

Call for R&D projects – Future Industry and Mobility: Strengthening competitiveness and innovation

Call description:

Context of the call

In line with the government's strategy to strengthen the competitiveness of the industrial base, and in response to the Draghi Report highlighting Europe's lag in innovation, particularly in advanced technologies, and taking into account the five pillars of the Automotive Action Plan presented by the European Commission, the Ministry of the Economy is launching a funding opportunity to support research, development, and innovation (RDI) projects undertaken by businesses. These aim to enhance the innovation capacity and improve economic performance, while also contributing to the creation of new scientific knowledge and the advancement of the state of the art.

By promoting industrial innovation through digital and sustainable technologies, supporting productivity gains, and facilitating industrial scale-up, this measure also contributes to broader objectives: strengthening competitiveness, resilience and autonomy, while reducing strategic dependencies. The call supports key innovation domains identified by the government for the development of priority sectors of its economic diversification strategy. It also builds on the strategic initiative "*Accelerating digital sovereignty 2030*" and the national strategy on automated driving "*Automatisiert Fahren 2028*".

The call will focus on digital and sustainable technologies, and supports projects that develop new products and services, adapt existing solutions to new markets or sectors, and transform industrial production processes and value chains into smarter, more automated, flexible, sustainable and resilient systems. In doing so, it seeks to enhance companies' technological capabilities and accelerate the adoption of advanced technologies across the industrial ecosystem.

This funding opportunity will take the form of a **competitive call for proposals** that is based on Article 21 of the law of 6 June 2025 on the renewal of RDI aid schemes [1], and that allows an increase in aid intensity compared to the traditional bottom-up state aid regime.

Call objectives:

Through this funding opportunity, the Ministry of the Economy is committed to actively support the strengthening of technological innovation in order to enhance competitiveness, sovereignty, and sustainability of priority sectors within the economic diversification strategy, in line with national and European objectives. Projects are expected to generate tangible added value for Luxembourg's industrial and economic landscape and to align with national strategic priorities.

- **National priority for industrial competitiveness:**
The government emphasizes that reinforcing the industrial base through innovative projects is a strategic priority for economic growth, resilience, and autonomy.
- **Alignment with European strategies:**
This call for RDI projects contributes to the objectives of the Draghi Report on European competitiveness and Industrial Action Plan for the European automotive sector by supporting innovation projects that accelerate the development and adoption of new

technologies, enhance industrial productivity, and consolidate the competitiveness of both the manufacturing sector and other high-tech domains.

- **Enhancing Luxembourg's attractiveness as an innovation hub:**

This initiative also aims to position Luxembourg as a leading innovation hub by promoting advanced technological R&D and high-impact applications in key industrial domains, attracting talent, investment, and strategic partnerships.

Call topic:

In order to strengthen the competitiveness of the national economy and accelerate the development of advanced industrial technologies, this call for proposals focuses on key innovation areas that are essential for the manufacturing industry and transport & mobility systems of tomorrow. In line with the strategic recommendations of the Draghi Report, the selected thematic areas aim to address the innovation gap in advanced and digital technologies while reinforcing strategic industrial sectors at the national level, including manufacturing, automotive, logistics, clean technologies, energy, and other related domains.

R&D projects submitted under this call should develop new products and services, adapt existing offerings to new markets or sectors, and/or transform industrial production processes and value chains into smarter, more automated, flexible, sustainable, and resilient systems.

Within this framework, the following thematic application areas are defined:

1) Intelligent and predictive sensors

This thematic area supports R&D projects aimed at developing the next generation of smart sensors, integrated sensor networks, and predictive systems to improve performance, safety, autonomy, and efficiency in industrial and mobility applications.

Illustrative sub-topics :

- High-reliability intelligent sensors with embedded AI
- Predictive maintenance sensors and digital twins
- Multimodal sensor fusion (vision, radar, lidar, ultrasonic acoustic, thermal, piezoelectric, MEMS)
- Edge-AI for low-latency industrial and mobility applications
- Robust, energy-efficient sensor hardware for harsh environments

2) Advanced vehicle software and smart mobility

This thematic area targets innovations enabling the development of software-defined vehicles (SDVs), autonomous mobility systems, and AI-enhanced decision-support solutions to ensure safer, cleaner, and more efficient transport systems.

Illustrative sub-topics :

- Vehicle operating systems and software-defined vehicle (SDV) architectures
- Autonomous driving algorithms (perception, planning, control)
- AI for ADAS, traffic prediction, and fleet optimisation
- Simulation platforms for virtual validation of autonomous systems
- V2X communication, cybersecurity & trusted mobility data layers

3) Sustainable and/or lightweight materials

This thematic area supports material-level innovations that improve performance while reducing environmental impact, lifecycle emissions, and strategic dependencies.

Illustrative sub-topics :

- Lightweight composite materials and multi-material architectures
- Recycled or bio-based materials for mobility applications
- Battery materials and efficient recycling technologies
- New materials supporting durability, performance, and energy efficiency
- Circular design approaches reducing raw-material dependency

4) Resilient and sovereign industrial value chains

This thematic area aims to strengthen industrial resilience, reduce external dependencies, and secure critical components and technologies within strategic value chains.

Illustrative sub-topics :

- New processes and technologies reducing dependency on critical raw materials
- Re-shoring or near-shoring of strategic supply chain steps
- Digital supply-chain platforms ensuring traceability and transparency
- New manufacturing technologies for semiconductors, batteries, robotics
- Smart logistics improving resilience under stress conditions

5) AI-enhanced industrial processes (Industry 4.0)

This thematic area supports AI-driven innovations aimed at improving efficiency, sustainability, product quality, and productivity across industrial production systems.

Illustrative sub-topics :

- AI-driven process optimisation and adaptive manufacturing
- Digital twins & HPC-enabled simulation for industrial R&D
- Industrial automation, robotics, and autonomous production lines
- Real-time quality control using computer vision and learning models
- Energy-efficient manufacturing processes enabled by AI

Projects submitted under this call must be innovative, of the highest quality, and contribute significantly to the development of Luxembourg's economic landscape. They should demonstrate a positive and sustainable impact by diversifying or strengthening companies' future business activities, while enhancing their R&D capabilities, knowledge base, and technical expertise.

Furthermore, projects should clearly build upon the state of the art and demonstrate scientific excellence.

Eligible projects may fall within the categories of *industrial research* and/or *experimental development*, as defined in the applicable RDI law [1].

Call modalities:

The call for projects is competitive and organized in accordance with the provisions set out in Article 21 of the RDI Law [1], with a dedicated budget allocated.

If the available budget is exceeded due to the number of submitted and eligible projects, proposals will be selected in order of their ranking until the budget limit is reached. The first project exceeding the available budget as well as all subsequent projects will not receive funding.

Where the allocated budget allows for the funding of all eligible projects, a maximum of 90% of the projects may be retained, in accordance with their ranking.

Eligible projects will be ranked based on the following evaluation criteria: the level of innovation and overall quality, their contribution and added value in relation to the objectives of the call, the robustness of the business and financing plans, and their expected positive impact on the economy of the Grand Duchy of Luxembourg.

To enable an efficient and objective evaluation of the submitted R&D projects, a clearly structured, points-based evaluation framework derived from the criteria established in Art.21(3) of the RDI law [1] will be applied in this competitive call. The applicable evaluation criteria are listed below.

On this basis, proposals will be assessed and ranked by experts from the Ministry of the Economy and recommended for funding. The award of the grant remains subject to a favorable opinion of the State Aid Commission.

Companies seeking to participate in the call for projects must meet the general eligibility criteria, as well as the specific eligibility criteria of the respective state aid scheme under which they apply, as set forth in the RDI Law [1]. The call for proposals is therefore open to companies of all sizes (start-ups, SMEs, and large enterprises).

In addition, the following call-specific terms apply:

- It is expected that the projects will be considered as industrial research and/or experimental development projects. In this case, the maximum co-financing rates for companies are as follows:

Maximum aid intensities	Large company	Medium company	Small company
Experimental development	25%	35%	45%
Industrial research	50%	60%	70%

- Collaboration with public research institutes is possible and, in accordance with the law, may result in a 15% increase in aid intensity, provided that these institutes cover at least 10% of the total eligible costs. A 15% increase in aid intensity may also be granted if the project is carried out in collaboration between companies, including at least one small or medium-sized enterprise (SME), in line with the law. The maximum aid intensity shall thereby not exceed 80% of the eligible costs [1].
- The budget allocated to the call will be €15 million.
- Project durations are targeted for a 24 to 36-month period.
- The projects are expected to start in late 2026/early 2027, and no later than 31 March 2027.
- The Ministry of the Economy will co-finance costs borne by eligible companies up to €2 million per project.
- Companies are encouraged to limit their participation to only one project proposal.

The complete project proposal, together with the financial annexes and all other relevant documentation as set out in Article 18(1) of the RDI Law [1], must be submitted to the Ministry of the Economy via the MyGuichet platform. The link to the MyGuichet platform as well as the corresponding templates can be found [here](#).

Evaluation criteria and scoring system:

As stated above, the proposals will be evaluated in a balanced manner with each of the following criteria weighted equally. The criteria are derived from those set forth in Art. 21(3) of the RDI law [1]:

1. Degree of innovation (Art. 21(3)2° of the RDI Law [1])

To what extent is the project novel, technologically advanced, and relevant for real-world application?

- Novelty compared to the scientific and/or commercial state of the art
- Differentiation from existing solutions
- Extent of proprietary technological development (vs. integration of existing solutions)
- Relevance and potential for application (market potential)

2. Technical and scientific quality (Art. 21(3)2° of the RDI Law [1])

Is the proposed approach technically and scientifically sound? Are the objectives clear and relevant?

- Clearly defined and coherent objectives
- Methodology well described and logically structured
- Technical feasibility plausibly demonstrated
- Identification of key risks and appropriate mitigation measures

3. Implementation capacity (Art. 21(3)2° of the RDI Law [1])

Can the project be realistically implemented with the proposed resources?

- Competence and experience of the team (including realistic hiring plan)
- Realistic timeline
- Appropriate budget in relation to planned activities
- Appropriate project management structure
- Quality and relevance of partnerships (if applicable)

4. Contribution to strategic objectives and alignment with the call (Art. 21(3)1° and 4° of the RDI Law [1])

Is the project aligned with the objectives and thematic priorities of the call and with national strategic orientations?

- Alignment with the call's thematic scope
- Contribution to national priorities and strategic technology fields
- Consistency with broader policy objectives
- Broader societal impact

5. Commercial strategy and economic impact (Art. 21(3)3° of the RDI Law [1])

Is the business plan sound and credible, and is the project likely to generate economic value for the company?

- Robustness, coherence and credibility of the business plan
- Clarity and plausibility of the commercialization or exploitation strategy
- Alignment between the project outcomes and the company's business objectives
- Expected economic impact on the company (impact on growth, competitiveness or strategic position)

6. Cash flow forecast, financial soundness and co-financing capacity (Art. 21(3)3° of the RDI Law [1])

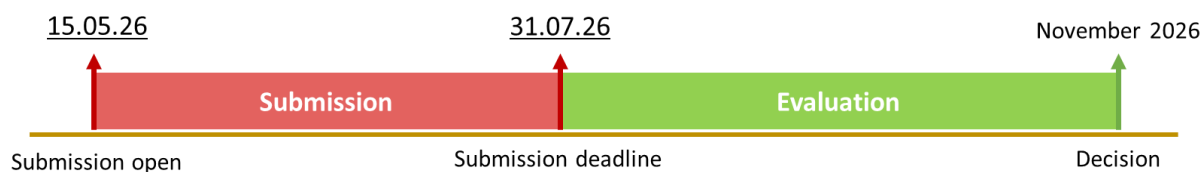
Is the applicant financially capable of carrying out the project in a robust and sustainable manner?

- Credibility of cash flow forecast
- Level of co-financing and availability of secured own resources
- Financial stability of the applicant
- Overall capitalization and financial resilience

To be considered for ranking, a project must at least be evaluated as ‘convincing’ under each of the criteria “Degree of Innovation” and “Cash flow forecast, financial soundness and co-financing capacity”, in accordance with Art. 21(4) of the RDI law [1]. Failure to meet any of these minimum thresholds will result in the proposal not being retained for the ranking and thus not being retained for funding.

Based on the final total assessment, a ranking of all eligible project proposals will be established in descending order. Funding will be allocated according to this ranking, starting with the highest-scoring project and proceeding downward until the available budget for the call is exhausted or until the rule of 90% of projects applies if the budget is not fully used. The award of the grant remains subject to a favorable opinion of the State Aid Commission.

Timeline Call for R&D projects – Future Industry and Mobility:



The deadline for the submission of project proposals is on the 31st of July 2026. With decisions planned to be communicated in November 2026, the projects are expected to start in late 2026 or early 2027 but no later than 31 March 2027.

It is recommended that, prior to filling out the application templates, applicant companies contact Luxinnovation via aides@luxinnovation.lu to get support with regard to the eligibility check, including, but not limited to, financial viability and co-financing capacity.

Call-specific questions can be addressed to appel.rdi@eco.etat.lu.

References:

[1] Law of 6 June 2025 on the promotion of research, development and innovation