

Serbia Ventures AI Program

Terms of Reference and Scope of Services Evaluation Committee Members

1. Background

The Republic of Serbia has empowered the Innovation Fund (IF) to design and launch the Serbia Ventures – AI program (Program) whose goal is to support the creation of venture capital (VC) fund that is incorporated in Serbia. This VC fund will serve as medium-to-long-term mechanism that enables startups from the field of artificial intelligence to raise sufficient private investment and achieve their rapid growth objectives, including expansion into international markets.

The IF announced a Public Call for the Serbia Ventures AI Program on June 27, 2024. This public call is targeting existing fund management companies and teams with ambition and appetite to domicile and operate a VC fund in Serbia. In line with international best practice, the IF will utilize an independent and merit-based evaluation process to select the most qualified applicant, and will invest as Limited Partner (LP) into the most promising VC fund that is incorporated in Serbia.

In order to conduct the evaluation process, the IF will engage two professionals with extensive VC experience, including investing in startups based on AI, to serve as Evaluation Committee members alongside one other member of the Evaluation Committee. The required experience, duties, responsibilities and selection process for these professionals are detailed in this Terms of Reference (ToR).

2. Objectives of the assignment

The primary objective of this assignment is to conduct the selection of one most qualified applicant from a pool of respondents to the Public Call for the Serbia Ventures AI Program. The Evaluation Committee members will conduct a high-quality, complete, and coherent selection process that is guided by criteria set in the Program Manual, which may be accessed at the following URL: [Serbia Ventures AI – Program Manual](#).

The ultimate outcome of this assignment will be a recommendation for the best future fund management company that will manage a VC fund in Serbia which focuses on Serbian AI startups with IF's investment of up to 5M EUR as a limited partner.

3. Scope of Work

The mandate of the Evaluation Committee is to evaluate all eligible applications per guidance set forth in the Program Manual and to select one most promising applicant in line with the available budget.

The roles and responsibilities for Evaluation Committee Member is summarized below:

- Familiarize with the assessment procedures and evaluation criteria for the Serbia Ventures - AI program as outlined in the Program Manual;
- Review assigned applications, apply the evaluation criteria, and provide scores along with sufficient descriptive justification that ties back to guidance included in the Program Manual, and the spirit and intent of the established evaluation criteria;
- Pay special attention to capacity of the applicant to screen, select and invest in the best startups, with high growth potential which are developing innovative products in the field of artificial intelligence, as well as to provide added value to those startups by helping them grow their business and get them ready for the next round of financing;
- Participate in live interview events (one session per applicant) and allocate scores after each set of completed interviews;
- Partake in joint meetings with other members of the Evaluation Committee to discuss scores and associated justifications (up to 3 joint meetings during which applications and scores will be discussed and refined);
- Actively participate in the final selection of one applicant with other Evaluation Committee members; and
- Prepare and submit written evaluations for each of the assigned applicants along with scores per evaluation criteria (as outlined in the Program Manual), and associated justification;
- Submit signed Decision on Financing under the Serbia Ventures AI Program.

4. Experience and Qualifications

a. General experience

- Thorough understanding of digital economy constructs and asset-light businesses models based predominantly on AI and/or related digital technologies is a must;
- Familiarity with the needs and opportunities that are inherent to nascent startup ecosystems including clear perspectives on how to crowd-in relevant knowledge, networking and right-sized funding (both commercial and non-dilutive) to address known gaps, is required.

b. Specific experience

- Full-cycle knowledge from “cradle to grave” – i.e., of operations of a typical VC fund, including origination, processing, investing and exiting deals either as a VC fund operator or a user of VC investments;
- Experience working with non-dilutive forms of capital and mobilizing these types of capital to cover gaps in early-stage venture ecosystems;
- Extensive experience and understanding of needs in the pre-seed-to-series A stage of the funding continuum;
- Experience having raised, deployed, and harnessed pools of private capital;
- Thorough understanding of specificities of AI startups complex PE/VC fund structures and deployment models including on-and-offshore considerations, and related implications on fund economics;

5. Reporting, Timeframe and Duration

The Evaluation Committee Members will report to the IF Managing director and will work closely with the IF's coordination team.

Generally, Evaluation Committee Member is expected to provide his/her services upon timely notification by the IF.

The assignment is envisaged to start in September 2024 and last until the final evaluation reports are delivered and possible complaints resolved, which is approximately the end of November 2024. Evaluation Committee Member is expected to be engaged for approximately three full working days in the selection process.

The Evaluation Committee's preparatory work as well as interviews with applicants will be performed remotely via online calls. Access to the documents will be enabled through the IF online portal.

6. Confidentiality and Conflict of Interest

Evaluation Committee Members are expected to comply with the Innovation Fund Confidentiality Policy and Prevention of Conflict-of-Interest Policy (available at the IF website). Specifically, Evaluation Committee Members who are currently, or have been in the past, personally or through their affiliated company (or fund) active investors in Serbia will not be accepted as eligible in order to prevent potential moral hazard.

7. Terms of Payment

The contract, in the form of the Small Lump-Sum Contract (covering fee related to the assignment), will be signed between the Evaluation Committee Member and the IF as a Client. Payment for services rendered will be made after submitting signed Decision on Financing under the Serbia Ventures AI Program and invoice for services provided. The IF will administer the Contract and make payments.