

# STUDY ON FUNDINGS FOR THE RETAIL SECTOR

## PUBLIC MATTERS X CONCILIUM

15th March 2024



# FUNDING SCAN



Public Matters and CONCILIUS agreed to conduct a small study to determine how the German retail sector is supported by the state governments or the federal government. A particular focus should also be on the federal state of North Rhine-Westphalia.

In the course of the research, particular attention should be paid to the topics of sustainability, digitalisation and skills and talent.

CONCILIUS monitored several funding programmes and was able to identify a number of suitable programmes. These were ultimately subdivided into "open" and "closed funding programmes" and summarised according to a number of points.

CONCILIUS mainly focussed on briefly describing the reason for the funding, the type and amount of funding, as well as the application process and the chances of success. At the end of the study, a brief analysis of the research results was carried out.

The purpose of the study is to provide Public Matters with a general overview of the funding landscape in Germany with regard to the retail sector.

# Open funding programmes



HESSE



## Funding for smart municipalities and regions in the Strong Homeland Hesse programme

Type of support: Grant

Eligible for funding: Municipalities

**Amount of funding:** The amount of the grant is 90 per cent of the eligible costs. The grant is available for up to 2 years between EUR 100,000 and EUR 2.5 million.

**Application procedure:** The funding procedure is a two-stage process. In the first phase, a project outline must be sent by email to [smartekommunen@hessen-agentur.de](mailto:smartekommunen@hessen-agentur.de). Once the project outline has been reviewed, it can be revised again and then submitted. If the project outline is assessed favourably, you will be asked to submit a formal funding application in the 2nd stage. The application must be submitted online via the application portal.

**Reason for funding?:** The state of Hessen supports municipalities, independent cities and districts with digitalisation projects. Among other things, funding is available in the area of smart business. This can include digital concepts for stationary retail.

**Chances of success:** No data available

**Application period / further calls for funding:** The directive has been in force since the beginning of 2021 and is due to expire on the 31st December 2025. Whether the funding programme will then be relaunched is questionable.

Further details: <https://www.smarte-region-hessen.de/>

# SAARLAND



## Future concept for retail in Saarland 2030

*State-wide funding program for municipalities to strengthen Saarland's retail trade in city centers, district centers and town centers*

Type of support: Grant

Eligible for funding: Municipalities

**Amount of funding:** The amount of the grant is up to 90 percent of your eligible expenditure, up to a maximum of EUR 100,000 in the basic centers and EUR 200,000 in the medium-sized centers and the regional center.

**Application procedure:** The application must be sent in writing and electronically to the Saarland Ministry of Economic Affairs, Innovation, Digital and Energy, Retail and City Centre Development Unit. Applications can be submitted in the years 2023 to 2026 as part of an annual call for projects.

**Reason for funding?:** Saarland would like to support local authorities in measures to strengthen the retail trade and revitalise city centers, district centers and town centers. Among other things, retail-related digitalisation strategies are also supported.

**Chances of success:** No data available

**Application period / further calls for funding:** The funding guideline came into force on 1st August 2023 and will expire at the end of 2028. An extension of the programme is uncertain.

Further details:

<https://www.foerderdatenbank.de/FDB/Content/DE/Foerderprogramm/Land/Saarland/zukunftskonzept-handel.html>

# Closed funding programmes





## Sustainable inner cities and town centers in North Rhine-Westphalia *Programs and initiatives to strengthen contemporary center development* *Application deadline was June 15, 2023*

**Type of support:** Not exactly known. Presumably a grant to the municipalities.

**Eligible for funding:** Authorities, companies and associations

**Amount of funding:** The application volume totalled 54 million euros. A breakdown of the funding by municipality is not known.

**Application procedure:** Project applications are submitted to the district government responsible for the applying authority. The application deadline expired on 15th June 2023. The approval and implementation period of the state programme runs until the 31st December 2026.

**Reason for funding?:** The object of the subsidy is the leasing of vacant shop premises and their re-letting at a reduced rent for a period of two years as well as (additionally) the refurbishment of the shop premises for the new utilisation. The aim of the state of North Rhine-Westphalia is to enable cities and municipalities with vacant or potentially vacant large-scale retail properties to fulfil their role as strong advocates for city centres and town centres on an equal footing and with clear objectives and/or to facilitate the interim acquisition of these buildings.

**Chances of success:** Around 240 applications were received in 2023. More than half were approved.

**Further calls for funding:** The specific promotion of city centers has been running in North Rhine-Westphalia for several years now. It can be assumed that this will be extended in some way.

Further details:

<https://www.mhkbd.nrw/themenportal/zukunft-innenstadt-nordrhein-westfalen>

[Program approvals in funding year 2023 \(German\)](#)



## Digital retailing

*Thinking digital and over-the-counter retail together*

*Application deadline was June 30, 2022*

Type of support: Grant

Eligible for funding: Small companies from the retail sector based in North Rhine-Westphalia

**Amount of funding:** The maximum funding amount is 2,000 euros per applicant retailer. It is granted as a non-repayable grant of up to 100 per cent. Entrepreneurs who invest no more than 2,000 euros are therefore reimbursed the total costs by the state. Expenditure exceeding this amount must be covered by the retailer himself. Anyone who invests less than 500 euros falls below the minimum investment amount and is unfortunately left empty-handed. A total of 21 million euros was available.

**Application procedure:** Applications must be submitted digitally. It takes around six weeks to process the application. If the application is successful, the applicant will receive an approval notice stating the amount of funding and the exact approval period. If the application is rejected, the reason for this will be stated in the rejection notice. A second attempt can be made in the next round of applications.

**Reason for funding?:** The aim of the state government is for North Rhine-Westphalia to consistently exploit the opportunities offered by digitalisation. The aim is to further strengthen stationary retail in the face of increasing competition, particularly from online retail. The Digital Retail NRW programme supports measures that improve the online presence and internet-driven stationary sales. This includes in particular: the purchase of software licences and online tools, hardware to improve customer interaction, training, etc.

**Chances of success:** No data available

**Further calls for funding:** The Ministry of Economic Affairs, Innovation, Digitalisation and Energy of the State of North Rhine-Westphalia launched the funding programme in November 2021. As the need for support for retailers remains very high, the state government is once again planning to launch a special programme to support stationary retailers in NRW in order to further develop digitalisation approaches. This can be done, for example, by purchasing the necessary hardware and software or through suitable further training measures in the area of e-commerce and social media.

Further details: [https://www.ptj.de/forschungsfoerderung/digitaler-einzelhandel\\_2021](https://www.ptj.de/forschungsfoerderung/digitaler-einzelhandel_2021)





## Future Retail 2030

*Application deadline was August 30, 2023*

Type of support: Grant

**Eligible for funding:** Legal entities under public or private law as well as partnerships with (partial) legal capacity, e.g. consulting organizations of associations and consulting companies, are eligible to apply. Federal and state authorities are excluded from funding. The formation of consortia is conceivable but must be justified in the application.

**Amount of funding:** The grant is awarded as partial funding in the form of a subsidy (project funding). The grant amounts to 70% of the eligible expenditure. Direct gross personnel expenses including social security contributions and other employer contributions or fee expenses for project staff as well as a flat-rate overhead allowance on direct personnel costs are eligible for funding within the scope of the project. For intensive counselling, the own contributions for the retail companies should be set at a moderate level. Other expenses are not eligible for funding.

**Application procedure:** The application deadline was August 30, 2023.

**Reason for funding?:** The intensive consulting is intended to support small and medium-sized companies in the stationary retail sector in getting fit for the future and digital transformation, repositioning themselves strategically and competitively, countering the increasing shortage of skilled workers and labour with suitable strategies and operating more sustainably.

**Chances of success:** No data available

**Further calls for funding:** A further €1.27 million in funding is now available for the current funding period. For budgetary reasons, the funding is limited until the end of December 2024. The current programme is already an extended version with improved conditions. It is quite possible that there will also be a successor programme from 2025.

Further details: <https://wm.baden-wuerttemberg.de/de/service/foerderprogramme-und-aufrufe/liste-foerderprogramme/intensivberatung-zukunft-handel-2030>

# BADEN-WUERTTEMBERG



## City center consultant

*Application deadline was September 15, 2023*

Type of support: Grant

**Eligible for funding:** Chambers of industry and commerce, trade organisations, regional associations, economic development agencies sponsored by regional associations and, as part of consortia, districts or economic development agencies sponsored by districts. Consultancy firms with relevant expertise are also eligible to apply.

**Amount of funding:** Funding is provided for the personnel costs of the sponsors for the position of city centre consultant with a funding rate of 80 percent up to a maximum amount of 68,000 euros per year as well as the personnel costs for half an assistant position for the city centre consultant at the sponsors up to a maximum amount of 24,000 euros per year. In addition, the sponsors receive up to 15,000 euros per year for material costs.

**Application procedure:** An application concept, evaluation concept, as well as the applicant's project management and performance will be included in the application. The selection and funding decision is the responsibility of the relevant Ministry of Economic Affairs.

**Reason for funding?:** The Ministry of Economic Affairs supports city centre consultants who develop viable future concepts together with local city centre stakeholders. They are intended to provide local support to strengthen and secure the retail sector and the vitality and attractiveness of city centres and town centres..

**Chances of success:** No data available

**Further calls for funding:** As the deadline for submitting applications has only recently expired, it is not yet clear whether there will be a follow-up programme.

**Further details:** <https://wm.baden-wuerttemberg.de/de/service/foerderprogramme-und-aufrufe/liste-foerderprogramme/innenstadtberater>

# BAVARIA



## Bavaria as a digital shopping city

*Application deadline has been reached*

Type of support: Grant

Eligible for funding: Municipalities

Amount of funding: The maximum grant is 60,000 euros.

Application procedure: The application deadline for participation in the funding programme has been reached. No information about the specific application process.

Reason for funding?: Retailers and local authorities in Bavaria are to be supported in the modernisation of stationary retail and city centres. Innovative projects that can also serve as a model for others and the further development of existing instruments are required in order to be able to use digitalisation as an opportunity.

Chances of success: No data available

Further calls for funding: The Bavarian funding programme already existed in 2015, 2018 and 2020. The next project start could be expected in 2025.

Further details: <https://www.stmwi.bayern.de/wirtschaft/mittelstand/digitale-einkaufsstadt/>



## Model project "City centre impulses"

*Application deadline was June 30, 2023*

Type of support: Grant.

Eligible for funding: Municipalities.

**Amount of funding:** The funding in the pilot project is granted for the year 2023. The maximum funding amount is generally limited to a maximum of 250,000 euros per funding application. Minimum funding amount of 50,000 euros per application. The grant can generally amount to 90 per cent of the eligible costs. The grant recipient bears at least 10 per cent of the eligible costs.

**Application procedure:** Pre-prepared application forms must be completed. The application must include the initial situation, strategic objectives, planned measures, cooperation and exemplary nature. The granting authority is the Ministry of the Interior and Sport.

**Reason for funding?:** A key objective of the model project is to reposition the inner-city centres. The aim is to raise their profile as multifunctional, resilient and sustainable centres with a variety of uses to a much greater extent than is currently the case. The retail and gastronomy functions should be developed together and integrated with a strengthening of the centre as a place for living, culture, commerce, leisure and meeting. The aim must be to maintain and develop city centres, town centres and district centres as places to live and experience. Eligible projects include digitalisation strategies for the city centre.

**Chances of success:** No data available

**Further calls for funding:** It is not clear whether the pilot project will be relaunched after the approvals have been granted.

Further details:

[https://add.rlp.de/fileadmin/add/Abteilung\\_2/Referat\\_21b/Staedetbau/Staedtebau\\_-\\_Foerdergrundsaeetze\\_zum\\_Modellvorhaben\\_Innenstadt-Impulse\\_2023.pdf](https://add.rlp.de/fileadmin/add/Abteilung_2/Referat_21b/Staedetbau/Staedtebau_-_Foerdergrundsaeetze_zum_Modellvorhaben_Innenstadt-Impulse_2023.pdf)

# RESULTS

CONCILIUS was able to identify a total of two "open" and six "closed funding programmes". Two of these were from the federal state of North Rhine-Westphalia. As it became clear at the beginning of the research that the funding landscape for the retail sector in North Rhine-Westphalia was very limited, the search was extended to the entire federal territory, including federal programmes.

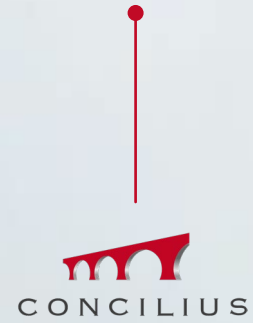
Unfortunately, the in-depth research revealed that even federal programmes are not really suitable. This is probably due to the fact that the establishment, maintenance and further development of the retail sector is in the responsibility of the federal states themselves. The federal government only supports the economy in general - rarely very specifically.

In the states of North Rhine-Westphalia, Baden-Wuerttemberg, Bavaria, Hesse, Saarland and Rhineland-Palatinate, a number of programmes were identified. These federal states tend to be located in the west and south of Germany. In these states, stationary retail still plays a large and important role and contributes to the respective prosperity of the country. In many cases, the programmes were created to mitigate the consequences of the coronavirus pandemic and at the same time take advantage of the opportunity to make the retail sector more competitive.

Despite this, it was generally not possible to assess the chances of success of the individual programmes. It is often only possible to see who has received funding, but not how many applications there have been. This means that no reliable assessment can be made.

To summarise, it can be said that the retail sector has received new attention as a result of the pandemic, especially in the western and southern German states. The focus of the programmes was often on competitive digitalisation in order to keep up with online retail. The focus is less often on sustainability and skills and talent.





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