



Ministry of Science, Technological  
Development and Innovation

REPUBLIC OF SERBIA  
INNOVATION  
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ЗА ТЕБЕ

# KATALITIK

Program manual

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# 1. Program description

## 1.1. Program goals and expected outcomes

Katalitik co-investment grant program (Katalitik), launched by the Innovation Fund, is a new AI-focused support program which aims to empower Serbian companies with proprietary, scalable AI-driven innovations that enhance market readiness and investment appeal. By offering co-investment grants and mentoring support, the program strengthens Serbia's innovation ecosystem by supporting companies with the potential to secure pre-seed or early seed funding. This initiative not only aims to facilitate financial support but also seeks to foster an environment conducive to innovation, collaboration, and the growth of the local technology landscape.

The objective of this program is to improve innovative entrepreneurship and access to finance for AI-driven enterprises' growth, as a way of contributing to Serbia's growth and competitiveness.

This Program is opened to Serbian-registered companies with total funding of 7,4 million EUR until September 2027 or until funds are fully allocated through [SAIGE project](#)<sup>1</sup>. To ensure equitable support and avoid resource depletion, total funding for any single company is capped at 1 million EUR across all IF programs. This structure encourages multiple companies to benefit from the available resources, promoting widespread innovation throughout Serbia.

## 1.2. Program overview

This program offers targeted support to Serbian companies leveraging AI to drive growth. Applicants are expected to utilize innovative AI solutions that significantly contribute to their business growth and scalability, surpassing standard off-the-shelf solutions. **The AI technology or a solution must already be part of the business, at least as a prototype** for a product or service, enabling detailed evaluation.

The financial support is structured in a way that grants are matched 1:1 by external **equity** investment, with a maximum grant amount of up to 24M RSD, and the duration of project implementation for each approved company is up to 9 months. This matching mechanism not only incentivizes companies to seek additional funding but also demonstrates the viability and potential of their business models to investors. Mentoring support is provided to selected companies to bring additional value to their development and scaling efforts. Participation in the mentoring support program is mandatory and continued disbursement and support will be subject to acceptable progress against KPIs.

The program is explicitly open to companies registered in Serbia.

Mentoring support (approx. 50 hours) is mandatory for all awardees and is provided throughout the contract duration to support development and scaling.

### a) Co-investment grant structure

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<sup>1</sup> Financing for the Katalitik Co-Investment Grant Program is provided by the Republic of Serbia (Ministry of Science, Technological Development and Innovation), through a World Bank loan and implementation support by both the World Bank and the European Union. The program is part of the "Serbia Accelerating Innovation and Growth Entrepreneurship Project," dedicated to strengthening innovative entrepreneurship and scientific research.

The program provides financial support of up to **24M RSD** per company in the form of co-investment grants. This support is contingent first upon the company securing an equivalent amount in external investment. The minimum investment round **cannot be less than 50,000 EUR<sup>2</sup>**. The disbursement of co-investment grants occurs after a duly signed investment agreement and evidence of investment transactions. This structure not only ensures sustained financial support but also encourages companies to maintain momentum in their growth and development efforts.

Investments can target either the Serbian entity or an eligible foreign affiliate with a legal connection in Serbia, in line with the Law on Companies, such as a parent company or subsidiary. While an investment that is part of an application can be made to a foreign affiliate, an applicant must be a company registered in Serbia, with a founding team of entrepreneurs and operations dominantly based in Serbia. This flexibility allows the program to adapt to the varying structures of companies and their funding needs.

The IF reserves the right to decline co-investment if it determines that the proposed investment could adversely affect its reputation. This decision may be influenced by various factors, including the investor(s)' reputations, ethical concerns, or the structure of the investment deal.

The co-investment grants are awarded in the form of state aid for newly established enterprises in accordance with the [Regulation on the Conditions and Criteria for Horizontal State-Aid Compliance](#) and [Regulations on Rules for State Aid Granting](#).

## **b) Mentoring support**

The mandatory mentoring support provides access to a diverse pool of mentors which leads to an invaluable opportunity to gain expert insights, guidance, and support throughout the implementation of supported applications. For a designated period, this mentoring support will ensure focused collaboration, helping to navigate challenges and increase progress effectively. This time-limited mentorship offers opportunity for improving the participating companies' performance and a unique chance to maximize learning and achieve impactful results in its business performance. **Besides evidence of the investment transactions, regular progress reports, which have to be submitted on a quarterly basis and approved by the assigned mentor and the IF, will be the preconditions for the quarterly co-investment grant disbursements.**

### **1.3. Target groups**

This program targets companies with **AI solutions that have reached at least the prototype stage**. This means the companies should have developed an AI-based product or service prototype that demonstrates its potential to contribute significantly to business growth and scalability. The AI technology should either already be integrated into the business or show clear potential for integration to enhance its operations. The program supports companies that are ready to leverage AI to advance beyond off-the-shelf solutions and achieve meaningful market impact.

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<sup>2</sup> While the minimum investment round is EUR 50.000, particular investments can be smaller in size (e.g. 10 angel tickets with EUR 5.000 each, would be an eligible investment round).

## 2. Eligibility criteria

### 2.1. Eligibility criteria for companies

To be eligible for this program, applicants (i.e. companies) must meet the following requirements:

- Be a **micro or small company** registered in Serbia (at least 80% privately owned) as limited liability company (in Serbian d.o.o.), with the majority of the team residing in Serbia (meet conditions for being residents for tax purposes).
- Be majority owned (**>50%**) by the founding team of entrepreneurs.<sup>3</sup>
- **Be less than 10 years** old at the time of submitting the application.
- Have previously raised **no more than 1 million EUR** in equity financing, including all related entities.
- **Remain under the 1 million EUR lifetime cap** of received funding from the IF across all programs and including this one. This applies directly or indirectly to all legally related/affiliated entities to the applicant's entity.<sup>4</sup>
- The Applicant or its affiliated entity **must not** be listed on the stock exchange.
- The Applicant or its affiliated entity **must not have** generated revenues over €8,000,000 in any of the prior two years.
- The Applicant or its affiliated entity is not involved in any other IF program at the time of application—**whether the involvement concerns a submitted, under evaluation, approved, or ongoing project/contract** (excluding GovTech, ExpoTech, and Innovation Voucher program).
- **No founder of the Applicant controls a company** with an ongoing IF project or controls multiple companies applying under IF programs.
- The Applicant **has not applied more than twice** with substantially same application.

### 2.2. Eligible investors

Since the submission of a term sheet or investment agreement with investors is a prerequisite for company to apply for this program, the following types of investors are considered eligible, subject to approval by the IF following the IF's Investor Due Diligence process:

- angel investors<sup>5</sup>;
- syndicates of solo investors<sup>6</sup>;
- venture capital (VC) funds<sup>7</sup>;
- private equity (PE) firms<sup>8</sup>;
- corporates<sup>9</sup>;

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<sup>3</sup> Consolidation of the team of entrepreneurs (buy outs of the shares) is allowed as long as more than 50% of company's equity is retained by the founding team of entrepreneurs (that may include new founders too). However, buyout of shares cannot be considered as investment and thereby will not be considered as eligible investment by the IF.

<sup>4</sup> Affiliate entity is defined in [Article 62](#) of the Law on Companies.

<sup>5</sup> High-net-worth individuals who invest their own capital in early-stage companies.

<sup>6</sup> Groups of individual investors pooling resources to invest collectively.

<sup>7</sup> Investment funds that finance high-growth companies.

<sup>8</sup> Investment management company that provides financial backing and makes investments in the private equity of a startup or of an existing operating company.

<sup>9</sup> Corporations that invest strategically in startups to foster innovation or gain competitive advantage.

- family offices<sup>10</sup>.

### 3. Use of grant funds

#### 3.1. Eligible costs

Awardees can use co-investment grant funding for costs within the following categories:

- Team/salary costs (gross amounts incl. income taxes and contributions).<sup>11</sup>
- Product development services, including developing and testing technology, R&D, etc.
- Business development services, such as market research, partnership/supplier development, costs of expert consultants, etc.
- Sales and marketing services.
- Goods and other related services or the purpose of company growth and development.
- Overheads such as rent, tech/app/data subscriptions, etc.

Only the costs accrued during the timeframe specified in the Financing Agreement with the IF, and services completed, or goods delivered, will be eligible for financing.

#### 3.2. Non-eligible costs

The following costs shall not be considered eligible and are not limited to:

- Debts and debt service charges (interest).
- Provisions for losses, debt or potential future liabilities.
- Costs declared by the awardee and financed by another action or work program receiving other public sources of financing.
- Purchases of land or buildings, including any renovation.
- Currency exchange losses, fees and penalties.
- Credits to third parties.
- Salary costs of the personnel of national administrations (public officers).
- Taxes, including VAT, duties and charges.
- Entertainment and hospitality expenses, including travel costs thereto.
- Recruitment and relocation costs.
- The procurement of second hand or refurbished goods.
- Any activities outlined in the Environmental and Social Management Framework (ESMF) as Exclusions published on the IF webpage.<sup>12</sup>
- Any activities that directly or indirectly infringe the Trustworthy AI Principles, or constitute an AI Excluded Activity.

The IF will make regular checks with regards to eligible costs.

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<sup>10</sup> Private wealth management firms that invest on behalf of high-net-worth families.

<sup>11</sup> Eligible costs for this category are capped to 450K RSD per employee per month. In addition, if the startup is using services from the sole proprietors, the same criteria of 450K RSD will apply per service provider/sole proprietor per month.

<sup>12</sup> Exclusion list is given in Annex 01 of the ESMF and can be found [here](#).

## 4. Application Process

Once the call for the applications is open it will have continuous intake until the budget for this program is allocated. The IF will announce cut-off dates, approximately every 3-4 months, at which companies interested in applying must prepare and submit a comprehensive business description alongside an investment term sheet/agreement through the online portal available at: <https://katapult.acceleratorapp.co/application/new?program=ai-program>. The business description should detail how the company plans to leverage AI to enhance its operational capabilities and market position, providing a clear roadmap for growth, **including the current cap table, with all founders, investors (incl. invested amounts) and individuals in the option pool. All individuals in the cap table must be clearly identified by their roles (employees, investors, advisors and similar) and % of ownership.**

The application must also outline the company's funding history and specify any previous support received from the IF. **Companies that have previously benefited from funding through the IF's programs (including those with Katapult's co-investment grant structure) may apply for this program.** However, this is contingent upon their introduction of new, qualifying AI solutions that align with program criteria and their ability to secure additional investment based on these changes. This flexibility allows companies to pivot and innovate further, thereby enhancing their prospects for long-term success. It also allows for a dynamic approach to funding and encourages companies to evolve their business models as necessary.

If the application is rejected in the last step of the evaluation process, the applicant may reapply one more time with substantially same application in any of the subsequent cut-off dates, in which case the investment committee will check whether the previously identified deficiencies have been adequately addressed.

**All investors participating in the investment round**, as outlined in the investment term sheet / investment agreement of the applicant's (company) application, are required to register on the online portal using the registration [link](#).

## 5. Evaluation of Applications

The evaluation of applications consists of four distinct steps:

1. Administrative and eligibility check
2. Environmental, social, and ethics assessment
3. AI risk assessment
4. Business case assessment - technical interview

### 5.1. Administrative and eligibility check

The initial assessment is conducted internally by the IF staff and it comprises administrative and eligibility check. The aim of this action is to confirm that the Applicant and its investor(s) fulfill the eligibility criteria for companies and investors specified in the program and that the Application is properly drafted and that it contains all necessary content required for proper evaluation. In the case that any of these conditions and criteria are not fulfilled, the IF will inform the Applicant about its ineligibility. In cases where administrative and eligibility issues can be overcome, the Application will be considered in the next evaluation period, provided the deficiencies in the Application are corrected.

All investors involved in a funding round are subject to rigorous fiduciary check. The IF will reserve the right to vet investors through letters of recommendation, interviews, and background checks, and to reject potential investors for any reason at any time in the process. It is the responsibility of the Applicant and investor to disclose any familial or other close relationships between the company founders or key employees and investor(s). CI Grants will not match investment rounds that are led by family members/friends<sup>13</sup> (of any from the founding team of entrepreneurs). This process is designed to ensure that the investors meet the standards set by the IF regarding their reputation and ethical standing. The process includes registration of all investors that participate in the investment round on IF's investor portal and screening process by the IF that may result in approving or rejecting a particular investor. The IF will never match investments made by the investors who do not pass its due diligence process. The IF reserves the right not to co-invest if it deems that the proposed investment poses a risk to its reputation due to the investor(s)' background or the terms of the investment.

## 5.2. Environmental, social and ethics assessment

Environmental, Social and Ethics assessment is conducted for all eligible Applications simultaneously. The first step in the process of assessing environmental and social impact is ensuring compliance with exclusion list defined in the Annexes 01A of the ESMF<sup>14</sup>. The second step is reviewing the Environmental and Social Screening Questionnaire submitted by the applicant. The IF's experts for environmental and social matters will examine all submitted questionnaires and categorize Applications according to the environmental and social risk level:

- Low – no further action required;
- Moderate – Environmental and Social Management Plan Checklist (ESMP CL) preparation and monitoring required during implementation;
- Substantial – Environmental and Social Management Plan (ESMP) preparation with mandatory public consultations, and monitoring required during implementation;
- High – the IF stops the evaluation process and denies the Application.

Applicants will be informed about the outcome of this assessment if the Application is categorized as Moderate or Substantial risk, in which case Environmental and Social Management Plan (ESMP) or ESMP Checklist will be required depending on the activity details. Applications rated as high risk are not eligible for funding, and the applicants will be informed about the same. When the Application requires the preparation of the ESMP/ESMP Checklist, it is the responsibility of the Applicant to prepare the ESMP/ESMP Checklist and submit it to the IF. Approval of the ESMP/ESMP Checklist by the IF is a condition for signing the Financing Agreement. The guidance on the content of the ESMP/ESMP Checklist is provided in the ESMF. All environmental and social procedures requiring adherence are specified in the ESMF, which are consistent with Serbian national legislation. In cases where the Application requires an ESMP/ESMP Checklist and the Applicant does not prepare it, that Application will become ineligible for further evaluation.

Ethics assessment is conducted in parallel with Environmental and Social assessment by the IF's ethics expert. The ethics expert makes an examination based on filled self-assessment

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<sup>13</sup> Friends (as early-stage investors) are individuals within the personal network of a startup's founder, including friends, family, and close acquaintances, who provide financial support to help the startup launch and grow. These investments are usually based on personal relationships and trust rather than formal business evaluations.

<sup>14</sup> [Environmental and Social Management Framework](#)



checklists, and potential site visits (as needed). An ethics expert will be called upon to provide assessment of any Applications that raise possible ethical risks and to suggest follow up measures or prepare specific monitoring provisions for such Applications.

### 5.3. AI risk assessment

The IF requires all applicants to go through an AI risk assessment based on Risk Assessment Framework (RAF). This assessment encompasses a range of criteria, including checks on transparency, accountability, and trustworthy AI practices. Companies must demonstrate effective data protection measures, transparent decision-making processes, and strategies to prevent bias within their AI applications.

The AI risk assessment framework promotes the development of trustworthy AI solutions, ensuring that all supported applicants align with global standards and contribute positively to the ecosystem. By prioritizing these considerations, the program aims to build a sustainable foundation for AI innovation in Serbia.

#### **The framework includes the following procedure at the level of particular application evaluation:**

1. Specific AI Questionnaire as an early assessment tool for applicants (to be filled out during the application submission, using template provided by IF);
2. Compliance with the list of AI Excluded Activities that cannot be funded through SAIGE project - conducted by IF's AI specialist. If one or more project activities is found to constitute an AI Excluded Activity, the IF stops the evaluation process and denies the application;
3. Desk review of completed Questionnaires and applications by AI specialist and preliminary risk classification, in consultation with IF;
4. In-person interview with applicants classified preliminarily as Moderate or High risk before final classification;
5. Final classification of the risk profile of the applicant's business;
6. Agreement on prescribed mitigation measures for applications classified as Moderate and High risk, approved by the AI specialist and IF;
7. AI risk impact assessment of the proposed solution incl. mitigation measures for High-risk AI systems, with risks identified to be addressed through the risk mitigation and monitoring plan.

The IF and AI specialist are responsible for the review and approval of all relevant documentation mentioned above.

The AI Risk Assessment Framework encompasses a range of criteria, including the likelihood, severity and materiality of the relevant risk. Each eligible application will be assigned a risk classification level (Low, Moderate or High Risk) based on this process. Eligible applicants will then have to comply with a set of proportionate, tiered responsibilities based on the assigned AI risk classification level:

1. **Low risk** – Projects should adhere to the minimum requirements:

- No AI Excluded Activities should be conducted;
  - [If Personal Data is processed]: Conduct data protection impact assessment and comply with applicable data protection laws;
  - Comply with Trustworthy AI principles; and
  - Re-assess risk rating at regular intervals.
2. **Moderate risk** – In addition to the above minimum requirements, Awardees will need to prepare a risk mitigation and monitoring plan using the template provided by the IF (which will be signed off by the IF), including implementation review. Approval of the mitigation and monitoring plan is a precondition for signing the Financing Agreement.
  3. **High risk** – In addition to the requirements applicable to Low and Moderate Risk activities, High Risk activities will require detailed AI risk impact assessment before implementation, along with mandatory audits arranged by the IF. Awardees will agree to these requirements in the relevant Financing Agreements. At all times throughout the term of the project, the IF reserves the right to request the Awardee to adopt reasonable measures to mitigate any identifiable or foreseeable AI risks, regardless of how the project is classified under the risk framework set out above and regardless of whether a written mitigation and monitoring plan is adopted.

#### 5.4. Business case assessment - technical interview

The Investment Committee (IC) serves as the final evaluator in the company assessment process, reviewing all applications that have successfully passed the initial stages. The IC's evaluation consists of two main parts:

- a) Desk Review: A thorough examination of the submitted application materials.
- b) Online Interview with the founder(s): An interactive session including the assessment of the company's business as a whole and the role of AI in the product/business. Another important aspect of the interview will deal with the proposed investment terms. The IC may invite lead investors to participate alongside the founders if deemed necessary.

#### **Evaluation Criteria**

The IC focuses on five key areas when assessing each application:

- **Team Competence:** Evaluating the company team's qualifications and experience in executing their business plan and effectively utilizing AI technology.
- **Scalability Potential:** Assessing the business prospects and growth and expansion capabilities of the company's business model within its target market.
- **AI Innovation:** Examining how the company leverages AI solutions to enhance its operational capabilities beyond standard off-the-shelf options.
- **Market Impact:** Gauging the company's potential to make a significant contribution to its industry or sector.
- **Investment Structure:** Reviewing the proposed investment terms to ensure they align with standard market practices and the IF's criteria.

For applicants that have already received IF grants, particularly Katapult participants, the IC will also consider the business progress and trajectory of the company since completing prior programs/grant agreements.

## **Decision-Making Process**

All applications reviewed by the IC will receive numerical scores. Each of the five evaluation criteria will be rated on a scale from 1 to 5, with 1 being the lowest and 5 the highest. The maximum possible score per IC member is 25. The final score for each application is calculated as the average of all individual scores submitted by participating IC members.

To be considered for acceptance, an application must achieve at least 60% of the total possible score, and receive an average score higher than 2 in each individual criterion.

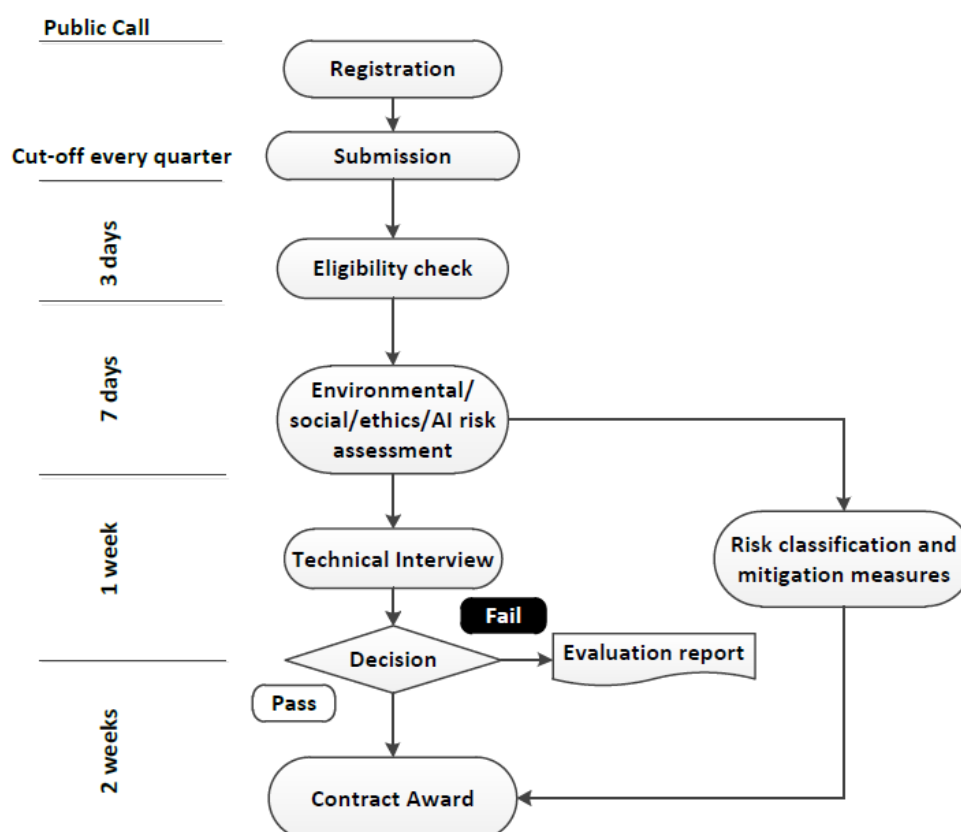
Final decisions are based on the scores assigned by the IC followed by narrative explanation per each criterion. An evaluation report will be prepared for each application, detailing the scores for each criterion along with a narrative explanation that justifies the assigned scores. This report is shared with all applicants, regardless of whether their application is accepted or not.

In addition to providing numerical ratings, the IC's will make sure to determine whether an application meets the necessary conditions for the co-investment grant (CI grant). The IC seeks to confirm that:

- There is genuine intent to use the investment for business growth.
- The investment will create additional value for both the company and investors.
- The investment terms adhere to normal industry practices, mitigating potential reputation risks for the IF.

Based on their assessment and the interview, the IC may fully or conditionally approve the application, or reject it. This process ensures a comprehensive evaluation of each company's potential and alignment with the IF's objectives.

## Application and evaluation process scheme



## 6. Award and CI Grant Disbursement Process

Before signing off the Financing Agreement, the Awardee is obliged to provide the following information and documents to the IF:

- Proof that the Awardee is listed in the Register of Tenderers (srb. “Registar ponuđača”) in the Serbian Business Registers Agency (SBRA);
- Proof that the Awardee is registered in the Register of subjects of the national innovation System;
- Contract on opening a dedicated bank account to which the grant will be transferred, OR confirmation from the bank that the current balance is zero on that bank account if the company is using the bank account that has previously been used in another IF’s supporting programs.
- Any other document requested by the IC, environmental and social, ethics and AI experts.

Awardees will have 60 calendar days upon signing the financing agreement with the IF, to convert the terms sheet from the application stage to a full investment agreement, and receive the investment. After the investment agreement is aligned with the term sheet and approved by the IF, along with the evidence of investment transactions provided by the awardee/company, it will serve as the basis for grant disbursements. The IF extends its support to awarded companies by providing legal assistance after the term sheet stage. This helps companies to structure investment agreements effectively, ensuring alignment and clarity between the company and its investors. To further support consistency, the IF consults legal advisors to confirm compliance

between the submitted term sheet and the finalized investment agreement, guiding companies through complex legal processes with confidence.

**Disbursement will be made in two or three equal quarterly installments over a period of 6 or 9 months, which can be extended by one more quarter per request of the Awardee. No co-investment grant funds will be disbursed by the IF before the investor has paid at least a part of the investment equal to the CI grant tranche to the awardee.** Regular quarterly progress reports will be furnished to the IF by the awardees to track the company's development, ensuring that the funds are being used effectively to drive growth and innovation. These reports have to be approved by the IF prior to second and third tranche disbursement. The last quarterly installment will be reduced for 10% of the entire approved CI grant amount which will be paid upon acceptance of the Final report by the IF and signing the Final Settlement agreement.

## 7. Grievance Mechanism Procedure

The IF values transparency and accountability in its operations. To facilitate this, a Grievance mechanism procedure has been established. Companies and stakeholders are allowed to submit appeals regarding any aspect of the program at any time. More specifically to the evaluation phase of this program, applicant (i.e. company) may submit a fact-based appeal related to any evaluation stage within 8 working days from the moment of receiving the evaluation outcome notification. The IF is committed to addressing these appeals and will provide a response **within 8 working days of receipt**. All appeals should be written in English, not exceeding 500 words, and sent via email to [katalitik@inovacionifond.rs](mailto:katalitik@inovacionifond.rs). This procedure ensures that all concerns are heard and addressed in a timely manner, reinforcing the commitment to support and uphold the interests of the companies involved in the program.

## 8. Fraud And Corruption

All Awardees must agree to undertake all necessary actions to prevent possible Fraud and Corruption during the period of support by the IF and in deploying the funding provided by the IF. In pursuance of this policy, the practices constituting Fraud and Corruption are defined as follows:

- a) "Corrupt practice" is the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party.
- b) "Fraudulent practice" is any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation.
- c) "Collusive practice" is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party.
- d) "Coercive practice" is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party.
- e) "Obstructive practice" is:
  - Deliberately destroying, falsifying, altering, or concealing of evidence material to the investigation or making false statements to investigators in order to materially impede a World Bank investigation into allegations of a corrupt, fraudulent, coercive or collusive

practice; and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation; or

- An act intended to materially impede the exercise of the IF's or World Bank's inspection and audit rights.

Before signing any of the Grant Agreements, Awardees are obliged to provide the following documents to the IF: penalty records certificate, i.e. a certificate from the competent court and competent police administration of the Ministry of Internal Affairs that the Awardee and its legal representative/s have not been charged with any of criminal offences as the member of an organized criminal group; nor charged with any of criminal offences against economy, environment, active and passive bribery, or fraud. If the Awardee is listed in the Register of Bidders in the Serbian Business Registration Agency, the above documents are not required to be submitted.

## 9. Definitions

<b>AI Excluded Activity</b>	<p>(a) An AI activity that includes (the following list is indicative and not exhaustive):</p> <ul style="list-style-type: none"> <li>(i) Any activity directly or indirectly related to weapons or weapons systems;</li> <li>(ii) Facial recognition technologies for mass surveillance, including AI systems that create or expand facial recognition databases through the untargeted scraping of facial images from the internet or CCTV footage, and real-time remote biometric identification systems used in public spaces for law enforcement.</li> <li>(iii) Social scoring systems; and</li> <li>(iv) AI systems that are deliberately designed to deceive or manipulate people, including “deepfakes” and other technologies that can be used to create highly realistic but fabricated content or any other AI systems that manipulate human behavior to circumvent their free will.</li> </ul> <p>(b) Any AI activity that directly or indirectly violates Trustworthy AI Principles or otherwise results in any diminution of due process under law, that results in bias or discrimination, that deprives an individual of their civil liberties or rights to civic participation, that infringes any freedom of expression or that misuses personal data or that causes any similar harm to any individual or group of individuals.</p>
<b>High Risk AI System</b>	<p>AI systems that have the tendency to directly or indirectly violate Trustworthy AI principles throughout the lifecycle of AI systems. This includes, but is not limited to, AI systems deployed in the following areas designated as High risk under Serbia’s Ethical Guidelines for Development, Implementation and Use of Robust and Accountable Artificial Intelligence:</p> <ul style="list-style-type: none"> <li>a. Biometric identification and classification of persons;</li> <li>b. Management of critical infrastructures and their operation;</li> <li>c. Education, vocational training and qualification;</li> <li>d. Employment, human resources and management and access to self-employment.</li> <li>e. Healthcare;</li> <li>f. Access to and use of public and social services and basic private services; and</li> <li>g. Law enforcement.</li> </ul>

<b>Trustworthy AI Principles</b>	<p>Collectively, the principles and requirements for robust and accountable AI systems, processes and applications throughout the lifecycle of the AI based on Serbia's Ethical Guidelines for Development, Implementation and Use of Robust and Accountable Artificial Intelligence<sup>15</sup>, which include, at a minimum, the following:</p> <ul style="list-style-type: none"> <li>(a) Explainability and verifiability;</li> <li>(b) Dignity;</li> <li>(c) Prohibition to cause damage;</li> <li>(d) Fairness and non-discrimination;</li> <li>(e) Human agency, oversight, determination and control;</li> <li>(f) Technical reliability, safety and security;</li> <li>(g) Privacy, personal data protection and data management;</li> <li>(h) Transparency;</li> <li>(i) Diversity, non-discrimination and equality;</li> <li>(j) Social and environmental wellbeing;</li> <li>(k) Accountability and responsibility;</li> </ul> <p>Additionally, "Trustworthy AI" principles incorporate the following principles, as included in other good practice frameworks recognized by Serbia including the "UN General Assembly Resolution on Seizing the opportunities of safe, secure and trustworthy artificial intelligence systems for sustainable development" A/78/L.49 (UNGA Resolution) and the "UNESCO Recommendation on the Ethics of Artificial Intelligence" SHS/BIO/PI/2021/1 (UNESCO Recommendation), including, inter alia:</p> <ul style="list-style-type: none"> <li>(l) Proportionality and do no harm;</li> <li>(m) Due process;</li> <li>(n) Freedom of expression;</li> <li>(o) Sustainability;</li> <li>(p) Awareness and literacy; and</li> </ul> <p>Multi-stakeholder and adaptive governance and collaboration.</p>
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<sup>15</sup>

<https://www.ai.gov.rs/extfile/en/471/Ethical%20guidelines%20for%20development%20implementation%20and%20use%20of%20robust%20and%20accountable%20AI.pdf>The Ethical Guidelines include definitions and explanatory materials for each key principle (section 3), which can provide additional (though non-exhaustive) guidance and clarity on the nature and scope of these principles. This list should be read with appropriate cross-referencing to the Ethical Guidelines.