

Call for projects – LU-CID-2024-02

Cybersecurity Innovation and Development – Funding programme

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1. Introduction

The Ministry of the Economy, in close cooperation with the National Cybersecurity Competence Centre (NC3) - in its capacity as the National Coordination Centre (NCC-LU) - and with the support of Luxinnovation, is launching the second call for projects under the funding scheme known as the Cybersecurity Innovation & Development Funding Programme (LU-CID).

This call for projects (LU-CID-2024-02) aims to encourage SMEs to develop and adopt cybersecurity innovations, fostering expertise across various sectors of Luxembourg's cybersecurity market. The LU-CID programme is targeting SMEs and start-ups established in Luxembourg and projects will be funded through the national aid scheme for research and development projects (R&D)¹ that is operated and managed by the Ministry of Economy.

2. Objectives

This call aims at supporting the development of projects, activities, services and solutions that serve at least one of the following objectives:

1 – Supporting the development of cybersecurity start-ups via the creation of technical and non-technical cybersecurity solutions

The call seeks to support the development of innovative technical and non-technical cybersecurity start-ups. The assessment of this type of project will be done according to the innovativeness rather than the technicality of the proposed solution, aiming at meeting yet uncovered needs and bringing new types of solutions to the national market.

2 – Supporting the setup of cybersecurity services with sustainable open-source business models

Cybersecurity solutions that operate under an open-source business model are key to ensure the resilience of the cybersecurity ecosystem. The focus of the call is on the development of sustainability models for existing, or emerging, open-source cybersecurity projects.

3 – Promoting the growth of local entities developing affordable cybersecurity assessment or testing tools and services

The purpose is to increase the offer in cybersecurity testing and assessment tools and services on the national market, both for infrastructure and products, with a specific focus on the accessibility and affordability for SMEs. The innovation of these projects would reside in the

¹ <https://legilux.public.lu/eli/etat/leg/loi/2017/05/17/a544/1o>

fact of creating, or adapting existing solutions to cover the specific needs of SMEs. As an example, the call also supports the development of easily accessible self-assessment tools which will cover key obligations of existing regulations (i.e. Cybersecurity Act or NIS2) or upcoming ones (i.e. Cyber Resilience Act), to facilitate the process or preparation of compliance for SMEs.

4 – Promoting the development of innovative approaches for enhancing cybersecurity skills for SMEs

This objective focuses on projects that design, develop and propose innovative trainings and approaches for the development of cybersecurity skills for SMEs and addressing their specific needs. Moreover, approaches covering reskilling, upskilling or talent development capabilities can be supported, including the development of training environments for Cyber Range Platforms². The existing national Cyber Range infrastructure can be provided by the NC3 for the purpose of the call.

3. Financing of projects

For each eligible project, a maximum grant of EUR 60.000 can be awarded. Total project costs will be co-financed at a maximum 80% rate for micro and small companies, and at a 70% rate for medium-sized companies.

Company category	Staff headcount	Turnover	Balance sheet total	co-financed
Medium-sized	< 250	≤ €50 million	≤ €43 million	70 %
Small	< 50	≤ €10 million	≤ €10 million	80 %
Micro	< 10	≤ €2 million	≤ €2 million	80 %

4. Submission and evaluation of project proposals

To submit a project proposal, the applicants have to create an account on the LU-CID application platform (<https://applications.nc3.lu/>). They will then be able to submit their application, including administrative information, project description and required additional documents.

After the submission of the project proposal via the LU-CID application platform, the technical evaluation of the project is carried out by the NC3. The NC3 provides feedback and details of its evaluation, including the technical quality of the proposal and, if required, provides support to the applicant. During the technical evaluation period, the NC3 assesses if projects are of adequate quality with regard to the call objectives.

² A Cyber Range Platform is a virtual environment that enables organizations to simulate cyber combat training, system/network development, testing and benchmarking.

Luxinnovation plays a crucial role in this initiative by conducting due diligence checks of the proposers. The due diligence evaluation includes a detailed verification of the eligibility criteria and the required official documentation that has to be submitted (balance sheets, organizational charts, co-financing capacity, etc.). If needed, Luxinnovation can provide support with regard to the administrative and financial aspects of the proposal.

Proposers whose projects have successfully passed the technical and due diligence evaluations and have been selected, will be notified and invited to submit their project proposal and request for funding via the Financial Aid for research and development projects (R&D) on MyGuichet platform³. The required documents for the project submission on MyGuichet remain the same. The funding request will then be instructed by the Ministry of the Economy.

5. Timetable and deadlines

The LU-CID-2024-02 call for projects will be operated according to the following schedule:

Phase	Dates	Duration
Open call	01.11.2024 – 31.12.2024	2 months
Assessment period and submission of eligible projects via MyGuichet	02.01.2025 – 07.03.2025	2 months
Instruction by the Ministry of the Economy	10.03.2025 – 30.04.2025	1.5 months
Projects running time	01.05.2025 – 31.10.2025	6 months
Reporting	01.11.2025 – 30.11.2025	1 month

6. Eligibility and documents

Entity eligibility criteria

Only SMEs⁴ established in Luxembourg are eligible to participate in this call for projects. Applying entities must meet the following eligibility criteria:

³ <https://guichet.public.lu/en/entreprises/financement-aides/aides-recherche-developpement/rdi/aides-rdi.html>

⁴ SME Definition as defined per EU Recommendation 2003/361

- **Generic criteria:** Applying companies need to be in possession of a valid business permit⁵ in Luxembourg;
- **Co-financing capacity prior to submission:** Co-financing capacity must be demonstrated through equity capital/capital increase, bank loans or free cash flow statements and evidence thereof. In the case of start-ups, they should prove to have at least a turnover of EUR 100.000 or enough own funds to co-finance the project.

Please note that **companies in difficulty**⁶ are **ineligible**.

Project eligibility criteria

To be considered as eligible for financial aid, project proposals must meet the following criteria:

- **Economic impact:** The positive economic impact of the project must be foreseeable, through adequate substance of the project proposal and exploitation plans for the assets resulting from the project activities;
- **Innovation:** Project proposals must present a competitive and original advantage on the market, a new or improved product, process or service, a new marketing method or new organisational method.
- **Incentive effect:** This call does not retroactively finance any project and/or part of a project that is already under development. Therefore, the project must start only after the signature of the grant agreement with the Ministry of the Economy.
- **Submission process:** Only applications submitted during the indicated time frames to the NC3 via the LU-CID platform and subsequently to the Ministry of the Economy via the MyGuichet portal will be considered for evaluation.
- **Soundness of the proposal:** Only proposals presenting complete administrative, financial and technical information in the required format will be considered for evaluation.
- **Project duration:** The duration of funded projects must not exceed 6 months.

Project cost eligibility criteria

The following costs are eligible for funding:

⁵ « autorisation d'établissement » (<https://guichet.public.lu/fr/entreprises/creation-developpement/autorisation-etablissement/autorisation-honorabilite/duplicata-autorisation-etablissement.html>)

⁶ "Undertaking in difficulty" as defined by art.2 point 18 EU regulation 651/2014 (<https://eurlex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014R0651>)

- **Personnel costs:** costs related to working hours of the staff directly involved on the project;
- **Special costs directly related to the project:** technical know-how, user licenses for software & patents, consulting services used for the project activities, subscription fees, licence fees and managed services;
- **General costs:** general costs of the company (i.e. cost of the infrastructure, basic services, rents, etc.) are considered included into the lump sum of the project cost as overheads.

Requested documentation

The following annexes (available for download at <https://www.nc3.lu/pages/ecosystem/funding.html>) and documents have to be submitted to the NC3 via the LU-CID platform⁷ along with the project proposal:

- Annex 1 – Financial and administrative information (*financial summary, balance sheet, profit and loss statement, organigram and Gantt chart*)
- Annex 2 – Affidavit
- Annex 3 – Data Protection Acknowledgment & Consent
- Copy of the business permit (*in case of a first application for State Aid or in case of an update*)
- Bank account identification document
- Certificate as to the number of employees engaged (*available on demand from: <http://www.ccss.lu/certificats/>*)
- Quotes from suppliers (*if available*)
- Applicant's annual financial statements for the most recently ended financial year
- Group's consolidated accounts, if available, or the annual financial statements of the companies belonging to the group for the most recently ended financial year
- Copy of the applicant's articles of association (*current or consolidated version*)
- Any other document deemed useful.

Reporting

At the end of the project development, the company has to deliver the following reports for final evaluation of the project results:

- A Synthesis report that illustrates the main achievements, outcomes and lessons learned related to the project;

⁷ Templates are available at <https://www.nc3.lu/pages/ecosystem/funding.html>.

- A Synthesis report that illustrates the expenditures and the costs related to the project, according to the provided template.

Grant procedure

The grant is paid out by the Ministry of Economy after the completion of the project, programme or activity. Businesses must submit their request for payment of aid using MyGuichet.lu. Applications for aid must include the following information and documents:

- Proof of all costs incurred: invoices, payroll expenses; and
- Proof of payment of these costs and expenses incurred (bank statement).

Businesses must file these documents at the end of the procedure.

7. Award criteria and scoring system

Each eligible project proposal will be evaluated taking into consideration the following criteria:

Criterion 1: Project Excellence and Relevance (40 points)

This criterion aims at assessing the alignment of the project with the objectives set out in chapter 2 and its alignment to the Luxembourg National Cybersecurity Strategy. The innovativeness of the proposed project, as well as the clarity, coherence and adequacy of the application will also be taken into account.

The maximum score for this criterion is 40 points, with a threshold of 20 points. If the score for this criterion falls under this threshold, the application will be considered of inadequate quality and will be discarded.

Criterion 2: Implementation, quality and efficiency of the project plan (30 points)

Through this criterion, the maturity of the project (market maturity, business maturity and Technology Readiness Level if relevant), the capacity of applicants to carry out the proposed work and the soundness of the implementation plan and efficient use of resources will be assessed. The project risk assessment will as well be considered. If relevant, development processes should be based on security by design principles.

The maximum score for this criterion is 30 points, with a threshold of 15 points. If the score for this criterion falls under this threshold, the application will be considered of inadequate quality and will be discarded.

Criterion 3: Impact, maturity and sustainability (30 points)

This criterion aims at assessing the extent to which the proposed project will achieve the expected outcomes, strengthen competitiveness and bring benefits for society and especially the SMEs segment of the economy, bring benefits to the national and European Cybersecurity Community and actively support the European Cybersecurity Strategy⁸. The effectiveness of the planned measures to sustainably exploit and disseminate the project outcomes beyond the co-funding period will also be considered.

The maximum score for this criterion is 30 points, with a threshold of 15 points. If the score for this criterion falls under this threshold, the application will be considered of inadequate quality and will be discarded.

The maximum score for the whole proposal is 100 points, with a threshold of 60 points. If the score awarded for the proposal falls under this threshold, the proposal will be considered of inadequate quality and will be discarded.

8. Contact information

Contact Details for potential applicants to seek more information or clarification:

E-Mail: funding@nc3.lu

⁸ <https://digital-strategy.ec.europa.eu/en/policies/cybersecurity-strategy>