

SERBIA RESEARCH,
INNOVATION AND TECHNOLOGY
TRANSFER PROJECT



REP. OF SERBIA
INNOVATION
FUND



WORLD BANK GROUP



This project is funded
by the European union

COMPETITIVENESS AND JOBS PROJECT

Innovation Vouchers Guidelines

Version 1.1
July 30, 2018

1. The Innovation Voucher (IV) scheme in Serbia

The innovation Voucher (IV) scheme is one of the service lines of the Innovation Fund's (IF) Technology Transfer Facility (TTF). The purpose of the TTF is to stimulate transfer of research results to the private sector to create products and services to the benefit of the economy. The TTF is established under Serbia Research, Innovation and Technology Transfer Project (SRITTP), with the goal to facilitate re-orientation of the public research sector toward the needs of the private sector. SRITTP is funded by the European Union (EU) and administered by the World Bank (WB). IVs can also be financed from the budget of the Republic of Serbia within the Competitiveness and Jobs Project.

2. What are the Innovation vouchers?

Being simple to use financial incentive, IVs are used by companies to cover part of the costs of the services provided by R&D institutions. The development of new products and services is directly related to the innovation process, and innovation vouchers are a way to enable the transfer of knowledge through direct financial stimulus, which reduces the gap between product development and market placements. In addition, innovation vouchers are expected to contribute to the creation of longer-term partnerships between companies and providers of research and development services. The aim of the IV scheme of the IF is to financially incentivise companies to collaborate with R&D institutions thereby engaging in innovation and making their products more competitive on the market.

Each IV will cover 80% of the total service costs, up to RSD 800.000 (approximately EUR 6.800) exclusive of Value Added Tax (VAT). Companies have to co-finance remaining amount of the total service costs. VAT is not financed by the IV Scheme and, where applicable, VAT has to be paid for the total service costs by the company to the provider of knowledge (R&D institution).

The amount the company receives through IV scheme cannot result in a breach of the (*de minimis*¹) State Aid regulations of maximum €200,000 received within the past three years.

2.1. Are you eligible for IV?

Eligible companies - users of the IVs are **micro, small and medium size companies**² registered in Serbia. The company must be a legal business entity incorporated under the current Serbia Company Law, registered at Serbian Business Registration Agency and located in Serbia.

Sector wise, the IV scheme has no preferences neither in terms of technological sectors, nor in terms of innovative levels of companies.

The ¹Low Value Assistance Rules (*de minimis*) are defined in Article 95 of the Regulation on State Aid Rules, which can be accessed [here](#).

² Micro, small and medium sized enterprises are defined in the article 6 of the Law on accounting that can be found [here](#).

2.2. Who can perform services that will be covered by IV?

Eligible companies can apply for IVs to cover costs of the services provided by all **public R&D institutions, as well as all other accredited R&D organizations (including the private ones)**, such as: universities, faculties, research institutes, innovation centres and other R&D institutions in Serbia. Public R&D institutions in Serbia are any amongst the state owned universities, faculties, institutes and innovation centres. List of accredited R&D organizations is available at: <http://www.mpn.gov.rs/nauka/nio/>.

2.3. What are eligible services to be covered by the IVs?

The IV can be used for the transfer of knowledge - scientific, technological or innovative, which is novel to the company or for solving of a technical / technological problem that company nominates. The following services will be eligible for such support:

- Development of new or improvement of existing products (related to function and quality), process or a service
- Proof of concept study
- Feasibility study
- Production of laboratory prototypes
- Creation of demonstration prototypes
- Various types of testing (in the lab, at the pilot plant)
- Technology validation
- Validation of new or improved products, processes or services
- Innovation advisory services
- Development and implementation of specific product- or process-related software (as part of product development)
- Specific coaching in connection with the developed solution of the technical knowledge question. Up to 20% of the voucher value may be calculated/used for this purpose. Specific tasks have to be detailed in the service offers and final reports.

The IF may decide that the applicant is not eligible to obtain an innovation voucher if the service indicated in the application is in violation of the objectives of the IVs Program, according to the regulations of the Republic of Serbia, any internal act of the Fund and / or if it in any way endangers or violates the reputation of the Fund.

2.4. What are services that cannot be covered by the IVs?

The IVs may not be used for:

- Business plan and economic appraisal creation
- Sales activities
- Standard website or mobile applications development
- Activities such as market research and analysis (product-market fit)
- Non-consultancy services already available on the market (ISO standardization, technical attests...)
- Activities already financed through another framework, programme or company/institution
- International travel, conferences or purchase of equipment
- Services provided by a third party not eligible as knowledge provider.

2.5. When can you apply for IV?

Public call for IV Scheme is expected in **October 2018**, and it will be open for six months, or as long as the budget is available. The allocated budget is RSD 48.000.000 (approximately EUR 400,000).

2.6. Additional information

The applicant company can obtain not more than two (2) IVs for which the submission can be simultaneous. Maximum amount per 2 IVs must not exceed RSD 1.200.000 (approximately EUR 10.000).

Awarded IV must be used within a period of 6 months from the date the contract is signed between the IF and the SME. In case the IV is not used in this period the IF shall assume no obligations in relation to the awarded IV.

Management of any IP that may arise in the framework of R&D service implementation should be taken care by the company and the knowledge provider.

3. Application Process

In order to apply for IV scheme, the applicants first need to **register an account on the IF's portal** (<https://www.inovacionifond.rs/Vouchers>), accessed via the IF website. The registration request is approved by the IF staff after preliminary assessment of the information provided in the account registration request (corporate and tax ID, basic company information and contact person details). Those companies who have already created accounts with the IF in the framework of their applications for Mini grant, Matching grant or the Collaborative grant scheme programs can log in using their existing usernames and passwords.

Once registered, the applicant can sign in to the portal and submit an application for IV. In order to be reviewed, the application needs to be complete, and submitted electronically through the IF portal.

3.1. Application Documents

Application for IV consists of three parts:

- Application for IV outlining terms and conditions (filled in on the IF's portal)
- Service request formulated by the company applicant (filled in on the IF's portal)
- Financial offer by the knowledge provider (R&D institution) to solve the problem defined in the service request (uploaded as PDF).

Financial offer must contain the following:

- Technical problem specification from the IV application form
- Name of the R&D institution and the contact person responsible for requested service
- Financial offer for services with VAT given as a separate cost if the R&D institution is using VAT system

- Completion date of the requested service
- Validity of the offer (minimum of 30 days)

Financial offer must be signed by the official representative of the R&D institution. The service request is inserted directly in the portal, while the financial offer from the knowledge provider can be uploaded as a separate document.

Upon collecting the financial offer from R&D service provider the applicant can submit the application, to be considered by the IF.

3.2. Selection of IV Awardees

Following the submission of the application for IV, the IF will do a desk review of incoming applications. This review includes the following:

- Fulfilment of the formal requirements for eligible companies
- Fulfilment of the criteria related to the eligible services and service providers
- Validity of the financial offer

If these criteria are fulfilled, the IF will approve the IV and send contract offer to a company. Selection of IV awardees is carried out internally by the IF by two (2) persons and finally approved by the IF's managing director. The IF will make its decision and inform the applicant within approximately 7 working days from the date of submission of IV application. IVs will be granted to companies on a "first come first served basis", starting from the date of the public call announcement.

If any of the above requirements is not fulfilled, the application may be rejected as untimely, incomplete, and inadmissible, or on the basis of another reasoned notice of rejection. The IF reserves the right to refuse an application for an innovation voucher in case it assesses that the approval of the voucher may have a detrimental effect on the reputation of the IF. In this case, the IF shall inform the applicant of its decision and the reasons for its refusal.

Ineligible applicants will be notified of their ineligibility (including reason for rejection) by email. In case of rejected IV applications, submission of a new application is possible.

4. Administrative requirements

4.1. Contracting

Upon approval of its application for IV, the company is required to sign an IV contract with the IF. Only then the IV is officially issued by the IF.

The company is then obliged to make a purchase order to the knowledge provider for the service offered in the application for IV.

4.2. Reporting and verification

To finalize the service, which is the condition for reimbursement of the IV by the IF, the knowledge provider must prepare and send a report to a company, who is responsible for verifying the service is provided as requested. The IF reserves the right to make inspections at the company's premises and check the existence and content of the deliverables financed with the IV scheme.

4.3. Reimbursement

When the business company verifies and confirms that the service for which the innovation voucher has been granted is delivered, the IF makes a payment directly to the bank account of the scientific research organization. Payment is 80% of the total cost of the service, excluding VAT, according to the signed contract with the company. In order for the payment to be made, it is necessary that the scientific research organization issues an invoice containing the full amount of the service, including the full amount of VAT charged to the company. The invoice must contain a note that 80% of service costs, and up to 800,000 RSD, excluding VAT, are paid by a third party, i.e. the Innovation Fund based on the issued innovation voucher to the company. The voucher user must pay 20% of the cost of the service, including the total amount of VAT, to the bank account of the scientific research organization. Payment of the Innovation Fund to the scientific research organization will be done after the company submits a certificate confirming acceptance of the provided service, which the company uploads on the Innovation Vouchers portal.

Scientific research organization must fill out and send a request for payment to the Innovation Fund, which will make a payment to the bank account of a scientific research organization within 7 business days.

In order for the IV procedure to be finalized, it is necessary for the company to submit proof of payment from its account on the Innovation Vouchers portal.