



Federal Ministry  
for Economic Affairs  
and Energy



*Boosting innovation*

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# Central Innovation Programme for SMEs

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# Imprint

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# Central Innovation Programme for SMEs (ZIM) – Funding for innovation

The Central SME Innovation Programme (ZIM) is a nation-wide funding programme for SMEs and research establishments co-operating with them. It is open to all technologies and sectors.

On 15 April 2015, the new ZIM guidelines came into effect. The government had decided to carry on with the Central SME Innovation Programme (ZIM) in its coalition agreement. The new guidelines do not change the fundamental orientation of the programme. However, the programme was optimised in line with the following goals:

## 1. Enhancing innovation potential

- The maximum project costs that are eligible for funding have been increased to
  - € 380,000 per company, and
  - € 190,000 per research institute
- Eligibility criteria have been modified to include companies with
  - up to 499 employees, and
  - less than € 50 million in annual turnover or a balance sheet total of no more than € 43 million
- Research institutes can claim 100% of eligible project costs.

## 2. Stronger international focus

- The funding bonus in favour of international cooperation projects has been increased up to 10%.
- New countries have been added to the list of partners for joint calls for proposals for R&D projects.

## 3. Simplified programme structures

- A programme structure that is easy to understand, with simplified funding rates
- Funding for experimental development has priority



Under ZIM, SMEs and the research institutes they work with can be awarded grants for ambitious R&D projects focussing on the development of new products, technical services and better production processes. Whether or not an application for a grant is approved depends on how innovative the R&D project is and how marketable the results are likely to be. ZIM is open to all technologies and sectors. Applicants benefit from straightforward application, organisation and invoicing procedures, and red tape is kept to a minimum. Companies can carry out R&D projects on their own or cooperate with research institutes or other companies. Furthermore, innovative company networks can claim funding for management and organisation services.



## ZIM – everything under one roof

Funding is provided for R&D projects and market launch as well as funding for networks.

|                | Individual projects                                                                                                                                                               | Cooperation projects                                                                                                                                                                         | Cooperation networks                                                                                                                                                                            |
|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| R&D funding    | Funding provided for R&D projects undertaken by individual companies                                                                                                              | Funding provided for R&D cooperation projects undertaken by several companies or between companies and research institutes                                                                   | Funding provided for cooperation networks <ul style="list-style-type: none"> <li>• Network management</li> <li>• R&amp;D cooperation projects</li> <li>• individual R&amp;D projects</li> </ul> |
| Market launch  | SMEs can claim additional funding for services that support the market launch of the project results.                                                                             |                                                                                                                                                                                              |                                                                                                                                                                                                 |
| Application to | Project management<br>EuroNorm GmbH<br>Stralauer Platz 34,<br>10243 Berlin<br> <b>EuroNorm</b> | Project management<br>AiF Projekt GmbH<br>Tschaikowskistr. 49<br>13156 Berlin<br> <b>AiF</b> Projekt GmbH | Project management<br>VDI/VDE<br>Innovation +<br>Technik GmbH<br>Steinplatz 1<br>10623 Berlin<br><b>VDI VDE IT</b>                                                                              |

# Who can receive funding?

## Individual projects

## Cooperation projects

Funding for individual R&D projects may be provided for:

- small and medium-sized enterprises
- other medium-sized enterprises with up to 500 employees

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

- small and medium-sized enterprises
- other medium-sized enterprises with up to 500 employees
- non-profit-making research institutes that serve as cooperation partners to companies

### What companies can apply for funding?

|                            | Small companies    | Medium-sized companies | other medium-sized companies |
|----------------------------|--------------------|------------------------|------------------------------|
| Employees                  | less than 50       | less than 250          | less than 500                |
| Annual turnover or         | up to € 10 million | up to € 50 million     | less than € 50 million       |
| Annual Balance sheet total | € 10 million       | up to € 43 million     | up to € 43 million           |

(see also definition [www.zim-bmwi.de/unternehmstyp.pdf](http://www.zim-bmwi.de/unternehmstyp.pdf))

## Cooperation networks

Funding may be provided for both network management services and the R&D projects initiated by the network (both individual and cooperation projects).

In cooperation networks, it is the companies organised within the network that receive funding. They bear part of the costs incurred for network management. The share of the costs that they have to pay increases every year. The funding provided for network management represents a form of state aid that falls within the scope of the de-minimis rules, and is equally distributed among the companies.

It is the institute commissioned to provide management services by the companies within the network that can apply for funding.

For the funding of R&D projects initiated by networks, the same eligibility criteria apply as for individual and cooperation projects (cf. page 10ff.).

# What is funded?

## Individual projects

Funding may be provided for individual R&D projects focussing on the development of innovative products, processes or technical services. Funding is not limited to particular technologies or sectors. Apart from R&D projects undertaken by SMEs, funding may also be provided for services that support market launch (page 22).

### Individual projects

R&D projects in individual companies

R&D projects undertaken with the company's own staff, or with support from external service providers and / or external academic partners (R&D contract).

Optionally available for SMEs: services that support the market launch of the results of the funded R&D project

## Cooperation projects

Funding may be provided for R&D cooperation projects undertaken by several companies or between companies and research institutes focussing on the development of innovative products, processes and technical services. Funding is not limited to particular technologies or sectors. These projects should be conducted in a balanced partnership in which all partners make innovative contributions. Apart from R&D projects undertaken by SMEs, funding may also be provided for services that support market launch (page 22).

## Cooperation projects

R&D cooperation projects between at least two companies

R&D cooperation projects between at least one company and at least one research establishment

All of them undertaken with the company's own staff, or by relying on external service providers and / or external academic partners (R&D contract).

Optionally available for SMEs: services that support the market launch of the results of the funded R&D project.

## International cooperation

Cooperation projects funded under ZIM can also be carried out with partners from other countries (companies or research institutes).

The Federal Ministry for Economic Affairs and Energy is part of the international IraSME (International Research Activities by SME) network. In the context of its Central Innovation Programme for SMEs (ZIM), the Ministry is also engaged in bilateral and multilateral cooperation projects with a number of different countries, and is a member of the Eureka network which promotes research at European level.

Calls for proposals for transnational R&D projects are published on [www.zim-bmwi.de](http://www.zim-bmwi.de). Here, the project partners from Germany are eligible for funding under ZIM. Often, companies from the partner countries will be eligible for additional funding under their respective national programmes.

Under the updated ZIM guidelines, the requirements that have to be met for cross-border projects have also been significantly improved. The funding rates that currently apply to these projects can be found on page 19.

Companies interested in starting a transnational R&D cooperation project can go to the coordination office on 'international cooperation' for advice. This service is free of charge (contact details on page 30).

## Cooperation networks

Uniting partners that share an idea for the development and marketing of an innovative product, process or technical service – that is what cooperation networks are all about. Projects can be developed as part of a technology or regional cluster or along a particular value chain.

The companies participating in the network commission the network management institute to organise the cooperation network and apply for funding before the application for phase 1 of funding is submitted.

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 marketing of the R&D results.



Funding may be provided for network management services and the R&D projects initiated by the network. ZIM cooperation networks must be made up of a minimum of six companies (criteria are listed in the box on page 8).

These networks may further include research institutes, institutes of higher education, other companies and other establishments, such as associations or territorial authorities.

Funding that is provided within phase 1 and phase 2 of the cooperation networks can be approved no sooner than from the month that the application documents have been submitted, provided that they include all of the information required. The transition from phase 1 to phase 2 of funding is to take place within a maximum period of three months.

The requirements for the 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 an ambitious technology roadmap that sets out the new R&D projects that are planned.

#### Phase 1

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

#### Phase 2

Implementation of the network design for the R&D projects in line with the (refined) technology roadmap. Preparations for the market launch and stabilisation of the network.

Funding may be provided not only for management services, but also for the R&D projects of the network partners and services that support the market launch of the results. The principles that apply here are the same as for individual and cooperation projects (page 10).

# 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.
- Research and development is based on the international state of the art in technology and improves 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 improved, 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

Labour costs of all individuals working on the project can be claimed if

- the applicant can prove that these individuals have the qualification needed for the project and are actually employed.

## Criteria for companies and establishments

Companies and establishments need to

- have suitably qualified scientific and technical personnel or be envisaging the temporary employment of staff or the recruitment of new 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.

Companies

- should have completed the start-up phase of their business and
- must be able to raise the funds necessary to pay their share of the project.

## Network management

### Eligibility criteria for applicants

Applications may be submitted by the institute commissioned to provide network management services on behalf of the participating companies. Network management services may be provided by:

- an external establishment or
- a research establishment involved in the network.



## **Tasks and service capabilities of the network management institute**

- Acquiring further network partners and concluding contracts with them
- 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 R&D potential
- Analysis of the market situation, competition, and of possibilities for generating synergies
- Coordination 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
- Analysis of the commercial results of the network
- Developing an approach for long-term cooperation

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 the tasks and service capabilities in annex 2 of the guidelines in the downloads area at [www.zim-bmwi.de](http://www.zim-bmwi.de).

# How does funding work?

## Eligible costs

- **Labour costs**
- **Costs for**
  - **project-related contracts to third parties** (up to 25 % of labour costs or 25 % of the total costs in case network management services are used)
  - **R&D contracts to external academic partners** (at least 30 %, but no more than 70% of man-months needed for the project)
- **Other costs**  
(lump-sum based on labour costs)
  - up to 100% for companies and network management institutes
  - up to 75% for research institutes

For companies, eligible costs per project (or per sub-project in case of cooperation projects) are limited to € 380,000.

For research institutes, eligible costs per sub-project are limited to € 190,000.

## Maximum funding rates for individual projects and cooperation projects

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

| Size of the company<br>(see box on page 8) | Individual projects | Cooperation projects | Cooperation projects with international partners |
|--------------------------------------------|---------------------|----------------------|--------------------------------------------------|
| Small enterprises in eastern Germany       | 45 %                | 50 %                 | 55 %                                             |
| Small enterprises in western Germany       | 40 %                | 45 %                 | 55 %                                             |
| Medium-sized enterprises                   | 35 %                | 40 %                 | 50 %                                             |
| Other medium-sized enterprises             | 25 %                | 30 %                 | 40 %                                             |

Research establishments can claim 100% of eligible costs.



## Cooperation networks

### Funding rates

The funding provided for 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 € 380,000, with no more than € 160,000 issued in phase 1.

The partners participating in the network have to fund their own, rising, contributions from their own resources.

Types of project costs and funding rates for R&D projects initiated by the network can be found on pages 18ff.



# What else is funded?

## Services that support market launch

New products and processes only become successful innovations if they make it to the market. This is why having a clear concept for the commercial exploitation of the R&D results is crucial. However, activities that support commercial exploitation often come with a very high price-tag attached and require special expertise. For this reason, small and medium-sized enterprises can claim funding for services provided by third parties supporting the market launch of the results of the R&D projects.

## Who can receive funding?

Funding may be granted exclusively to small and medium-sized enterprises whose R&D projects have been approved. Companies with more than 250 employees cannot claim costs for market launch activities.



## What is funded?

Services that support the market launch of the results of projects funded under ZIM.

### **Consulting services on innovation:**

Provision of consulting, support and training services in the areas of knowledge transfer, acquisition, protection and commercial exploitation of intangible assets, as well as the application of the respective rules and standards.

### **Services that support innovation:**

Provision of office space, data bases, libraries, market research services, labs, quality labels, tests and certification for the development of more efficient products, processes and services.

Examples for services that support market launch can be found at [www.zim-bmwi.de](http://www.zim-bmwi.de).

## How soon can small and medium-sized enterprises claim costs for market launch?

Once approval has been given; six months after the ZIM project has ended at the latest.

Our recommendation is for you to claim costs for additional services during the development phase, rather than wait until the project has ended.

## How much funding is granted?

- Eligible costs amount to € 50,000.
- The maximum funding rate is 50%.

# 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 project management agency and/or the Federal Ministry for Economic Affairs and Energy.

Please describe the project precisely so that the objective, approach and cost calculation can be clearly understood. Please read the instructions included in the application documents.

Please make use of the experience of project management agencies. Prior to submitting your application, the following services are available:

- free consulting and
- a general assessment of the eligibility of your project. Optionally, a concept sketch can be provided.

For the relevant project management agencies see page 30.

## Procedure for individual and cooperation projects

Optional: consulting from the project management agency or concept sketch submitted to the project management agency

**Application submitted to the project management agency**



**Application processed by the project management agency**



**Decision made by the project management agency or the Ministry**

Optional: application for services that support market launch

Detailed information on the application documents to be submitted for R&D projects can be found at

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

These include:

### Application form including all attachments

#### Information on applicant

- Legal declarations
- Funding received from other programmes in the last 3 years
- Additional documents to be submitted by companies:
  - extract from trade register or trade registration document
  - declaration of status as an independent, associate or partner company
- Additional documents to be submitted by 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**

- Describe your project objectives, what made you choose these objectives, and what the project is meant to achieve
- Workflow plan
- Draft of co-operation agreement, if necessary

### **Data underpinning your application for funding**

- Labour and cost planning
- Information on creditworthiness and how you are planning to finance your share of the project.

### **Plan for market launch**

## Procedure for cooperation networks

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### **Idea/vision of the network**

(market demand, technological approach, project partners)

Optional: consulting from the project management agency or concept sketch submitted to the project management agency



**Companies award contract to network management institute;  
application submitted for phase 1**



**Processing of application by the project management agency**

Optional: presentation to the project management agency



**Decision on funding application for phase 1**



**Development of a technology roadmap**

Optional: network partners submit applications for R&D project



**Invoicing and report on phase 1, application for  
network management funding for phase 2**



**Decision on funding application for phase 2**



**Implementation of the technology roadmap  
Network management institute ensures coordination**



**Network partners submit applications for R&D project  
(same principles apply as for individual and cooperation projects)**



**Processing of application by the project management agency, funding  
decisions made by the project management agency and/or  
the Federal Ministry for Economic Affairs and Energy**

Optional: application for services that support market launch

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Detailed information on the documents to be submitted to claim network management funding can be found at [www.zim-bmwi.de/download/programminformationen](http://www.zim-bmwi.de/download/programminformationen).

These include:

### **Before submitting the application for phase 1**

- At least six companies have to award a contract to the network management institute to act on their behalf.

### **For phase 1**

- Application form including all annexes
- Project concept including the first ideas for R&D
- References from the applicant
- Declaration on personal and institutional connections between the network management institute and the network partners
- Current extract from trade register, extract from register of associations or trade registration document
- Annexes including the calculation of labour requirements and costs, as well as the financing plan
- Contractual agreements with the network partners (on network management and financing of the applicant's share of funds)
- Declarations of the companies that are part of the network on previous de-minimis funding

### **For phase 2**

- Application documents 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.



## Tips

- You decide on the technological development you want to work on, the form of the project, and potential partners for cooperation from Germany or abroad.
- Having your application prepared thoroughly 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 number of working hours from the beginning of the project.
- Funding for cooperation networks can be approved no sooner than from the month that the application documents are submitted, provided that they include all of the information required.
- Please keep in mind that you may claim additional funding for services that support market launch.
- If you experience problems during the project phase 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. When issuing a request for payment of funding, please make sure that you respect the due dates and that all the required signatures are included. 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.

# Information sources

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

- Funding guidelines and application and invoice forms
- FAQs and information on the category your company falls into
- Success stories
- Events information
- ZIM news

## Further information sources

- Government advisory service hotline (calls free within Germany): +49 800 26 23 008
- Chambers of industry and commerce, chambers of skilled crafts
- Länder associations of the Rationalisation Board of German Industry
- Public offices for innovation and business funding
- Technology transfer agencies and consulting on innovation

# Information and advice

## Individual projects



### EuroNorm GmbH

Project Agency of the Federal Ministry  
for Economic Affairs and Energy

Stralauer Platz 34, 10243 Berlin

Phone +49 30 97003-043 / Fax -044

Email [zim@euronorm.de](mailto:zim@euronorm.de)

Markus Netzel, phone +49 30 97003-043

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## Cooperation projects



### AiF Projekt GmbH

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for Economic Affairs and Energy

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## Cooperation networks



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