Innovation Fund of the Republic of Serbia

Supporting companies to foster innovation
Innovation Fund is...

- Founded by the Law on innovation activity to provide financing for innovation
- Operational since 2011
- Working under the supervision of Government of Serbia and Ministry of Education, Science and Technological Development (MoESTD)
- Cooperating with international financial institutions, organizations, donors and the private sector
Innovation Fund’s projects

- IPA 2011 - total budget EUR 8.4M
  - Innovation Serbia Project

- IPA 2013 - total budget EUR 6.9M
  - Serbia Research, Innovation and Technology Transfer Project (2.5M EUR – IPA funds)
  - DIRECT GRANT for the Collaborative Grant Scheme (2.4M EUR IPA fund + 1M EUR MoESTD + 1M EUR private sector through co-financing)
Innovation Serbia Project

€8.4 million, financed by the EU through Instrument for Pre-Accession Assistance (IPA) funds and administered by the WB

- **C1:** Capacity building of the Innovation Fund
- **C2:** Piloting financial programs supporting enterprise innovation
- **C3:** Provision of technical assistance to selected Research and Development Institutions (RDI)
Innovation Serbia Project

**Mini Grants Program**

- Supports early-stage (POC, prototype) development of technological innovation projects in micro and small companies
- IF Co-financing up to 85%
- Projects up to 12 months
- Up to EUR 80,000 per project

**Matching Grants Program**

- Helping SMEs absorb risk in development of new innovative products/technologies/services and making them more attractive to strategic partners
- IF Co-financing up to 70%
- Projects up to 24 months
- Up to EUR 300,000 per project
Results:

- Established and implemented an independent international two-step project evaluation process

- Over 470 project proposals received throughout 4 application cycles (2012 – 2014.)

- EUR 6 million committed for financing of 41 Mini Grants (approximately EUR 3 million) and 11 Matching Grant (approximately EUR 3 million) projects, supporting innovative projects with global export potential in various areas and industries
Results:

- 20 companies have generated revenue from the sale or lease of their innovative products;
- 9 companies have established international cooperation;
- 2 companies have secured distributors for the US market;
- Companies have submitted
  - 13 Patent Cooperation Treaty (PCT) applications,
  - 4 EPO applications,
  - 5 US patent applications, along with patent applications in Australia, Euro-Asia and Japan.
  - 33 national level patent applications
  - 10 trademark applications
  - 6 applications for protecting the work of authorship
- 18 companies have established new business cooperation or partnerships
Impact

Revenue/Export of companies financed by the Innovation Fund

- Significant increase in revenue of financed companies (2011. – 2014.)
- Multiple export growth multiplier
- Number of employees increased from 156 to 432
- 42 PhDs engaged on the projects

Average number of employees in financed companies

<table>
<thead>
<tr>
<th>Year</th>
<th>2011 (0)</th>
<th>2012 (10)</th>
<th>2013 (39)</th>
<th>2014 (48)</th>
</tr>
</thead>
<tbody>
<tr>
<td>156</td>
<td>204</td>
<td>295</td>
<td>432</td>
<td></td>
</tr>
</tbody>
</table>

Revenue in mil EUR

<table>
<thead>
<tr>
<th>Year</th>
<th>2011 (0)</th>
<th>2012 (10)</th>
<th>2013 (39)</th>
<th>2014 (48)</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.21</td>
<td>7.67</td>
<td>8.97</td>
<td>10.09</td>
<td></td>
</tr>
</tbody>
</table>

Export in mil EUR

<table>
<thead>
<tr>
<th>Year</th>
<th>2011 (0)</th>
<th>2012 (10)</th>
<th>2013 (39)</th>
<th>2014 (48)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.59</td>
<td>1.32</td>
<td>1.90</td>
<td>3.10</td>
<td></td>
</tr>
</tbody>
</table>
Monitoring & Evaluations Findings

- The IF is a credible and transparent platform, accessible to many Serbian businesses, not just to a small group of entrepreneurs.
- Creates opportunities for tech-based entrepreneurs, i.e. innovative start-ups / spin-offs.
- High survival rate among supported firms:
  - Start ups: 36/38 – 94.7%
  - Other companies: 10/10 – 100%
  - Total: 46/48 – 95.8%
- **Growing collaboration between Academia and Industry**
- Clear, accessible, and effective programs
- Transparent and trustworthy evaluation process
- The IF staff ranks high in Professionalism / Willingness to help / Flexibility
Serbia Research, Innovation & Technology Transfer Project

Objective – institutionally connect R&D organizations and industry through joint development projects and re-orient academic R&D toward the needs of private sector

- C1: Technology Transfer Facility – IF implemented
- C2: Technical Assistance to the IF for the design of a Collaborative R&D Grant Scheme and an independent annual evaluation of Grant Scheme implementation - WB executed
- C3: Development of an R&D and innovation strategy – WB executed
Technology Transfer Facility

- Specialized unit set up at the Innovation Fund

- Building transactional expertise, including university TTOs through practice-oriented approach

- TTF Program
  - Eliciting invention disclosures from researchers
  - Evaluation (prior art, technology, markets, team)
  - Last mile R&D grants (patent attorneys, PoC, prototyping, external expertise, testing) ~ EUR 10,000 per project
  - Commercialization support
  - Legal support
  - Negotiation, contracting
Collaborative Grant Scheme Program

- New financial program
- Co-financing joint R&D projects between academic R&D and SMEs aiming to create new products, services and technologies
- 96 applications received
- Project proposals came from over 25 different cities and towns from across the entire territory of Serbia
- 14 awarded projects – December 2016
- Implementation by awardees - February 2017/2019
- All fields of science and technology
### Collaborative Grant Scheme Program

**Distribution of approved projects by sector/industry area**

<table>
<thead>
<tr>
<th>Sector/Industry Area</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food and agriculture</td>
<td>4</td>
<td>28.57%</td>
</tr>
<tr>
<td>Medical and therapeutical devices</td>
<td>1</td>
<td>7.14%</td>
</tr>
<tr>
<td>ICT (Information and Communication Technologies)</td>
<td>1</td>
<td>7.14%</td>
</tr>
<tr>
<td>Life sciences</td>
<td>2</td>
<td>14.29%</td>
</tr>
<tr>
<td>Environmental and climate protection</td>
<td>1</td>
<td>7.14%</td>
</tr>
<tr>
<td>Software and application development</td>
<td>1</td>
<td>7.14%</td>
</tr>
<tr>
<td>Electrical engineering</td>
<td>2</td>
<td>14.29%</td>
</tr>
<tr>
<td>Energy and energy efficiency</td>
<td>1</td>
<td>7.14%</td>
</tr>
<tr>
<td>Machines and mechanical engineering</td>
<td>1</td>
<td>7.14%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>14</strong></td>
<td></td>
</tr>
</tbody>
</table>
Next steps

- Application for funding of Mini and Matching Grants programs in cooperation with MoESTD
  - EUR 2.5M EU IPA 2014
  - EUR 2M MoESTD

- Competitiveness and Jobs Project (WB financed)
  - Mini & Matching Grants programs
  - TTF

- Announcement of new calls for proposals expected in 2017