



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



Baden-Württemberg

MINISTRY OF ECONOMIC AFFAIRS, LABOUR AND HOUSING



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Dear Reader,

The impact of the coronavirus pandemic has hit 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 preserve the healthy economic structure of our state.

Recent developments have shown that the stabilisation measures we put in place are taking effect and that the economy of Baden-Württemberg is gradually recovering from the shock of the coronavirus. At a federal and state level, everyone involved is continuing to work flat out to develop further measures and concepts which will help to steer our economy through the crisis as best we can – and which will help all sectors. This brochure provides you with an overview of the portfolio of aid schemes available to companies and self-employed persons in Baden-Württemberg.

In addition to the programmes launched by our state, the Federal Government of Germany has also adopted a package of measures to help businesses. For a summary of their programmes, please refer to 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



Crisis Consultation Services

The Corona Crisis Consultation Services support small and medium-sized businesses and self-employed individuals and professionals by helping them to take stock of their current situation, map their liquidity needs, and develop and implement a series of measures to deal with the crisis. Up to four days of free consultations are available per case. Businesses only have to pay the VAT. Companies wishing to make use of the crisis consultation services should contact any one of the four sector-specific advisory services: RKW Baden-Württemberg,

Beratungs- und Wirtschaftsförderungsgesellschaft für Handwerk und Mittelstand (BWHM), DEHOGA Beratung, and Unternehmensberatung Handel directly.

→ Further information:

www.wm.baden-wuerttemberg.de/krisenberatung-corona/

Financial Subsidies

Additional support by the state of Baden-Württemberg to supplement the Federal interim aid – fictive entrepreneurs' salaries

The interim coronavirus aid programme of the German Federal Government has been extended beyond August 2020. The second phase of the interim aid programme covers the period from October to December 2020. In both phases, the federal programme explicitly excludes the payment of entrepreneurs' salaries from any costs eligible for federal funding. However, many self-employed people, freelancers, owners of individual businesses, and partners working in their own businesses need this support to secure the continued existence of their business. In the context of the interim aid programme they can apply for a supplementary grant from the state of Baden-Württemberg, which is provided 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.

→ Detailed information on the additional support provided by the state of Baden-Württemberg in the context of the Federal interim aid is available at:
www.wm.baden-wuerttemberg.de/ueberbrueckungshilfe-corona/

Stabilisation Support for Hotels and Restaurants

The stabilisation support programme provides support to businesses from the hotels and hospitality sector whose continued existence is under threat due to the coronavirus pandemic.

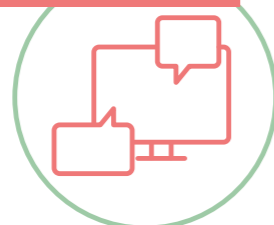
Depending on the percentage of turnover derived from the hotel and/or catering trade, eligible businesses can receive a grant of

- 3000 Euros or 2000 Euros per business, as well as
- 2000 Euros or 1000 Euros for every employee (equivalent full-time work hours).

The grant must not exceed the amount of the liquidity shortfall.

→ Further information:

www.wm.baden-wuerttemberg.de/stabilisierungshilfe-hoga



Stabilisation Support for Coach Tourism in 2020

Coach tourism companies experiencing liquidity problems because of the coronavirus crisis may receive a grant to bridge their existing shortfall in liquidity. The maximum grant is 18,750 Euros per coach.

→ Further information:

www.l-bank.de/Bustouristik

Corona Repayment Support for Fairground Entertainers, the Events Sector and the Taxi Trade

The Corona repayment support programme launched by the government of Baden-Württemberg for the fairground and amusement parks trade, the events sector, and the taxi and rental car industry supports these sectors, which have been particularly hard hit by the coronavirus crisis, by directly subsidising loan repayment instalments. The Corona repayment support consists of a one-off subsidy amounting to 80 percent of half of the applicant company's total annual loan repayment for 2020. Starting from the date when the loan was approved, loan repayment instalments due in 2020 under standard repayment schedules are eligible for support. The maximum available instalment repayment grant is 150,000 Euros per applicant. The repayment support programme can be combined with the interim aid provided by the German Federal Government and the supplementary grant in the form of a fictive entrepreneur's salary given by the state of Baden-Württemberg.

→ Further information:

wm.baden-wuerttemberg.de/corona-tilgungszuschluss/



Liquidity Support

Liquidity Loan Plus and Liquidity Loan

These liquidity loans are available to small and medium-sized commercial businesses and self-employed professionals (usually up to 500 employees) to cover their liquidity needs, and consist of standard-type loans of up to 5 million Euros; the term of the loan can range from four to ten years. The Liquidity Loan Plus additionally includes a repayment bonus which currently amounts to 10 percent of the loan amount as long as it does not exceed 300,000 Euros. To be eligible to apply for the Liquidity Loan Plus, the company must (among other things) have a viable business model and show a predicted crisis-related decrease in turnover of 15 percent in 2020.

→ Further information:

www.l-bank.de/liquiditaet

Start-up Financing/Growth Financing

Working capital grants available in the context of start-up or growth financing may be used as an alternative to a liquidity loan; however, these grants are only available for a standard 5-year term and do not offer the option of early repayment without incurring additional charges.

→ Further information:

www.l-bank.de/gf and www.l-bank.de/wf

Further Training Financing

Companies who sign up their employees for additional qualification training courses or plan courses to allow their employees to upgrade their skills by offering training in new operating or digitisation processes to avoid having to place them on short-time working hours can apply for a three to five-year low-interest loan to finance these measures from the Further Training Financing 4.0 programme. The loan is provided in the form of a flat-rate sum (usually 20,000 Euros per employee receiving further training).

→ Further information:

www.l-bank.de/wbf

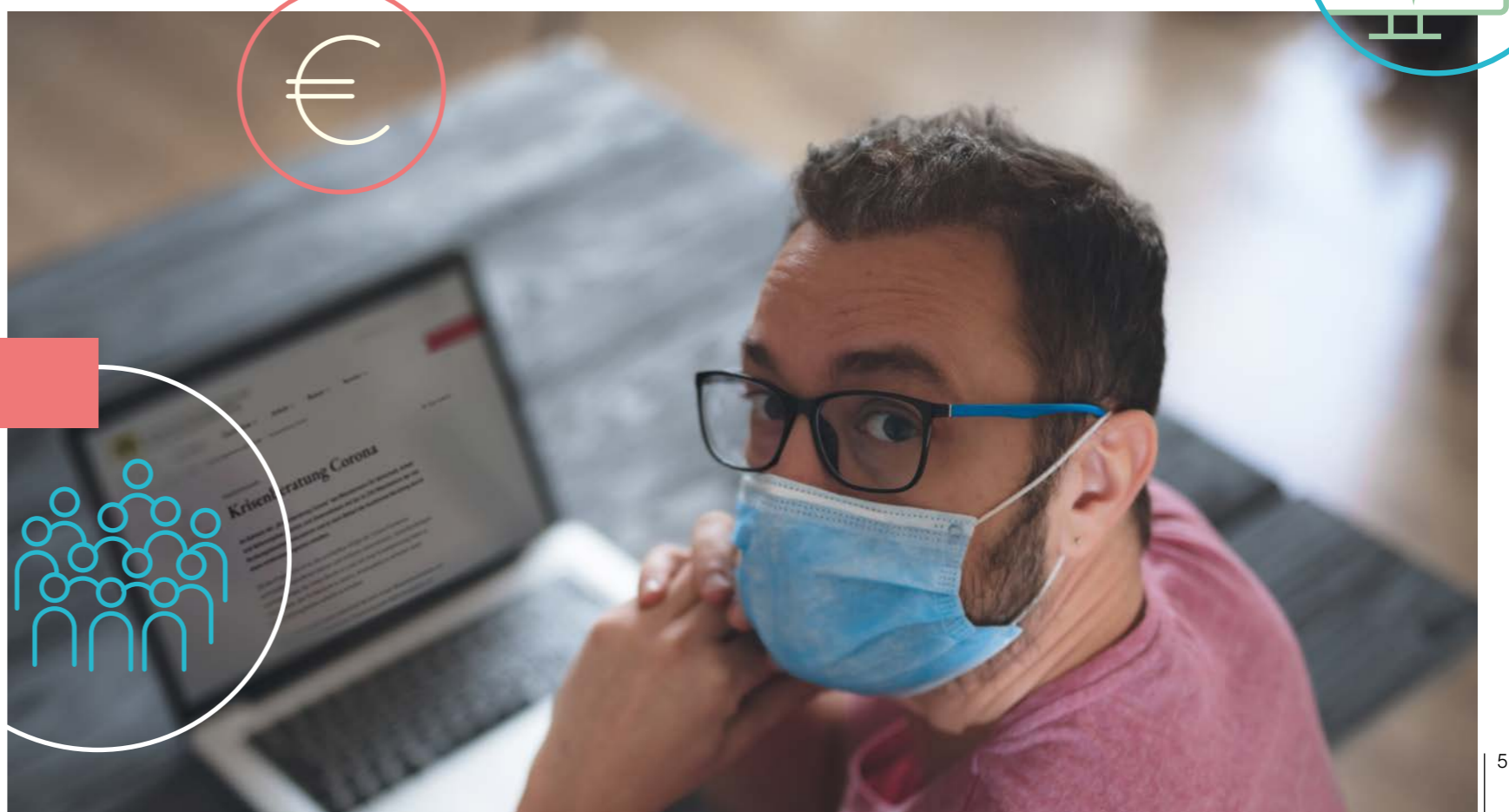
Innovation Financing 4.0

Small and medium-sized businesses 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 large companies.

→ Further information:

www.l-bank.de/inno

→ All subsidised loans from L-Bank can be combined with the combined guarantees of Bürgschaftsbank.

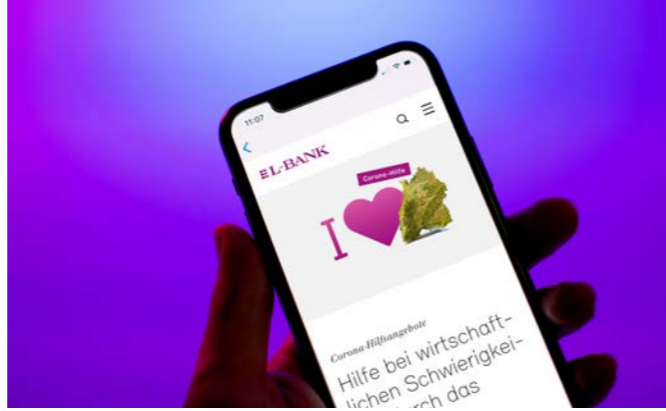


Guarantees

Immediate guarantees for businesses with up to ten employees

Following a positive assessment, self-employed persons, freelancers, and small businesses with up to ten employees can obtain an electronic advance confirmation of a guarantee covering 90 percent of a loan of up to 250,000 Euros using the portal "ermoeglicher.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 willing to provide the loan, the guarantee may be increased to 100 percent. This aims to provide direct, first-time, non-bank-related, online access for applications from businesses 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 will not have the option of obtaining a 100 percent guarantee, as they can access the KfW Fast-track Loans programme.

→ Further information:
www.wm.baden-wuerttemberg.de/sofortbuergschaften



Other Bürgschaftsbank and L-Bank programmes

If a company's main bank is not able to provide the company with a bridging loan because of a lack of collateral, then – depending on the amount of the guarantee – 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 of between 2.5 and 20 million Euros and additionally handles guarantees backed by the state of Baden-Württemberg of up to 20 million Euros.

→ Further information:
www.buergschaftsbank.de/hilfspaket-corona-krise
and www.l-bank.de/corona

Other Funding Instruments

Start-up BW Pre-Seed and Pro-Tect

Start-up BW Pro-Tect is an expansion of the Start-up BW Pre-Seed funding programme and supports start-up companies affected 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 allows start-up companies which have already successfully completed their first round of financing to apply for a repayable subsidy in the form of a convertible loan to cover capital needs, usually up to 200,000 Euros, and bridge a shortfall in liquidity until the next round of financing. Up to 80 percent of the funding is provided by the state of Baden-Württemberg, while 20 percent must be raised from private co-investors.

→ Further information:
www.startupbw.de/pre-seed
www.startupbw.de/pro-tect

Baden-Württemberg Investment Fund

This investment fund is specifically aimed at companies in Baden-Württemberg with between 50 and 250 employees which are considered especially important for the economy of Baden-Württemberg. The aim is to strengthen their equity capital to make them creditworthy and ensure they will continue to exist beyond the end of the current crisis. To do so, the state of Baden-Württemberg provides companies with equity capital for a limited period of time or uses

equity-type financial instruments. Companies eligible to apply 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 43 million Euros in their last completed financial year.

→ Further information:
www.wm.baden-wuerttemberg.de/beteiligungsfonds

Mezzanine

The financing instruments provided by the Mezzanine Participation programme for Baden-Württemberg range from mezzanine forms of financing such as convertible loans, subordinated loans, and silent partnerships to direct investments in selected cases. The Mezzanine Participation programme is carried out in cooperation with the German Federal Government. The state of Baden-Württemberg provides 50 million Euros in total. This is then used to generate financing of up to 250 million Euros. L-Bank allocates the funds to accredited financial intermediaries who pass on the funds to companies in the form of convertible loans, subordinated loans, silent partnerships, or even direct investments in special cases. 70 percent of the costs are borne by the German Federal Government, 20 percent by the government of Baden-Württemberg, and 10 percent must be provided by the finance company acting as the intermediary which is handling the investment or financing arrangement. The programme funds are

available at attractive and favourable market conditions, but they are not subsidies. Once a company has recovered over the longer term, the expectation is that it will repay the state funding it was given.

→ Further information:
www.l-bank.de/produkte/wirtschaftsfoerderung/mezzanine-beteiligungsprogramm-bw.html

Digitising and Innovating Services – the Smart Services Competence Centre

Small and medium-sized businesses can use the services provided by the Smart Services competence centre to mitigate some of the impact of the crisis by carrying out digitisation processes. The focus is on creating new business models, developing new digital services, using service platforms, and providing digital support for business processes. The free services range from webinars, information events and workshops about smart services to individual consultations and the brokering of contacts to suitable partners who will help implement planned measures.

→ Further information:
www.smart-service-bw.de

Shared Apprenticeship – Shared Training

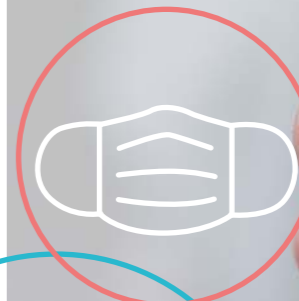
Businesses obliged to impose short-time work on their workforce but which allow their apprentices to train in a partner company for at least four weeks will currently receive a grant of 1000 Euros.

→ Further information:
www.wm.baden-wuerttemberg.de/azubi-im-verbund

Apprentice Transfers – Continued Training

Companies which take on apprentices after the insolvency or unforeseeable closure of the company which was previously training them will receive a bonus of 1200 Euros for every apprentice they take on.

→ Further information:
www.wm.baden-wuerttemberg.de/azubi-transfer



Legal notice

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