

## GRW-G Growth programme for small enterprises

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ILB's growth programme for small enterprises is designed to support investment projects in the commercial sector.

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### Aim of the programme

The aim of the programme is to strengthen the competitiveness and flexibility of Brandenburg's economy. The programme is designed to create and secure jobs in the federal state of Brandenburg.

Support is available for investment projects by companies with supraregional customers.

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### Aim of the programme

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### Individuals and organizations eligible for subsidy

#### Who is eligible for support?

ILB's growth programme for small enterprises supports businesses in the commercial sector, including tourism, on condition that they fulfil the primary effect and are not excluded from support because they belong to an industry that is not eligible. A company fulfils the requirements for the primary effect if supraregional business regularly accounts for more than 50 percent of the facility's turnover. Support under the programme for small enterprises is available for:

- Business start-ups
- Tourism
- Production companies
- Service companies
- Craft companies

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### Target group

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### Items eligible for support and subsidy

#### What is supported?

Support under the programme is available for the following projects:

- Establishment of facilities

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### Support

## GRW-G Growth programme for small enterprises

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- expansion of the capacities of a business or branch (expansion),
- acquisition of a business or branch that has been closed down or is threatened by closure if this takes place under market conditions and by an independent investor.
- Diversification of a business or branch (new additional products), fundamental change in the overall production process of a business or branch.

Expenditure eligible for support must total at least €60,000 and no more than €2.0m for a project to qualify.

Support for projects in the tourism sector is available for health tourism projects in state-recognized spa and recreation towns as well as for bicycle and water tourism as well as projects designed to develop innovative tourism projects or to supplement existing projects in this field.

Support for relocation investments from Berlin to Brandenburg is only available in exceptional cases subject to approval of the relevant economic administration authorities.

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### Support and subsidy procedure

Financing

#### **What kind of promotional funds are available?**

A pro-rata grant is available for expenditure eligible for support. Applicants can choose between real-capital and wage-cost related grants.

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### What are the terms and conditions for support?

#### **Maximum support rates**

Support is available up to a maximum share of 30 percent. A 10 percent mark-up can be granted in the districts of Spree-Neiße, Märkisch-Oderland, Oder-Spree, Uckermark and Barnim as well as the cities of Frankfurt (Oder) and Cottbus.

Other grants are counted towards the support rate.

### Other important information

#### **Other important information**

The project can commence on the date of submitting the application (receipt of the application letter). The applicant bears the risks.

## GRW-G Growth programme for small enterprises

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Grants are generally secured by a guarantee issued by a shareholder, bank or third party for shareholder shareholdings of 25 percent or more in the company's share capital or 25 percent of voting rights corresponding to the percentage share.

If the number of existing, permanent jobs is not increased by at least 10 percent, support is only granted if the annual average of the investment sum is at least 50 percent higher than average depreciation and amortization for the past three years.

These requirements are deemed to be met if a new facility is established and in the case of acquisitions. Furthermore, the eligible costs for supporting investment for

- diversifying production at an existing facility must be posted at least 200 percent above the assets re-used.

The project must start within 6 months after the approval notice has become final and binding. The investment period totals 36 months max. The facility supported must continue to operate for at least five years after the investment period has ended.

The characteristics of assets and permanent jobs supported must remain unchanged for at least five years after completion of the investment project.

The characteristics of hotels, B&Bs, holiday homes as well as campsites must remain unchanged for 10 years.

Support is cut by 50 percent if temporary workers account for more than 10 percent of the facility's workforce. Enterprises where more than 30 percent of workers at the facility are temporary workers do not qualify for support.

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### Description of the application procedure

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### Application procedure

#### How to apply?

Applications must be submitted to ILB. Application documents can be downloaded from ILB's homepage. Overall financing of the project must be generally confirmed in the application by the applicant's bank.

The budget, factual and legal situation at the time of approval is relevant for support and the amount granted.

### Period of availability

#### Term of validity

## GRW-G Growth programme for small enterprises

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The Directive came into effect on 01 January 2018 and will terminate on 31 December 2020.

### Need information?

If you have any questions, please call ILB's customer service staff at 0331 660-2211 (info line for business and infrastructure).

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<b>Recipients</b>	Enterprises in Brandenburg
<b>Subsidy subjects</b>	Investment by commercial enterprises
<b>Subsidy types</b>	Guarantee, allowance
<b>Subsidy providers</b>	Federal state of Brandenburg, state of Brandenburg, Directive by the Ministry for Economic and European Affairs concerning the promotion of the commercial sector within the scope of the "Improvement of Regional Economic Structure" common task – GRW-(GRW-G) – growth programme for small enterprises – Small Directive of 15 December 2017 , German Federal Government, federal state of Brandenburg

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