



## ➤ FINANCIAL INCENTIVES: SUBSIDIES AND ASSISTANCE FOR RESEARCH & DEVELOPMENT

With over 300 public and private research centers, 20 competence centers and 9 university centers, the Wallonia Region has enormous potential for research – both fundamental and applied – and development. Every day over 11,000 researchers contribute directly or indirectly to the competitiveness of Wallonia companies, as well as to the socio-economic development of the region.

So it's no coincidence that in just a few years, almost 200 spin-off operations based on university research have been set up in the Wallonia Region.

In fact, government authorities help Wallonia companies to improve their competitiveness by investing in research and innovation, directly supporting them in innovative projects and financing research projects whose results are likely to prove profitable.

This vast activity devoted to R&D is also financially supported by concrete and effective assistance. These take two basic forms.

- Financial subsidies or advances granted by the Wallonia authorities. These are:
  - subsidies for basic research programs whose innovative nature is acknowledged and whose expected results are likely to benefit the Wallonia Region,
  - advances for research in the final phases of the development of new products, processes or services
  - funding for research projects in collaboration with a university laboratory based in the Wallonia Region.
- Reduced taxation for researchers.

### GOOD TO KNOW

The Wallonia authority responsible for research and technology is the Department of the Director General of Technology, Research and Energy (DGTRE) of the Ministry of the Wallonia Region. The DGTRE consists in particular of

- **the Research and Scientific Cooperation Division**, with the general mission to improve the scientific and technical level of research centers, universities and colleges

- **the Assistance to Companies Division**, with the general mission to promote technological innovation within companies by supporting the development of new products, processes and services, technology transfer and better preparation for diversification and innovation, particularly by their integration into the field of European research.

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### Company subsidies for a fundamental research project

Financial aid available to companies based in the Wallonia Region can cover up to 50% of the allowable costs of fundamental industrial research projects. This subsidy may be increased with supplementary assistance of 25% for SMEs that have obtained funding for a European project covered by the Research & Development Framework Program currently in force.

In order for a company to benefit from this subsidy, the industrial applications of the research must be utilized within the company and must ultimately lead to economic activity in the Wallonia Region. The company must either be financially sound, or it must be able to find funding for its current and foreseeable requirements. Finally the research and its applications must not harm the environment.

### Recoverable advance for an applied research project

This is an interest-free loan to finance the company's research program and provide it with operating capital. This financial advance may amount to 50% for all companies, and as much as 70% for SMEs.

To be eligible for this subsidy, the company must have access to a market for the innovative product, process or service – and it must be profitable. The industrial applications of this research must lead to profitable economic activity within five years. The general conditions are similar to those that apply to the company subsidy.

If the results of the research are put to use on completion of the research, the company has full ownership of them. If not, the company assigns exclusive utilization rights to the Region – which it can exercise itself or transfer to a third party. If – and only if – it is decided to utilize the results of the research, the advance is repayable in annual installments.

### FIRST programs

"FIRST Entreprise" involves the recruitment of a young researcher (under 35) to conduct research while gaining work experience within a research unit in a university (or equivalent) or an approved research center. The work experience gained (over 6, 12, 18 or 24 months) must allow a genuine transfer of knowledge to the company.

The financial aid covers part of the researcher's salary costs to a maximum of €3,000 per month, including social security costs: 50% in a large enterprise for fundamental research, 80% in an SME for fundamental research or an applied research or development project (50% if the SME uses a young researcher already employed by the company). This is increased by €5,000 per half year, payable to the receiving institution.

"FIRST Entreprise Docteur" enables the holder of a doctorate to be engaged to conduct a research program. The financial aid covers part of the researcher's payroll costs for two years: 25% for a large enterprise, 50% for an SME.

"FIRST Entreprise Spin Out" supports the appointment of a person with entrepreneurial skills to develop an innovative product, process or service that utilizes these technologies with a view to creating a new company (spin-out). It covers part of the payroll costs of the entrepreneur for a maximum period of 24 months: 50% for a large enterprise, 80% for an SME. This is increased by €20,000 per year to cover management costs.

### Tax reductions

Companies that employ researchers on projects carried out in collaboration with recognized scientific institutions can benefit from a 50% reduction in the payroll taxes due for these researchers. This can amount to between €8,000 and 10,000 per full-time researcher per year.

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