



# Technology Transfer Program (TT Program)

## **GUIDELINES FOR APPLICANTS**

Version 1.4

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## DEFINITIONS

<b>Applicant</b>	R&D institution applying for the TT Program.
<b>Application</b>	Document properly filled in and signed, and submitted by the Applicant.
<b>Awardee</b>	Eligible Applicant that has been awarded support under the TT Program.
<b>Agreement on providing Commercialization Support</b>	Legal Agreement signed between the Awardee and the Innovation Fund, which defines rights and obligations related to support being provided under the TT Program.
<b>Approved project budget</b>	Project budget approved by the Innovation Fund, integral part of the Agreement on providing Commercialization Support.
<b>Commercialization</b>	Commercialization is the process of developing and introducing a new product, service, technology or production method to the market and it represents collaboration between the Awardee and commercial private sector partners.
<b>Decision Committee</b>	A committee that makes the decision on acceptance of Applications for support under the TT Program.
<b>Invention</b>	An invention is a unique or novel device, method, composition or process that is proposed to solve a defined problem.
<b>Principal Researcher</b>	Creator of a disclosed invention. The Principal Researcher, who is the employee of the Applicant and the main Inventor, is to be designated as the contact person, since he/she is considered to have most knowledge about the proposed technology. In case the Principal Researcher does not have the capacity to act as the contact person, the Applicant will assign this role to someone else. The contact person-Principal Researcher is responsible for providing any information regarding the Application, in the format required by the TT Program, and will be responsible for implementation on behalf of the Applicant, if the support under TT Program is awarded.
<b>IPR</b>	Intellectual Property Rights
<b>License</b>	Commercial agreement whereby the holder of IP transfers the rights to the licensor (e.g. a company)
<b>PoC program</b>	Proof of Concept program
<b>Spin-off</b>	A company established jointly by R&D Institution and the researcher from that institution, in order to commercialize a technology which originated from that R&D Institution.
<b>TRL</b>	Technology Readiness Level – method of estimating maturity of critical elements of the technology. TRL is based on a scale from 1 to 9 with 9 being the most mature technology. The use of TRLs enables consistent, uniform discussions of technical maturity across different types of technology. For more information about TRL visit: <a href="https://www.earto.eu/wp-content/uploads/The_TRL_Scale_as_a_R_I_Policy_Tool_-_EARTO_Recommendations_-_Final.pdf">https://www.earto.eu/wp-content/uploads/The_TRL_Scale_as_a_R_I_Policy_Tool_-_EARTO_Recommendations_-_Final.pdf</a>

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## INTRODUCTION

*Dear Applicants,*

*The purpose of this document is to introduce you to the Technology Transfer Program (TT Program) of the Innovation Fund (IF). Included here are the description of purpose, application procedures, and expected outcomes for the TT Program.*

*The purpose of the TT Program is Commercialization Support for inventions based on results of research carried out at R&D Institutions. Through the TT Program, Applicants will be supported in commercialization by conducting further proof of commercial readiness activities, such as developing prototypes, protecting IP Rights, searching for and collaborating with commercial partners etc.*

*As part of the effort to create a comprehensive innovation and R&D support ecosystem in Serbia, the TT Program is designed to be compatible with the existing programs of the IF. Specifically, projects that have received support through the Proof of Concept (PoC) Program and are completed successfully, can receive direct support through TT Program to continue their work on commercialization.*

*After reading this document, you will become familiar with the required application process for the TT Program, the evaluation process thereof and mechanisms of assistance offered. Additionally, the webpage and the application portal of the IF will contain all necessary application documents and templates to be used in the TT Program (<http://www.inovacionifond.rs/programs/technology-transfer-facility-program>).*

*Cordially,*

*IF Team*

## 1. TT PROGRAM DESCRIPTION

Technology transfer, in the context of R&D institutions, is the process by which new inventions created in R&D institutions are turned into products and commercialized. This is typically done through multiple steps with one of the two potential outcomes:

- 1) licensing of patented intellectual property to corporations, and
- 2) the creation of start-up companies - spin-offs.

Most of these multiple steps necessary to transfer a technology from an R&D institution onto the market are enlisted here and will be core activities within TT Program:

1. **Providing IP protection strategy and tactics**
2. **Providing commercialization strategy and tactics** - Determine which steps to take e.g. license to an existing company; license to a start-up company, etc.
3. **Executing and identifying the commercialization strategy and partners** - Executing the commercialization strategy and tactics to find commercialization partners.
4. **Negotiating and closing transactions** - Negotiating and closing transactions (contracting) with commercial partners.
5. **Marketing activities**
6. **Monitoring activities and follow-up of further commercialization commitments**, potentially through support in applying for other IF programs.

*Gatorade and Google are two often-cited examples, but there are thousands of others that have impacted virtually every corner of life: life-saving drugs and medical devices, alternative energy solutions, computer hardware and software, new modes of transportation, vaccines, environmental solutions, agricultural innovations, aerospace, and others. Successful technology transfer has benefits for universities, companies, regional and national economies, and society at large.*

### 1.1 TT PROGRAM OBJECTIVES

The objective of the TT Program is to increase the commercialization potential of academic research, through working closely with universities, faculties, research institutes and their TTOs.

Overall, the TT Program aims at increasing relevance of the scientific research and development through the creation of new products relevant to the economy and/or society.

IF is implementing additional program entitled the PoC Program to complement the TT Program activities. The PoC Program involves research projects with interest for commercialization at the earliest stages of development, described as TRL 2 and 3. **The goal of the TT Program is to enable the most successful PoC projects to proceed with their development through TT Program, from the TRL 4 to higher TRLs.**

### 1.2 AMOUNT AND TYPE OF FINANCING

The public call for the TT Program is permanently open.

All Applicants may apply to the TT Program which will entitle them to 1 (one) year of project implementation with the maximum financing of RSD 2.400.000,00 covering 100% of the approved project budget costs.

**TT Program also includes, mandatory business, commercialization advisory support for all necessary activities in the context of this program.** The IF will aim to support Applicants with the promising solutions for increasing their TRL levels and creating conditions to place their inventions on the market. With the use of commercialization advisors with experience to transform R&D results into products according to relevant market needs, TT program will yield outcomes with higher quality.

## 2. TT PROGRAM ELIGIBILITY

There are three sets of eligibility criteria, relating to:

- the Applicants;
- the types of projects that can be financed;
- the costs.

### 2.1 ELIGIBILITY OF APPLICANTS

The Applicants are all Serbian public sector<sup>1</sup> R&D institutions, as well as all other Serbian institutions and organizations accredited to do R&D (including the private ones), such as: universities, faculties, research institutes, and other R&D institutions in Serbia.

Application is prepared by the research team and submitted by the Principal researcher<sup>2</sup>, employed by the Applicant. Members of the research team can be researchers from the same or other R&D Institution, from abroad, or from private sector. Only one R&D institution can submit an Application, receive and manage financial support if awarded.

A Principal researcher that is in process of assessment or implementation of his/her Application cannot submit another Application. The IF will consider the first submitted Application (as per official submission time on the IF Portal), while all other Applications will be rejected as ineligible. The principal researcher may be part of a research team in other projects.

**TT Program will accept Applications from the Applicants that are applying directly to the TT Program and from those that have successfully passed the Proof-of-Concept Program.**

Modified and improved Applications which were previously rejected are allowed. However, an Applicant can resubmit substantially the same Application only once.

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<sup>1</sup> Majority state-owned R&D organizations

<sup>2</sup> Creator of a disclosed invention. Preferably, the Principal Researcher as the main Inventor will be engaged in the application to the TT Program as a contact point on behalf of the Applicant. Acting in this capacity, the Principal Researcher is responsible for ensuring that all relevant documents are uploaded to the appropriate section of the IF portal, and will be responsible for implementation on behalf of the Applicant, if the support under the TT Program is awarded.

Any Application that is modified and/or improved Application which has already been submitted in the past must fill out the appropriate section for returning projects in the development plan and to clearly illustrate the progress that was made since the time of the previous application.

## 2.2 TYPES OF PROJECTS THAT CAN BE FINANCED

The IF will consider financing of projects coming from **all fields of science and technology and from any sector of the economy**. However, please keep in mind that this Program is aligned with the Smart Specialization Strategy Serbia, which focuses on four main priority domains:

- Food for future
- Information and communication technologies
- Machines and production processes of the future
- Creative industries.

The Smart Specialization Strategy Serbia can be found on the following link: <https://pametnaspecijalizacija.mpn.gov.rs/>.

TT Program accepts Applications from:

- 1) Applicants applying directly to the TT Program if they meet the following conditions:
  - IP ownership agreement finalized
  - Technology Readiness Level is 4 or higher.

These Applications will further be evaluated by two, independent peer reviewers, based on the criteria described in details in section 4.

- 2) Applicants coming from the PoC Program if they meet the following conditions:
  - IP ownership agreement finalized
  - Technology Readiness Level is 4 or higher
  - PoC Business advisor report confirming the validation of the concept and potential for increase of TRL.

These Applications will not have to go through peer review assessment and will automatically be awarded.

Projects that are focused on routine or periodic changes made to existing products, production lines, manufacturing processes, services and other already established operations are not suitable for financing under the TT Program, even if those changes may represent improvements.

## 2.3 ELIGIBILITY OF COSTS

The grant awarded by the IF can only be used to finance the costs which are categorized as “eligible costs”. The categories of costs that are eligible and non-eligible are indicated below.

### Eligible costs

- 1) **Personnel costs / honorariums** for the research team up to **RSD 600.000**. Maximum amount per man-month cannot exceed **gross RSD 120.000**.
- 2) **Industrial testing / scaling-up costs** - validation and demonstration and related consulting services including the experiments in an operational environment - this may include consumables, rental of equipment or facilities and external experts\*  
\*External experts can be engaged to provide services if a team needs specific analysis of the material that is being developed and this expertise is not available in the team or his host institution. When planning external experts, it is necessary to plan the expertise required for project implementation and not the specific person who will perform planned work. If someone is named as a team member, he/she cannot be engaged as an external expert.
- 3) **Promotional materials** such as videos, leaflets and similar for **up to RSD 240.000**.
- 4) **Travel costs** - including international and local travel, but excluding scientific and other conferences **RSD 240.000**.
- 5) **Legal services** costs for general legal counsel and IP services, including drafting and filing IP, (patents, trademarks, copyright, industrial designs and other IP rights, both in and outside Serbia).
- 6) **Commercialization advisor** costs **up to RSD 480.000**. Awardees are expected to contract its advisor from the approved project budget. The potential advisor will be provided by the IF from one of the enlisted Commercialization advisors on the IF website. Each Awardee must contract its advisor in not more than 30 calendar days from the date of signing an Agreement on providing Commercialization support.

Commercialization advisor will provide expertise for multiple commercialization steps, some of them being the following:

- Assistance with intellectual property rights;
- Assessment of the commercial potential of new invention;
- Marketing of the technology product to potential licensees and partners;
- Development of commercialization strategies;
- Assistance with faculty spin-off creation and development;
- Negotiation of partnerships and license agreement deals;
- Development of business plan;
- Preparation of an independent report for the IF at the end of project implementation period. This is not a service for the R&D organization, but an obligation of the advisor to the IF.



- 7) **Other costs** such as licenses, software and R&D institution overheads<sup>3</sup> **up to RSD 120.000**. Organization overhead costs can be planned as maximum 5% of the total project budget. These costs do not have to be named, justified and documented.

Funding available through TT Program can be used for paying costs that include VAT. Therefore, all Project Budget costs should include VAT, where applicable.

### **Ineligible costs**

- Equipment: computers, lab equipment and others;
- Standard website development;
- Scientific and other conferences;
- Any activities outlined in the Environmental and Social Management Framework (ESMF) of the IF;
- Cash payments from the project account;
- Debts and debt service charges (interest);
- Provisions for losses, debts 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;
- Salary costs of the personnel of national administrations;
- Entertainment and hospitality expenses;
- Recruitment or relocation costs;
- The procurement of second hand or refurbished goods;
- Per diems.

## **3. HOW TO APPLY AND WHICH PROCEDURES TO FOLLOW**

In order for any Application to be considered, it needs to be submitted as a complete, structured documentation package, electronically through the IF portal. Only Applications submitted using the IF online application portal and predefined document templates will be considered.

The complete set of necessary Application documentation<sup>4</sup> can be found on the website of the IF. Applicants are expected to download these documents and become closely acquainted with their content before beginning to prepare their Application.

The complete Application documentation consists of:

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<sup>3</sup> Organization overhead costs can be planned in maximum 5% of the total project budget. These costs do not have to be named, justified and documented. Overheads are disbursed at the end of the project once the Final report is approved by the IF. Overheads are disbursed as a percentage of total eligible documented costs and this amount could be less than the amount planned in the Application.

<sup>4</sup> Application should be submitted using the template supplied by the IF in Word or searchable PDF. The page in the Application with stamps and signatures can be scanned and inserted into the word document as picture.

- **Application form** which contains:
  1. Invention Disclosure Form (IDF);
  2. Development Plan;
  3. Confidentiality statement;
- **Project Budget (in the IF's template in MS Excel);**
- **Environmental Screening Questionnaire (ESQ)**<sup>5</sup>.

Writing an effective Invention Disclosure Form is one of the most important steps. A well-drafted, comprehensive disclosure will facilitate effective evaluation of the invention and could provide enormous benefits in subsequent patent prosecution. It is always the Principal Researcher who knows the most about the invention. However, to draft an effective disclosure, help from an experienced professional is always needed. Applicants are therefore recommended to use help from either their local TTOs, or Business advisors if they implement projects under PoC program of the IF.

The IF will notify the PoC Awardees who finalized their PoC Projects about the outcome of the business advisor assessment. This notification will be sent by the IF upon formal closure of the PoC project (once the Final settlement is signed). In case the assessment is positive, such Awardees will have 3 months deadline to formally apply to TT Program in which case no further evaluation will be necessary. However, the submitted Application will be subject to Administrative and Eligibility check.

The IF will provide advisory, non-obligatory and non-conclusive, support to all interested Applicants via e-mail, phone, through Q&A and information sessions that potential Applicants can require in regards to the administrative aspects of preparing the Applications for the TT Program.

### **3.1 REGISTRATION AND SUBMISSION PROCEDURE**

The first step towards Application submission is to complete the registration process on the IF Portal. Once a registration request has been made by the Applicant, it needs to be approved by the TT Program staff who will respond to all registration requests within the period of two (2) working days and confirm all eligible registration requests by e-mail. The e-mail address of the contact person (preferably Principal Researcher) given in the Applicant registration form needs to be a valid e-mail address as it will be used for future communication with the Applicant. In case you do not receive your confirmation e-mail within this period, please contact the IF team at [ttprogram@inovacionifond.rs](mailto:ttprogram@inovacionifond.rs).

Upon approval of the account registration request by the IF team, the Applicant will receive a confirmation e-mail with the necessary login credentials. The account then becomes active and the Applicant can register its Project. In order to register the Project, the Applicant must conduct a **Technology Readiness Level (TRL)** self-assessment and select appropriate **Industry area** related to the Application on the IF Portal.

Upon Project registration the Applicant can upload all the necessary **Application documents** in electronic form and submit the final Application with the **Submit button**.

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<sup>5</sup> If applicable, the Applicant may be required to submit an Environmental Management Plan (EMP) at a later stage of the Application evaluation.

**Principal Researcher can open several projects with one account, but can have only one (1) active, final Application.** The Principal Researcher as identified in the Application Form will be acting as the contact person, and will be responsible for completing the Application, as well as for providing other required documents on behalf of the Applicant. The Applicant is required to confirm their familiarity with the intention to disclose the proposed invention, by signing all necessary Application documentation.

The Applicant may be interviewed to clarify any outstanding issues in the Application and provide missing information. Applicant whose Application do not pass some of the stages will be informed about the reasons for non-acceptance in written form by email.

Furthermore, the Applicant agrees to undertake all necessary actions in order to prevent possible Fraud and Corruption activities during the implementation of the project. In pursuance of this policy, the practices constituting Fraud and Corruption are defined as follows:

- (i) “corrupt practice” is the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence the actions of another party;
- (ii) “fraudulent practice” is an act or omission, including misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain financial or other benefit or to avoid an obligation;
- (iii) “collusive practices” is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party;
- (iv) “coercive practices” is impairing or harming, or threatening to impair or harm, directly or indirectly, persons or their property to influence their participation in a procurement process, or affect the execution of a contract;
- (v) “obstructive practice” is: (a) deliberately destroying, falsifying, altering, or concealing of evidence material to the investigation or making false statements to investigators in order to materially impede an investigation into allegations of a corrupt, fraudulent, coercive, or collusive practice; and/or threatening, harassing, or intimidating any party to prevent it from TT Program disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation, or  
(b) acts intended to materially impede the exercise of inspection and audit rights.

## 4. EVALUATION AND FINANCING DECISION

The evaluation procedure includes several steps:

- The administrative and eligibility check
- Peer review procedure, where applicable
- Environmental review
- Financing decision.

### 4.1 ADMINISTRATIVE AND ELIGIBILITY CHECK

Upon submission of the complete Application, the IF staff will proceed with the administrative and eligibility check, according to the criteria outlined in the Section 2. Only fully signed, complete and electronically submitted Applications will be further considered for evaluation.

**First time submitted Applications that satisfy all defined criteria from the Section 2 will be recommended for the second step of Peer review procedure.**

**Submitted Applications coming from the PoC Program with validated concepts, that satisfy all criteria from the Section 2 will be recommended for support by the Decision Committee without the Peer review process.**

Ineligible Applicants will be notified of their ineligibility (including reason for rejection) by email.

If an Applicant wishes to file a fact-based objection to the outcome of the administrative completeness and eligibility check (citing evident omissions, oversights or mistakes made by the IF staff), may submit a formal letter of objection to the IF, written in English and not exceeding 500 words within 8 calendar days from the day of receiving the original eligibility review notification. The letter should be signed by the authorized representative of the Applicant (dean of the faculty or the director of the institute/innovation center) and sent to [ttprogram@inovacionifond.rs](mailto:ttprogram@inovacionifond.rs). The IF will provide an official response within 8 calendar days from receiving the objection.

Furthermore, the IF will provide a period in the eligibility review phase during which the Applicants can rectify administrative deficiencies pertaining to the contents of their Application, but only in cases where the appropriate application templates provided by the IF were originally submitted by the Applicant. This information will be requested in writing, including the deadline for the submission of the necessary corrections. After the eligibility review is completed, there will be no more possibility for rectifying deficiencies. Applicants are allowed to resubmit an improved Application only once.

## **4.2 PEER REVIEW PROCEDURE**

Applications that are administratively complete and meet the eligibility criteria will be evaluated. Peer review process is used only for first time Applicants where each eligible project will be evaluated independently.

The IF will engage at least two peer-reviewers to provide assessment of the eligible Applications. Upon receiving the feedback from the peer reviewers, Decision Committee will make a final decision, taking into account assessments provided by peer-reviewers and their specific recommendations. Irrespective of the outcome of the evaluation, the Applicant will receive the feedback from the Decision Committee.

During the evaluation process peer-reviewers and the Decision Committee will take the following criteria in mind:

1. **Strength of the team (based on CVs of key researchers):**
  - Do all the team members have adequate skills, education, knowledge, and experience to execute the proposed project?
  - Are all the team members already part of the Ownership agreement or have settled their position in that sense?

2. **Novelty and inventiveness of the technology, product or service; usefulness and uniqueness of the invention:**

- To what extent does the Application suggest to explore unique concept?
- Has the applicant identified the closest prior art?
- Does the proposed technology, product or service have potential for creation of new IP or know-how?
- Is it likely that the Application can result in the creation of new or improvement of existing technologies, products or services?

3. **Target market, market need and commercialization potential:**

- What is the size of the overall market(s)?
- What are the costs and complexity of to the existing/emerging solutions compared to the suggested new technology?
- What are the trends, drivers and norms?
- Is competitive structure known and how easy is the market entry?
- What is the 'typical' profile of companies in the value/ supply chain?  
What would be target companies suggested as commercialization partners?

4. **Commercial financial viability and competitiveness:**

- Does the proposed approach, if successful, have potential to lead to a marketable technology, product or process?
- What is the competitive advantage of this technology vs. alternate technologies that can meet the same market needs?
- Will this lead towards the establishing of the first-mover advantage?
- What is likely to be impact of the potential technology, product or a process?
- Perceived advantages and benefits of the proposed new solution including if possible quantifiable technical factors such as:
  - Physical features (e.g. weight, dimensions, etc),
  - Performance features (e.g. speed, power, efficiency, ease of use, durability).;
  - Functions features (e.g. applications, integrated hardware, interconnect -ability);
  - Production features (e.g. ease of assembly, construction method, number of process steps, effluent).

5. **Feasibility of the Development plan and adequacy of the project budget:**

- Is the plan laid down in the Application sound for reaching higher TRLs?
- Are the overall methodology and activities well-reasoned and appropriate to accomplish the main targets?
- Are the items listed in the budget in line with the proposed activities (e.g. man hours, materials)?

Only Applications excelling in all the above-mentioned criteria will be recommended for financing.

During the course of the evaluation of submitted Applications, the Applicant may be required to submit supplemental information.

### **4.3 ENVIRONMENTAL REVIEW**

Before signing of the Agreement on providing Commercialization Support, the Principal researcher is obliged to provide the following proof that he is employed at the Awardee's R&D Institution. In case the Principal researcher fails to provide valid proof of employment/engagement with the Awardee, the IF will not sign the Agreement on providing Commercialization Support.

Also, before Agreement on providing Commercialization Support is signed, the IF will suggest one of the Commercialization advisors from the list published by the IF. Also, whome the Awardee will hire and cooperate with during the project implementation.

The environmental review consists of assessment of the Environmental Screening Questionnaires (ESQs) for all Applicants. Applicants will be informed about the results of the ESQ assessment only if the Environmental Management Plan (EMP) is required. When a project requires the preparation of the EMP, it is the responsibility of the Awardee to prepare the EMP and submit it for the approval of the IF as one of the prerequisites for signing the Agreement on providing Commercialization Support with the IF. The guidance on the content of the EMP is provided in the Environmental and Social Management Framework (ESMF) available on-line ([http://www.inovacionifond.rs/cms/files//pr-r-dokumentacija/IF\\_ESM\\_Updated.pdf](http://www.inovacionifond.rs/cms/files//pr-r-dokumentacija/IF_ESM_Updated.pdf)).

Environmental and Social Management Framework specifies environmental and social procedures for implemented projects to adhere to, which are consistent with Serbian national legislation. In cases where the project requires an EMP and the Applicant does not prepare it, that Application would become ineligible for financing.<sup>6</sup>

#### 4.4 FINANCING DECISION

In a case of a positive decision, the Decision Committee sends an Offer Letter to the Applicant. The Agreement on providing Commercialization Support is signed between the IF and the Awardee.

The Awardee is required to carry out the project diligently, timely and efficiently in accordance with the terms of the Technology Transfer Program and the Agreement on providing Commercialization Support and with sound technical, economic, financial, managerial, environmental and social standards and practices.

The Awardee is required to carry out the project in accordance with the provisions of the IF's Environmental and Social Management Framework (where applicable) and to take in a timely manner all measures to enable the IF to monitor the provisions of the Environmental Management Plan.

The Awardee is required to implement the project in accordance with the signed Agreement on providing Commercialization Support. Any significant deviation from the Application (e.g. project is not on schedule for completion within timeframes defined in the Application) requires prior written consent of the IF.

Any costs covered from the project may not be incurred before the start of the project.

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<sup>6</sup> As per IF's Environmental and Social Management Framework (ESMF) the Applicant is obliged to follow the environmental procedures.

## 5. IMPLEMENTATION AND MONITORING OF THE PROJECT

### 5.1 GENERAL IMPLEMENTATION PRINCIPLES

The project and the project budget must be designed for completion within a **maximum of one (1) year**. The project may be **extended only under exceptional circumstances for a period up to additional six (6) months** subject to the review and approval by the Decision Committee. The Awardee must submit the request for change with the description of change and the justification for change at latest 30 days before the original end date of the project. The circumstances in which the project may be extended are unforeseen delays in project implementation caused by administrative, financial or other procedural factors; force majeure events which include, but are not limited to floods, fires, earthquakes, draughts, power and water shortages or general shortages of basic resources necessary for project implementation, armed conflict, etc. The approved amount of financing is not subject to increase in any case.

Honorariums should be paid during regular implementation quarters. Payments of the honorariums in the extended quarters will be subject to justification.

### 5.2 PAYMENTS AND DISBURSEMENT OF PROJECT FUNDS

In the case of positive decision to provide Commercialization Support services, the IF will offer to sign an Agreement on providing Commercialization Support with the Awardee.

Awardee is expected to provide a subaccount where all IF transactions will be recorded and available to the inspection of the IF.

The project funds are disbursed three (3) times within the project implementation:

- The first payment of 50-70% of the approved project budget will be disbursed to the account of the Awardee upon contract signing. An Awardee need to submit official Request for payment stating the bank account number along with the amount of the first payment. The first payment may be up to 70% of the approved project budget if the Applicant provides written justification (e.g. procurement and payment for goods and/or services amounting more than 50% of the approved budget within the first two quarters).
- The second payment of the remaining amount of the approved project budget is a subject of acceptance of the first and second interim reports by the IF and a proof showing that the Awardee has spent (contracted or paid) minimum of 80% of the total amount of funds transferred in the first disbursement. Payment request cannot contain more than the remaining amount of the budget after the first payment, reduced for the 5% of the total IF financing and any existing ineligible costs. This 5% must always contain Overhead (R&D institutional) costs if these costs are approved in the Project budget.  
In case the 80% disbursement condition is not fulfilled after the second approved interim report, the Awardee can submit request for second payment only after the approved third interim report and the fulfillment of 80% of disbursement condition.



- The third and final payment or return of the funds to the IF will occur after the IF approves the Final report and in accordance with the Final settlement signed between the IF and the Awardee.

All payments to the Awardees are made in Serbian Dinars.

Cash payments for project related transactions are not allowed and such costs will be considered ineligible.

Awardee is allowed up to 10% variations from the total approved project budget within any of the budget categories (excluding Overhead costs) and the Awardee is obligated to inform the IF by e-mail regarding any such variations and provide budget update. Should the expenses variations exceed 10% of the approved project budget during the course of the project, a written request for funds reallocation must be submitted to the IF.

### 5.3 PROCUREMENT PROCEDURES

**All necessary procurements Conducted by the Awardee within the TT Program will be effectuated in line with the national Public Procurement Law.**

When contracting business commercialization advisor and other advisors, Awardees are advised to include non-disclosure provisions in their contracts.

### 5.4 REPORTING

The Awardee is obligated to provide the IF with accurate, timely and coherent quarterly financial and interim reports pertaining to the project, in predefined intervals. Every Awardee will get detailed scheme regarding the deadlines for quarterly reporting within the Agreement on providing Commercialization Support.

One (1) month after the last calendar day of each quarterly period (i.e. every 3 months), the Awardee needs to submit the quarterly progress and financial report (signed by the Principal Researcher), including all supporting necessary documentation to the IF for review as stated below. For any identified deviations that are unintentional or technical mistakes the Awardee may be required to update the reports or submits additional documentation. Additional check-ups by the IF may also be made.

Any changes to the project (e.g. regarding project implementation, timelines, project budget, deliverables, project staff, etc.) should be communicated to the IF, especially when they require the written consent of the IF. Such changes may not be effective before the written consent is issued to the Awardee.

Templates of the Quarterly Interim Reports, the Quarterly Financial Reports and the Final Report will be provided to the Awardee by the IF.



### **Quarterly Interim Report**

This report should describe in detail all previously completed and currently on-going activities, as well as actions planned for the upcoming period. It needs to focus on the main achievements of the reporting period, state any potential setback of issued and provide an overview of the Awardees project activities.

### **Quarterly Financial Report**

This report must document all actual payments or contracted amounts planned for the future periods. These amounts must be properly itemized and categorized in accordance with the Approved Project Budget.

Supporting financial documentation will include viable proof of payments, such as invoices, proof of deliveries (for goods), acceptance letters (for services) and extracts from the bank account of the Awardee which shows that invoiced amounts have been transferred.

### **Final Report**

Final report needs to provide details on the overall achievements of the project. It should include information on the status of the planned milestones and development activities, but also focus on the marketing and commercialization activities that are on-going or even planned, as well as any other information that is relevant for the success or future development of the Awardee. Final report will include quarterly financial report for the fourth quarter.

Supporting financial documentation will include all bank statements from the project account, along with viable proof of payment, such as invoices, delivery receipts and/or reports, payroll calculations, service providers' reports, etc.

Besides the complete supporting documentation, the Final report will include other Final deliverables. The development activities undertaken within the project with respective expected outcomes should include one or more of the following:

- Reference to submitted or registered IP right (patent, trademark, design etc);
- Completed promotional material – videos, leaflets or other;
- Commercialization advisor report;
- Proof of commercialization deal / license agreement or registered spin/off.

## **5.5 MONITORING OF THE PROJECT**

Prior to disbursement of funds to the Awardee (when applicable) and after the Interim report submission, monitoring of the project is required by the IF. The purpose of the monitoring is to assess the progress of the project in implementing the task activities and to assure that financial costs are in accordance with the Approved Project Budget for the given period. Methods of monitoring include:

- Review of submitted quarterly progress- and financial- reports;
- On-site monitoring visits (if necessary);
- Review of submitted Final report.

The review and approval of the reports will take approximately two (2) weeks and will include desk review (financial report and progress report) and may be subject to an on-site monitoring visit, only if

necessary.

The purpose of the monitoring visit by the IF staff is primarily to check that project development and financial activities are occurring as reported and as stated in the approved project documents. The IF will perform monitoring visits only if deemed necessary. The IF staff will notify the Awardee in writing by email approximately one (1) week in advance about the monitoring visit. The notification will outline the purpose of the visit, what is to be reviewed, and who should attend the visit and the meeting during the monitoring visit.

## **5.6 MASTER FILE**

The Awardee needs to archive all project documentation in the master file for a period of at least 5 years following project completion. The project archive should include all relevant project implementation document (such as contracts, official approvals, proof of payments and etc.).

All the contract files, including the signed contract and all the relevant documentation (master file), will be made available to the IF and any entities named by the IF upon request.

## **5.7 VISIBILITY REQUIREMENTS**

The Awardees must take all necessary steps to publicize the fact that the IF has financed the Awardee's project. As far as possible, projects that are funded by the IF must incorporate information and communication activities designed to raise the awareness of specific or general audiences of the reasons for the IF's programs and the support of the IF for the project in the country or region concerned, as well as the results and the impact of this support.

## **5.8 INFORMATION REQUIREMENTS DURING AND AFTER PROJECT IMPLEMENTATION**

Should financing be received, the Awardee will be asked to provide the IF with certain standardized information to help the IF monitor information pertaining to: environmental management, additional financing, and others. Up to five years after the completion of the project, the IF also reserves the right to request from its Awardees any R&D information deemed relevant to the IF's process of monitoring and evaluation of the Technology Transfer Program. Awardees are obliged to make their best efforts to deliver the required information within one (1) month following IF's request.

The IF will treat all received information in accordance with its Confidentiality Policy. All Applications and reports under TT Program will be treated as confidential and disclosure of any information by the IF will be limited only to non-confidential project summaries for the purpose of promotion of the TT program in the public. Awardees of the TT program are suggested to use non-disclosure agreements when they communicate their projects to the external public.