Economic Support in the Corona Crisis from the State of Baden-Württemberg
Dear Reader,

The impact of the coronavirus pandemic has struck our economy with full force. The extent and scope of the recession we are dealing with demands a long-term strategy to get our economy going again and to preserve the healthy economic structure of our state. Right from the start of the crisis, the government of the state of Baden-Württemberg took action and was one of the first federal states of Germany to introduce the Corona Emergency Aid programme. In a very short period of time, we had adapted established subsidy programmes to the changed needs and had launched additional aid programmes. We are doing this to provide effective support for the businesses in our state and ensure that the right help is available to safeguard liquidity and preserve jobs. This brochure provides a brief overview of the range of funding and the support we offer.

In addition to the programmes of our state, the Federal Government of Germany has also decided on a set of measures to help businesses. You will find a summary of their programmes on the website www.bmwi.de

All the best and stay healthy!

Dr. Nicole Hoffmeister-Kraut, MdL
Minister for Economic Affairs, Labour and Housing of the state of Baden-Württemberg
Financial Subsidies
Supplementary support by the state of Baden-Württemberg in addition to the interim aid from the Federal Government – fictive management salaries
The interim aid programme of the German Federal Government has explicitly excluded the payment of entrepreneurs’ salaries from costs eligible for federal funding. However, many self-employed people, freelancers, owners of individual businesses and partners working in their own businesses need support to maintain the existence of their business. They can therefore receive a supplementary grant from the state of Baden-Württemberg in the form of a fictive entrepreneur’s salary. If they meet the requirements for interim aid, they can receive a grant of up to 1180 Euros per month for a maximum of three months for the period June to August 2020.

Support for Fairground Entertainers and the Events Sector
On 28 July, the government of the state of Baden-Württemberg decided to launch a Corona Repayment Support programme for the fairground and amusement parks sector, the events industry and the taxi sector in the form of a repayment bonus. The Corona Repayment Support consists of a one-off bonus of eighty percent of half of the applicant company’s annual repayment installment for 2020. Repayment instalments for 2020 based on standard amortisation schedules are eligible for support, starting from the date of authorisation of the loan. The maximum available grant with a repayment bonus is 150,000 Euros per applicant.

Coach Tourism Aid
Coach tourism companies which are experiencing liquidity problems because of the coronavirus crisis can receive support to bridge existing liquidity shortages. The maximum grant is 16,730 Euros per touring coach.

Further Training Financing
Companies which sign up their employees for additional training with qualifications to avoid placing them on short-time working hours or plan courses for employees to upgrade their skills by training them in new operating and digitisation processes can apply for three to five-year low-interest loans to finance such measures from the Further Training Financing 4.0 programme, provided as a lump sum (usually 20,000 Euros per employee signed up for further training).

Innovation Financing 4.0
Small and medium-sized companies and larger medium-sized businesses can choose from among the four funding modules ‘Innovative Projects’, ‘Digitisation Projects’, ‘Innovative Business Models’ and ‘Innovative Companies’ of the Innovation Financing 4.0 programme. Loans range from 10,000 to 5 million Euros and can be as high as 25 million Euros for larger businesses.

Detailed information on the supplementary grant from the state of Baden-Württemberg in the context of the interim aid is available at: www.wm.baden-wuerttemberg.de/ueberbrueckungshilfe-corona/

Further Training Financing
www.l-bank.de/wbf
Further information:
www.l-bank.de/inno
www.l-bank.de/wbf
All subsidised loans from L-Bank can be accompanied by combined guarantees from Bürgschaftsbank.

Further information:
www.wm.baden-wuerttemberg.de/krisenberatung-corona/

Further information:
www.wm.baden-wuerttemberg.de/stabilisierungshilfe-hoga

Further information:
www.l-bank.de/liquiditaet
www.l-bank.de/liquiditaetskredit
Further information:
www.l-bank.de/gf
www.l-bank.de/wf
All subsidised loans from L-Bank can be accompanied by combined guarantees from Bürgschaftsbank.
To do this, the state of Baden-Württemberg will provide companies with up to ten employees with immediate guarantees, ensuring their continuity beyond the end of the current crisis. The aim is to strengthen their equity capital to improve their credit-worthiness and ensure that they will continue to exist beyond the current crisis.

The state of Baden-Württemberg is supporting this by providing a countersecurity. Companies with more than ten employees can also use the portal – but without the option of a guarantee of up to 100 percent, as they can access the KfW Fast-track Loan programme.

### Other Funding Instruments

**Start-up BW Pre-Seed and Pro-Tect**

Start-up BW Pre-Seed is an expansion of the funding programme for start-up companies hit by the coronavirus crisis. Start-up BW Pre-Seed helps to get start-up companies ready for their first round of financing. Start-up BW Pro-Tect now makes it possible for start-ups which have already successfully completed their first round of financing to apply for a repayable subsidy in the form of a convertible loan which can cover capital needs of up to 250,000 Euros. Start-up BW Pro-Tect is an expansion of the funding programme for their first round of financing to apply for a repayable subsidy in the form of a convertible loan which can cover capital needs of up to 250,000 Euros.

**Guarantees**

Immediate guarantees for companies with up to ten employees

If the assessment is positive, self-employed persons, freelancers and small businesses of up to ten employees can receive an electronic advance confirmation of a guarantee covering up to 90 percent of a loan of up to 250,000 Euros using the portal "ermöglicher.de" of Bürgschaftsbank Baden-Württemberg. This advance confirmation is sent directly to the credit institution chosen by the applicant. To ensure that the respective credit institution is prepared to provide the financing, the guarantee may be increased to 100 percent. The aim is to provide direct first-time non-bank-related online access for applications from companies without a main bank, including hardship cases. The state of Baden-Württemberg is supporting this by providing a countersecurity. Companies with more than ten employees can also use the portal – but without the option of a guarantee of up to 100 percent, as they can access the KfW Fast-track Loan programme.

### Other programmes of Bürgschaftsbank and L-Bank

If a company’s main bank is unable to provide an affected company with a bridging loan because of a lack of collateral, then – depending on the amount of the loan – Bürgschaftsbank or L-Bank may assume up to 90 percent of the risk. Bürgschaftsbank Baden-Württemberg provides guarantees of up to 2.5 million Euros, L-Bank is responsible for guarantees over 2.5 million up to a maximum of 20 million Euros and additionally handles guarantees of over 20 million Euros backed by the state of Baden-Württemberg.

### Other Funding Instruments

**Baden-Württemberg Investment Fund**

The investment fund is specifically aimed at companies located in Baden-Württemberg which have between 50 and 250 employees and are particularly important for the economy of Baden-Württemberg. The aim is to strengthen their equity capital to improve their credit-worthiness and ensure that they will continue to exist beyond the end of the current crisis.

To do this, the state of Baden-Württemberg will provide companies with equity capital for a limited period of time or use equity-type financial instruments. Applicants to the investment fund must have an annual turnover of not more than 50 million Euros or a balance sheet total of not more than 45 million Euros in the last completed financial year.

**Mezzanine**

The range of instruments provided by the Mezzanine Participation Programme for Baden-Württemberg ranges from mezzanine forms of financing such as convertible loans, subordinated loans, silent partnerships to direct investments in selected cases. The Mezzanine Participation Programme will be implemented in co-operation with the German Federal Government. The state of Baden-Württemberg will be providing 50 million Euros. This should generate financing of up to 250 million Euros. L-Bank will allocate the funds to accredited financial intermediaries which will pass them on to businesses in the form of convertible loans, subordinated loans, silent partnerships and even direct investments in selected cases. The Federal Government will bear 70 percent, the state of Baden-Württemberg will bear 20 percent and the remaining 10 percent will be borne by the intermediary financing company which implemented the investment or financial transaction. The programme funds will be available at attractive and favourable market conditions but not in the form of subsidies. When the companies recover over the longer term, the expectation is that they will repay the state and government funding.

**Further information:**

www.wm.baden-wuerttemberg.de/mezzanine

**Service innovation and Digitisation – Smart Services Competence Centre**

Small and medium-sized companies can use the services of the Smart Services competence centre to lessen the impact of the crisis through digitisation measures. The focus is on the development of new business models, the development of new digital services, the use of service platforms and digital support for business procedures. The free services range from webinars, information events and workshops, smart services and individual consultations to the brokering of contacts to suitable partners with which to carry out planned measures.

**Further information:**

www.smart-service-bw.de

**Shared Apprentice – Shared Training**

Businesses on short-time working who allow their apprentices to train for at least four weeks in a partner company will receive an immediate subsidy of 1000 Euros.

**Further information:**

www.wm.baden-wuerttemberg.de/azubi-im-verbund

**Apprentice Transfers – Continued Training**

Businesses which take on apprentices after the insolvency or unforeseeable closure of the previous company providing training will receive a payment of 1200 Euros for every apprentice they take on from other companies.

**Further information:**

www.wm.baden-wuerttemberg.de/azubi-transfer

Further information:

www.wm.baden-wuerttemberg.de/start-up-bw

www.wm.baden-wuerttemberg.de/servicewoche

www.wm.baden-wuerttemberg.de/corona

www.wm.baden-wuerttemberg.de/sofortbuergschaften

www.wm.baden-wuerttemberg.de/azubi-transfer

www.buergschaftsbank.de/hilfsueberweisungen

www.l-bank.de/corona

www.smart-service-bw.de

www.wm.baden-wuerttemberg.de/azubi-im-verbund

www.wm.baden-wuerttemberg.de/servicewoche

www.wm.baden-wuerttemberg.de/start-up-bw

www.wm.baden-wuerttemberg.de/corona

www.wm.baden-wuerttemberg.de/sofortbuergschaften
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