sup>4</sup>	KU <sup>4</sup>	KF <sup>2, 4</sup> VP <sup>2, 4</sup>
<b>Small companies<sup>1</sup></b>				
Western Germany	40 %	40 %	45 %	45 %
New Federal States and Berlin	45 %	45 %	50 %	50 %
<b>Medium-sized companies<sup>1</sup></b>				
Western Germany	35 %	35 %	40 %	40 %
New Federal States and Berlin	45 % <sup>3</sup> (35 %)	45 % <sup>3</sup> (35 %)	45 %	45 %
<b>Research institutes</b>				
Nation-wide				100 % <sup>2</sup> (90 %)

- 1 See definition of an SME (box on page 7)
- 2 The extra funding for cooperation projects (not available to individual projects) is only awarded to the companies for KF and VP projects when the research institute covers 10 % of the project costs from their revenues, in accordance with the community framework for state aid for research, development and innovation. If the companies turn down the extra funding for cooperation projects, the research institute receives 100 % of the co-financing rate, otherwise it receives 90 %.
- 3 This co-financing rate is only guaranteed if the company can prove that it provides industrial research services.
- 4 For cooperation R&D projects conducted by companies working with foreign partners, the co-financing rate can be increased by 5 % due to higher transaction costs.

# How does funding work?

## Co-financing rates

The funding of network management is progressively reduced.

Network management	1st year	2nd year	3rd year	4th year (optional)
	90 %	70 %	50 %	30 %

The maximum support available for network management is €350,000, with no more than €150,000 issued in phase 1.

The rising proportion of own funds contributed is to be covered by the relevant network partners.

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Types of project costs and co-financing rates for R&D projects initiated by the network can be found on page 16.

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## Transition to phase 2

The requirements for transition to phase 2 of funding are as follows:

- the successful completion of phase 1 of funding
- an updated network concept for phase 2 of funding, including a technology roadmap that sets out the new development projects that are planned.

The transition to phase 2 of funding is to take place within a maximum period of three months. Funding can be continued from the month in which the application documents are fully complete to the quality required for approval.



## Information on network funding

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For network funding to be provided, there must be a sophisticated system solution across the value chain in a cooperation project that cuts across various technologies or involves several companies across a particular region.

The companies participating in the network give the network management the mandate to organise the cooperation network before the application for phase 1 of funding.

In the first phase of funding, the interdisciplinary network management team is to develop the idea until it is ready to be implemented (technology roadmap). In the second phase, it is to organise the division of responsibilities for implementation and the analysis of results.

The work of the network management is to reduce the amount of time that must be invested by the management of the participating companies, as well as to bridge any gaps in knowledge or compensate for any other disadvantages relating to the size of the company.

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# Application and approval procedure



Applications are to be made using the relevant form. Forms are available on the internet at [www.zim-bmwi.de](http://www.zim-bmwi.de) or from the project management agency. Please submit one original copy of application documents either electronically or by post.

Applications may be submitted at any time. There is no legal entitlement to funding. Decisions on funding are made by the Federal Ministry for Economic Affairs and Energy and / or the project management agency.

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Please describe the project precisely so that the objective, approach and cost calculation can be clearly understood.

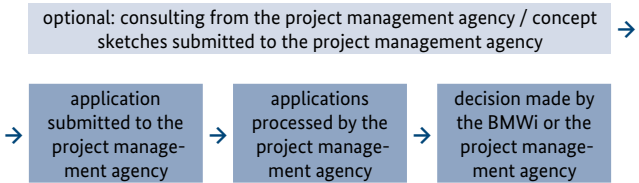
Please make use of the experience of project management agencies. Prior to submitting your application, the following services will be provided:

- free consulting
- assessment of the eligibility of your project based on a concept sketch

(For relevant project management agencies see page 26 and following.)

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## Procedure for individual and cooperation projects



### Please submit the following documents for your application:

#### Information on applicant

- legal declarations
- funding received from other programmes (last 3 years)

#### Further requirements for companies

- extract from trade register or trade registration
- declaration of status as an independent, associate or partner company

#### Further requirements for private research institutes

- extract from register of associations, articles, membership list
- for non-profit limited companies: current extract from trade register and proof of non-profit status

#### Project abstract

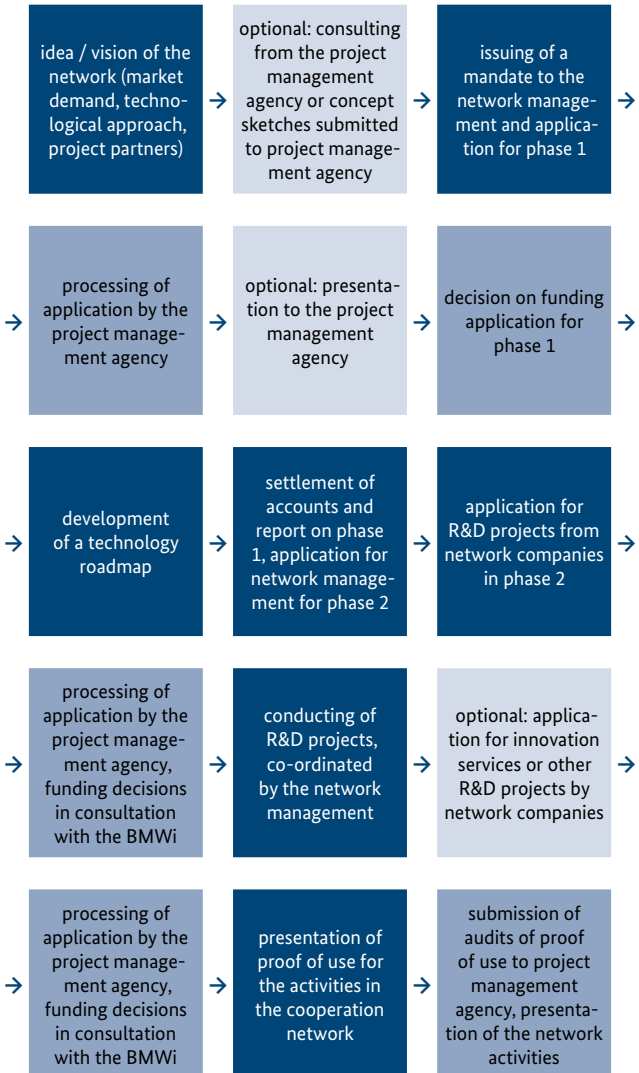
- justification and description of the project objectives and their effects (plan of how results are to be used)
- workflow plan
- Edraft of cooperation agreement

#### Break-down of requested funding

- personnel and cost planning
- information on creditworthiness and financing of own contribution

#### Concept for monitoring success

## Procedure for cooperation networks



## **Please submit the following documents for funding for network management:**

### **Before application for phase 1**

- issuing of the mandate by the network partners to the network management institute

### **For phase 1**

- application with details of the applicant
- project concept
- references from the applicant
- declaration on personal and institutional connections between the network management and network partners
- current extract from trade register or extract from register of associations
- annexes on the calculation of personnel expenses and costs
- contractual agreements with the network partners (on network management and financing of own contribution)
- declarations of the network companies on previous de-minimis funding

### **For phase 2**

- application with updated content
- technology roadmap with R&D projects
- network agreement signed by the partners

Phase 2 should be applied for and started within a maximum period of three months following completion of phase 1. An application for phase 2 of funding can only be approved once phase 1 has been authorised as complete.

## Additional information

- You decide on your technological development, the form of the project, and potential partners for cooperation from Germany or abroad.
- Having your application prepared by qualified professionals will speed up the processing of your application by the project management agency.
- As soon as the receipt of your ZIM application has been confirmed by the project management agency, you can begin working on your R&D project at your own risk. If your application is approved, you can issue a backdated invoice for costs already incurred. Please record the numbers of hours from the beginning of the project.
- If you experience problems or if changes are made, please contact the project management agency in good time. They will advise you and help you in a non-bureaucratic manner.
- Funding is paid retroactively in instalments. Please make applications for payment of funding on time and using the required signatures. Remember that delays will be at your own expense.
- Submit your proof of use together with a short, substantive report as soon as possible once the project is complete. The last 10 % of your funding will only be paid following presentation of the proof of proper use.
- All applications are processed by internal staff who have signed confidentiality agreements.



**Information available at [www.zim-bmw.de](http://www.zim-bmw.de)**

- funding guidelines and application and invoice forms
- FAQs and information on grading of the company
- success stories
- events information
- ZIM news

**Further information sources**

- free government advisory service  
hotline: +49 800 2623008
- chambers of industry and commerce, chambers of skilled crafts
- technology transfer agencies and consulting on innovation
- Regional associations of the German Economic Centre for Rationalisation and Innovation
- public offices for innovation and business funding

# Information and advice

## Individual projects



**EuroNorm**

### EuroNorm GmbH

Project Agency of the Federal  
Ministry for Economic Affairs and Energy  
Stralauer Platz 34, 10243 Berlin  
Tel. +49 30 97003-043 | Fax -044  
E-mail [zim@euronorm.de](mailto:zim@euronorm.de)

### Contact

Harald Decker, EuroNorm GmbH, Tel. +49 30 97003-043

### The processing of applications

takes place in cooperation  
with VDI / VDE-IT.

### Free consultation

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## Cooperation projects



### **AiF Projekt GmbH**

Project Agency of the Federal  
Ministry for Economic Affairs and Energy  
Tschaikowskistraße 49, 13156 Berlin  
Tel. +49 30 48163-451 | Fax -402  
E-mail [zim@aif-projekt-gmbh.de](mailto:zim@aif-projekt-gmbh.de)

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## Cooperation networks



### **VDI / VDE Innovation + Technik GmbH**

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[www.zim-bmwi.de](http://www.zim-bmwi.de)

