



## Terms of Reference

### Investment Committee members for Matching Grants Program and Collaborative Grant Scheme Program

under IPA 2019 Direct Grant No. 48-00-00120/2021-28

#### 1. Background

The Republic of Serbia is a candidate for EU membership which currently strives towards developing its economy in line with the goals set forth by the European Union within the priorities of its long-term development strategies. Official document defining national interventions addressing the needs identified in the **new Needs Assessment Document (NAD) 2019-2025 Situation Analysis** is referring to: fostering further improvements of the operating environment for businesses in Serbia to give them greater certainty through a framework that is easier to understand and is more predictable, provision of tailor-made funding mechanisms for SMEs to invest in scaling up and development/modernization of service/manufacturing solutions to increase their productivity, turning the outputs of state-of-the-art national research into marketable innovation and enhance the collaboration and technology transfer between R&D institutions and SMEs, supporting the growth acceleration of companies that have passed the commercialization stage, as well as strengthening the capacities of the RDI system and its institutions to create, implement, monitor and evaluate evidence-based policies for innovation development and promoting an innovation system that responds to the needs of the economy, attracts the best scientists and innovators, and promotes R&D excellence.

With regards to the above, the Innovation Fund of the Republic of Serbia (IF) is continuing the implementation of its financing aid instruments focusing on the commercialization of R&D and further knowledge-based development of innovative enterprises, creation of innovative enterprises based on knowledge via private sector start-ups and/or spin-offs, as well as to promote cooperation between public scientific research organizations and private sector to improve research capabilities.

The Innovation Fund of the Republic of Serbia (IF) was established by the Law on Innovation Activity to provide funding for innovation development in enterprises and supporting the implementation of innovation policy. The Law on Innovation Activity explicitly states that securing funds for supporting innovation is the exclusive activity of the IF, something other types of institutions in the ecosystem do not have explicitly defined as their core activity. Thus, the IF plays a pivotal role in Serbia's competitiveness efforts in the SME and research and innovation sectors, and has been providing financing to entities in this domain for a decade.

The intention of the IF is to contribute to the overall development of innovations through various financial aid instruments, particularly by fostering the establishment of new and strengthening the existing companies, by positioning them to access venture capital markets, and by attracting potential partners for high-tech research and development. Serbia needs to continue stimulating further creation and growth of innovative enterprises based on knowledge through private sector start-ups or spin-offs, by providing financing for market-oriented innovative technologies, products and services with high commercialization potential. Therefore, the IF continuously organizes public calls under financing programs – Mini Grants, Matching Grants and the Collaborative Grant Scheme Programs, to contribute to increase competitiveness



of the Serbian economy and to enhance market driven innovation and technological readiness by better access to finance.

Under Annual Action Programme for the Republic of Serbia for the year 2019, Grant contract “**IPA 2019 – Direct Award to the Innovation Fund - Increased innovation capacity and growth of SMEs**” (Action) has been directly awarded to the Innovation fund with the aim to provide financial support to third parties through three grant program – Mini Grants Program, Matching Grants Program and Collaborative Grant Scheme Program, which are designed to provide financial support for boosting commercially oriented R&D in Serbian SMEs and cooperation with academia.

Therefore, Innovation Fund will launch two (2)\* Calls for Proposals (CfP), each pertaining to all three programs mentioned above, as follows:

**First Call for Proposals (CfP1)** for Mini Grants, Matching Grants and Collaborative Grant – value EUR 10.3 million - indicatively expected 325 project applications - launched in June 2023.

**Second Call for Proposals (CfP2)** Mini Grants, Matching Grants and Collaborative Grant value EUR 10.3 million - indicatively expected 325 project applications - tentatively to be launched at the end of 2023.

\*Number of Call for Proposals may increase depending on the status of the IPA 2019 Action and the possibility of the Action’s duration extension.

## 2. Objective of the assignment

### Overall objective

The overall objective of the Action is to contribute to increased innovation activities of Serbian economy and thus to the competitiveness of Serbian economy.

The specific objective of the Action is to increase the innovation capacity and growth of SMEs.

This will be achieved with providing financial support to third parties. through the above-mentioned grant programs.

This document is related to the **Matching Grants and Collaborative Grant Scheme Programs**.

The **Matching Grants program** aims to encourage established and profitable micro, small and medium-sized companies in the Republic of Serbia to engage in development and commercialization of technological innovations in the form of new and improved products, services, technologies and technological processes, in order to generate new market value, create high paying jobs, increase revenue and export growth and improve competitiveness. The amount of financing provided is up to EUR 500,000, with up to 70% for micro and small sized companies (60% for medium sized companies) of the total approved project budget, with a minimum of co-financing of 30% from micro and small sized companies (40% from medium sized companies) the total approved project budge provided by the sub-grant beneficiary (the Applicant). Duration of the financed projects under the Program are up to 18 months. The funds can be used for R&D (technology development), new or significantly improved technologies, products and processes.

The **Collaborative Grant Scheme program (CGS)** is designed to meet the identified need within the Serbian innovation ecosystem for project-based financial support which enables private sector companies and public sector scientific research organizations to work together and create high value-added products,



services, technologies and technological processes through applicable R&D efforts. This Program aims to incentivize creation of new and expansion of existing collaborations between the industry and the academy and to contribute to higher R&D investments from the side of the private sector, as well as to facilitate better utilization of capacities within the public scientific research organizations. The Program supports a consortium consisting of at least one micro, small or medium-sized company and at least one public R&D organization. The amount of financing provided is up to EUR 500,000, with up to 70% for micro and small sized companies (60% for medium sized companies) of the total approved project budget, with a minimum of co-financing of 30% from micro and small sized companies (40% from medium sized companies) the total approved project budget provided by the sub-grant beneficiary (the Lead Applicant of consortia). Duration of the financed projects under the Program are up to 18 months. The funds can be used for post proof of concept, prototyping stage, final productization, IP protection and market deployment.

The applications/project proposals submitted for financing under the Matching Grants and Collaborative Grant Scheme Programs are evaluated in a transparent and efficient international evaluation system. The decision-making process is headed by a professional and independent Investment Committee (Evaluation Committee) comprised of international, independent and experienced experts. The function of the Investment Committee is that of a permanent, independent body within the IF's evaluation process and the Investment Committee is responsible for making the final decision on which projects the IF financially supports.

This ToR is designed for the purpose of engaging highly qualified professionals to serve as independent Investment Committee members whose role is to assess and select the most promising projects for Matching Grants Program and Collaborative Grant Scheme Program.

### **Specific objective**

The specific objective of the assignment is to recruit Investment Committee members to assist the IF in the selection of the best applications/project proposals received under Call for Proposals Matching Grants Program and Collaborative Grant Scheme Program, and to achieve a high-quality, complete and coherent selection process of projects in line with the criteria set in the respective Review Guidelines.

### **3. Scope of Work**

The composition of the Investment Committee needs to include 5 members (of which one member is the Chairperson), with international exposure and understanding of both local and global challenges and opportunities, and to cover the following areas:

- Private Industry
- International Entrepreneurship
- International Finance and Venture Capital / Private Equity
- Applied research

The Investment Committee will be composed of members from each area of expertise.



General roles and responsibilities of the Investment Committee members are as follows:

- Receive access to the applications for review through the IF Portal;
- Each member of the Investment Committee will be provided with the relevant Review Guidelines which will serve as guidance on how to conduct the review and how to provide adequate feedback for the applications which are being evaluated;
- Within approximately 4 weeks of receiving the applications, Investment Committee members will discuss each application's merits during the preselection meetings and assign a numerical score in the scoring table and make the Preselection decision, taking into account the Peer Reviewer comments and scores;
- At the conclusion of the preselection phase, the Investment Committee will prepare a written evaluation (using the online Pre-Selection Form submitted electronically on the IF Portal) for each application assigned;
- Participate at the pitch event of each preselected applicant and assign a numerical score in the scoring table, make the final decision and perform the necessary budget clearing for every selected application;
- Prepare a final written evaluation (using the online Investment Committee Financing Decision Form on the IF Portal) for each application presented at the pitch event.

The work is conducted in English language, due to the international evaluation process and the contents of the application documents.

Specific roles and responsibilities of the work of the Investment Committee members are specified in the Matching Grants Program Review Guidelines and Collaborative Grant Scheme Program Review Guidelines.

Review of four (4) applications/project proposals is expected per working day by each Investment Committee member.

The Investment Committee's work will be performed remotely through the IF online portal and via Zoom. At the discretion of the IF, the Investment Committee members may be required to come to Belgrade for approximately 5 days (per Call for Proposals), during the pitch event and the final decision meeting.

The Innovation Fund is responsible for ensuring that each Application receives an objective and fair treatment by the Investment Committee, and that all applicable laws, regulations, and policies are followed.

#### **4. Experience and Qualifications**

Minimum required qualifications of the Investment Committee member:

- Education: University degree – Bachelor's;
- English written and spoken proficiency;



- Computer literacy;
- General work experience:
  - At least 10 years on a managing/director position in a private sector company, **AND/OR**
  - At least 10 years of experience in establishing and growing new companies and/or fundraising from private or public sector (e.g. venture capital) sources of financing, **AND/OR**
  - At least 10 years of high-level international work experience in the field of international finance with venture capital or private equity, **AND/OR**
  - At least 10 years on a leading position in the field of applied research, including mandatory cooperation with industry and relevant references in management for these types of projects.
- Specific work experience:
  - Experience in providing business support services (business development strategies, product/service commercialization strategies, investment counseling, market research and positioning, financial planning and investment execution, business model design and implementation) to at least 5 clients (private/public) in the last 5 years; **AND/OR**
  - In the last 5 years of business and product development experience including project management in one or more of the following technical fields: energy and energy efficiency, life sciences, civil engineering and construction materials, machines and mechanical engineering, electrical engineering, information and communication technologies, food science and agriculture, environmental science and new materials and nanotechnologies; **AND/OR**
  - In the last 5 years in a leadership role designing and implementing international go-to market strategies for products/services/technologies in one or more of the following technical fields: energy and energy efficiency, life sciences, civil engineering and construction materials, machines and mechanical engineering, electrical engineering, information and communication technologies, food science and agriculture, environmental science and new materials and nanotechnologies; **AND/OR**
  - In the last 5 years of international work experience in the field of applied research and new product/technology development accumulated by leading R&D departments in institutes or enterprises, managing research laboratories, coordinating applied R&D projects and engaging in technology transfer transactions.
- Investment experience:
  - In the last 5 years of evaluating and/or investing and/or serving in the role of investment advisor in companies (including Venture Capital, Private Equity, grants, and other similar type investment).



## 5. Timing and Duration

The assignment is expected to start in October 2023 and last until June 2024. Additional Calls for Proposals may arise depending on the possible Action extension, in turn assignment duration will be extended.

The assignment, at this time, envisages two (2) separate calls for proposals, meaning two evaluation cycles (one in 2023 and the second in 2024).

The approximate work timeframe of the evaluation:

- 2023 – beginning of October 2023 to mid-December 2023
- 2024 – end of April 2024 to mid-June 2024.

Generally, the Investment Committee members are expected to provide their services upon timely notification by the IF team, which will be at least one month in advance.

Each Investment Committee member is expected to be engaged for approximately 85 working days (1 working day equals 8 working hours).

The following total breakdown of time effort is envisioned based on the number of expected submitted applications:

- For the **preselection phase** – 45 working days (done remotely)
- For the **final decision phase** – 40 working days (hybrid)  
includes the final pitch event and financing decision that may require on location work in Belgrade (around 5 days in Belgrade per Call for Proposals).

In light of the recent crisis related to the Coronavirus pandemic and the ongoing global crises, along with the possibility of the IPA 2019 Action extension, the schedule and timeline will be reassessed closer to the dates that the scope of work is expected to be completed.

## 6. Reporting Obligations

Investment Committee members will prepare **timesheets (monthly activity reports)** in which they will summarise key issues and day-to-day tasks undertaken, as well as working hours spent on all issues and tasks. The timesheets shall be submitted electronically via email, in English, along with accompanying **invoice** upon the evaluation completion of each CfP (after the final decision phase).

In addition, the following deliverables during the evaluation are to be completed:

### Pre selection phase:

- Pre-Selection Form: a written evaluation, concise and comprehensive summary for each evaluation criteria, per Application assigned, submitted electronically using the IF online Portal;
- **Pre-Selection Decision** for Matching Grants Program;
- **Pre-Selection Decision** for the Collaborative Grant Scheme Program;
- Response to formal objection(s) by Applicants to the outcome of the preselection phase, if required.

### Final decision phase:





- Financing Decision Form: a written , concise and comprehensive summary for each evaluation criteria per Application assigned in this phase, submitted electronically using the IF online Portal;
- **Final Decision** for the Matching Grants Program;
- **Final Decision** for the Collaborative Grant Scheme Program;
- Response to formal objection(s) by Applicants to the outcome of the final decision phase, if required.

In accordance with the IF internal procedure, the Pre-Selection Decision and the Final Decision is signed by the Chairperson of the Investment Committee.

## 7. Input by the Innovation Fund

The IF will provide necessary documentation and templates, as well as access to the applications to be reviewed. The IF will also provide full technical support regarding the IF's online Portal to the Investment Committee members in order to facilitate efficient and satisfactory conditions for accessing the review materials and producing quality reviews.

Review Guidelines will be provided to Investment Committee members. The Review Guidelines will serve as guidance on how to conduct the review and how to provide adequate feedback for the applications which are being evaluated. The Matching Grant Program Grant Manual and the Collaborative Grant Scheme Program Grant Manual will be also provided to the Investment Committee members.

The IF will provide the required information and guidance for responses to formal objection(s) by Applicants.

The IF will provide Decision templates and assist the IC members in the budget clearing in order to ensure that the selected projects are in compliance with Program rules and to optimize the use of available financing.

## 8. Terms of Payment

The payments for services will be made based on deliverables and timesheets under section 6 of this TOR. Payment will be conducted upon the completion of the evaluation of each CfP (after the final decision phase).

The Investment Committee members are to provide timesheets and invoice for services conducted upon the completion of the CfP evaluation. The IF will provide the templates.

The contract does not include travel expenses and room & board, during the final pitch event and financing decision; in cases when held on location in Belgrade.

The IF's Head of the Department for Programs and Projects (HDPP) approves timesheets and payments.

## 9. Confidentiality and Conflict of Interest

The Investment Committee members undertake to comply with the IF Confidentiality Policy and Prevention of Conflict-of-Interest Policy and to maintain confidentiality on all information that is not in the public domain and shall not be involved in another assignment that represents a conflict of interest to this assignment.