



Ministry of Education, Science
and Technological Development

REPUBLIC OF SERBIA
INNOVATION
FUND



THE WORLD BANK
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Katapult Accelerator

Review Guidelines

Version 2.1

July 7, 2022

Indicative timeline

<u>Approximate Duration</u>	<u>Administrative and Eligibility Check</u>	1 week
	<u>Pre-selection</u>	7 weeks
	<u>Live Pitch</u>	1 week
	<u>Final Decision</u>	1 week

1. PROGRAM STRUCTURE

The Katapult Acceleration Program (Katapult) targets growth oriented innovative startups and offers:

1. Intensive training, including mentoring and experimentation support for companies segmented into two streams:
 - a) An “Ideation” stream, to assist founders in the early stages of product and market development. These founders are likely seeking market validation, initial traction and confirmation of a business model. While some participants in this category may have customer traction and paying customers, the Katapult may consider pre-revenue startups where IP/tech is considered unique and compelling. Typically, Ideation startups will be looking to raise initial seed capital, from €100K - €1M.
 - b) A “Scale-up” stream, to support companies with proven traction looking to accelerate growth and aiming to raise a late Seed/Series A round of financing, likely between €500K - €2M.
2. Grant funding, including:
 - a) At-Entry Grants of up to RSD 2.4 million (~€20K) for Ideation stream companies and up to RSD 6 million (~€50K) for Scale-up stream companies.
 - b) Co-Investment Grants (CI Grants) of up to 1:1 investment matching up to the EAP ceiling of RSD 36 million (~€300K) awarded to Katapult Awardees that secure private investment.

2. REVIEW PROCESS – ACCELERATOR & AT-ENTRY GRANTS

The Innovation Fund (IF) policy is intended to ensure that Katapult Applications submitted to the IF are evaluated on the basis of a process that is timely, fair and based on merit.

Therefore, the review process is organized in the following way:

- Eligibility and administrative check for all received Applications
- Pre-selection of Applications by the IF’s Selection Committee (SC)
- Live pitch of pre-selected Applicants before the SC
- Final decision by the SC.

The IF staff conducts eligibility checks for all received Applications to ensure their completeness and compliance with Katapult program eligibility and requirements. All administratively complete Applications that meet eligibility criteria will be evaluated by the SC.

Pre-selection is carried out by the SC, comprising 3 (three) members, all of which are external consultants competitively selected by the IF for the purpose of implementation of Katapult. Members of the SC are individual experts with extensive experience in investing in startups. The three members of the SC will formally make a decision to accept firms and to provide financing under Katapult Accelerator. The review process includes a written assessment by one external Reviewer.

Applications are assigned to Reviewers that match their fields of expertise, and reviewers prepare written evaluations of the assigned Applications. This evaluation is taken into account by the SC during the pre-selection.

Final selection decisions for the Katapult are made by the SC after the live pitches. The members of the SC score pre-selected Applications during the pitch and make rankings based on those scores. The best Applications, based on scores, are offered to sign a contract through which they get access to the Katapult mentoring and the At-Entry Grant funding. The role of the SC is to facilitate the financing decisions for the best Applicants and channel them into Ideation or Scale-up stream of the Katapult.

The final decision for enrolling into the Katapult is made by the SC and signed by the chairperson.

3. EVALUATION CRITERIA

Applications are evaluated based on criteria related to following areas:

- Team;
- Product/Technology;
- Business Model and Traction;
- Market;
- Capital Raising.

Only Applications satisfying and excelling in all of the above-mentioned criteria will be selected for the Katapult by the SC and may receive funding.

The following table provides an indicative evaluation framework for Applications and respective stream placement:

	Ideation	Scale-up
1) Team	The strength of the co-founding team for the problem they are solving considering the complementarity of business acumen, technical skills, experience, and industry knowledge.	
	Preferably at least two co-founders.	Co-founders supported by team members in key functional roles.
2) Product / Technology	The sophistication and elegance of the product/technology, status of product development and strength of competitive advantages.	
	At least a minimum viable product (MVP) but may still be in beta. Should be able to clearly indicate advantages over competing solutions/offerings.	Product(s) in-market and potentially iterating on existing features or launching new products. Value proposition is demonstrable over competition.

3) Business Model and Traction	The business model and monetization strategy should have the potential for efficiency, good unit economics and scale.	
	May be searching for a business model or testing a monetization strategy, preferably with pilots and data on customer engagement. May have initial paying users, though is likely early or pre-revenue.	Defined business and pricing models with paying customers and meaningful revenue. Should have success with new/returning customer acquisition or other traction metrics (product downloads, e.g.) and be on a high growth trajectory (>50% YoY, e.g.).
4) Market	The business is solving a clear problem for known customers within a large, accessible market with good prospects for regional/international scaling.	
	Is early in defining and sizing the obtainable market and may still be in customer discovery phase.	Has a well-defined, large target market (min. high 9+ figures, e.g.). Is currently expanding its local/regional market reach and/or planning expansion into new customer segments or geographies.
5) Capital Raising	The company should have good prospects for attracting private investors in 12-18 months and is seeking an amount of capital commensurate with the program scope.	
	Likely bootstrapped or funded by friends & family and seeking first round of outside capital (pre-Seed/Seed round).	May have raised some seed funding from investors, likely seeking to raise a Seed or Series A round. May already be in discussions with investors.

4. ADMINISTRATIVE AND ELIGIBILITY CHECK FOR ALL RECEIVED APPLICATIONS

After the Application is submitted, the IF staff will conduct a desk review of the eligibility and administrative completeness of the submitted Applications as well as initial screening of the submitted documents (where applicable). Only fully completed and electronically submitted Applications will be considered for further evaluation. Ineligible Applicants will be notified of their ineligibility by email, after the IF completes eligibility review of all submitted Applications.

Each Application received will be checked for eligibility using the following criteria:

- The Applicant is a legal registered business unit, not older than six (6) years at the moment of submitting the application to the program.
- The Applicant is a private sector (at least 80% privately owned), micro or small sized company.

- The Applicant must be majority owned (>50%) by the founding team of entrepreneurs¹.

An Applicant that meets any of the following criteria is NOT eligible to apply to the Katapult:

- The Applicant or its affiliated entity² is listed on the stock exchange.
- The Applicant or its affiliated entity has received financing from any other IF financing program for the same or similar activities.
- The Applicant or its affiliated entity had revenue over €8,000,000 in any of the prior two years.

To check the above the IF shall use information obtained by the Applicant, as well as all other publicly available resources.

An Applicant can be enrolled in the Katapult in either Ideation or Scale-up stream, and receive an At-Entry Grant only once.

Past participation in other IF programs does not disqualify companies from applying to the Katapult. Companies that have been awarded funding by the IF and are in the final stage of implementation (last quarter or less) may apply to the Katapult. The maximum amount of IF financing that a company may receive across any and all awards is €800K.

A company can submit only one application in a specific call for proposals. Multiple applications are allowed, but only in different calls for proposals. For example, if a company is rejected in the first call for proposals, it can submit improved application in any of the following calls. It is strongly advised that firms that were not accepted and reapplying take into account evaluation results when reapplying.

The output from the administrative and eligibility check stage is a final list of eligible applicants that will be further evaluated by the SC.

5. PRE-SELECTION

Pre-selection includes technical review by one external reviewer, who will ideally have relevant technical and/or industry knowledge that matches the Applicant's business. Technical review prepared by the Reviewer is considered in the pre-selection phase by the SC members.

Roles in Pre-Selection include:

IF Staff:

- Document and manage conflicts of interest;
- Assign appropriate Reviewer to each Application based on the corresponding field of industry and science, so that the Reviewers can conduct their evaluation; and
- Prepare Final Evaluation Report based on the final decision of the SC.

Reviewers:

- Receive access to the Applications for review through the Katapult portal;

¹ 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)

² Affiliate entity as defined in Article 62 of the [Law on Companies](#)

- Examine the Review Guidelines and instructions;
- Within two days of receiving access to the Applications to review, examine each assigned Application to verify that the Application matches the Reviewers' expertise and inform the IF;
- Declare any conflicts of interest with regard to specific Applications presented to them, in accordance with the IF Confidentiality and Prevention of Conflict of Interest Policy; and
- Prepare a written evaluation on the Katapult portal for each Application assigned, based on the defined evaluation criteria and judgment of merit.

The IF staff will assign Reviewers and provide them with the username and password to access the Applications on the Katapult portal.

Reviewers will consider each of the five evaluation criteria, and write a detailed evaluation for each of the assigned Applications using the evaluation form on the Katapult portal.

Should the IF establish that the Reviewer has not provided sufficiently elaborate comments to justify the claims and conclusions made for any of the evaluation criteria, the IF reserves the right to ask the Reviewer to expand upon their comments and supplement their opinion with additional explanations.

Selection Committee Members:

- Receive access to the Applications for review through the Katapult Portal;
- Examine the Review Guidelines and instructions;
- Review all Applications for conflicts of interest or the appearance of conflicts of interest in accordance with the IF Confidentiality and Prevention of Conflict of Interest Policy and inform the IF in case any issues exist;
- Within 3 weeks of receiving the Applications, prepare for discussions at the Selection Committee pre-selection meeting;
- Summarize the Applications assigned to them and discuss each Application's merits during the pre-selection meeting, taking into account the reviewers' comments;
- Preliminary designation of Applicants in any of the two streams of the Katapult Accelerator – Ideation and Scale-up; and
- Assign a numerical score in the scoring table supplied by the IF (from 1 to 5, with 1 being low and 5 being high) for each of the Applications and include a written evaluation for each Application assigned (please see details below).

After the SC assigns numerical scores for all Applications in the scoring table supplied by the IF during the pre-selection meeting, the scoring table will display the final total scoring for all Applications.

The threshold for an Application to be pre-selected is 15 out of 25 points (60% of the maximum score).

Following the finalization of the scoring table, the SC will confirm the Applications that will advance to the next phase of the review process, which is the live pitch phase.

At the conclusion of the pre-selection phase, the SC will prepare a written evaluation (using the online SC Pre-Selection Form on the Katapult Portal) for each Application assigned, based on the defined evaluation criteria and judgment of merit. The SC must give concise, pertinent and well-justified comments for each criterion of the evaluation grid, in a form that will be given directly to the Applicant. Strong and weak points must be reflected. In particular, comments should provide a critical analysis in line with (but not limited to) the respective criteria and areas of focus in the evaluation framework.

The Applicants whose Applications are pre-selected will be notified about the SC decision via email. For each Applicant, the SC will prepare specific questions which will be used to steer the discussion during the final pitch event. At this stage SC may ask additional documents from the Applicant, that may be necessary to better assess business performance of an Applicant. Applicants are obligated to incorporate the answers to these questions into a PowerPoint presentation template provided by the IF, and if applicable send required documents to the IF at least seven (7) days before the date set by the IF for the final pitch event.

The output of this phase is the list of pre-selected Applicants, signed by the members of the SC, and the pre-selection evaluation report.

6. ENVIRONMENTAL AND SOCIAL REVIEW

Once the SC makes the pre-selection decision, all Applications which were pre-selected will undergo a screening by the IF's independent environmental and social management expert (IESME) to verify compliance with the IF Environmental and Social Management Framework (ESMF). The environmental and social review consists of an assessment of all completed Environmental and Social Screening Checklists (ESSC), which represent an integral part of each Application. The pre-selected Applicants will be informed about the results of the ESSC assessment if the Application is rated as Moderate Risk for which Environmental and Social Management Plan (ESMP) or ESMP Checklist will be required depending on the activity details. When an Application requires the preparation of the ESMP/ESMP Checklist, it is the responsibility of the Applicant (who has at that time been informed by the IF that the financing for the Applicant's project was approved) to prepare the ESMP/ESMP Checklist and submit it to the IESME for approval as one of the prerequisites for signing the Acceleration Agreement. The guidance on the content of the ESMP is provided in the Environmental and Social Management Framework (ESMF) available [on-line](#). The ESMF specifies environmental and social procedures for implemented projects to adhere to, which are consistent with Serbian national legislation. In cases where an Application requires an ESMP/ESMP Checklist and the Applicant does not prepare it, that Application would become ineligible for support and financing. Additionally, all pre-selected Applications which are categorized in terms of risk as Substantial or High according to the ESMF are considered automatically ineligible for financing under this program.

Roles in environmental review:

IF Staff:

- Document and manage potential conflicts of interest situations;

- Assign the pre-selected Applications to the IESME and provide access to Application documents required for assessment; and
- Assign the appropriate Environmental status on the Katapult Portal following the completion of the assessment conducted by IESME.

Independent Environmental and Social Management Expert (IESME):

- Review all assigned pre-selected Applications for conflicts of interest or the appearance of conflicts of interest in accordance with the IF Confidentiality and Prevention of Conflict of Interest Policy and inform the IF in case any issues exist;
- Assess all assigned pre-selected Applications, categorize and verify compliance of corresponding ESSCs with the Environmental and Social Management Framework (ESMF);
- Sign ESSCs of all assigned preselected Applications, thus confirming their ESMF categorization and compliance; and
- For all assigned preselected Applications which require ESMPs/ESMP Checklists, provide guidance to the Applicants to formulate the appropriate ESMPs and verify that the final ESMP is compliant with the Environmental and Social Management Framework (ESMF).

The output of this phase is a table containing the Environmental status for preselected projects, signed by the IESME.

7. FINAL PITCH EVENT AND FINAL SELECTION DECISION

All Applicants which have been pre-selected by the SC and satisfy the Environmental screening will present their Applications in front of the SC in person. Based on the results of the live presentation, the SC will make its Final Decision. The SC will use the same evaluation criteria stipulated in Section 3 of this document, as well as the same scoring system also found in Section 5. In addition, the SC will assign selected Applicants to the Ideation or Scale-up stream.

The SC members will consider each of the evaluation criteria and give a separate score for each. The SC scoring and comments are to be based on the IC's overall evaluation of the Applications, which includes their holistic assessment of each Application's qualities and an impartial and fact-based judgment of merit.

Roles final pitch event and final selection decision:

IF Staff:

- Attend and oversee administrative aspects of the final pitch event;
- Document and manage potential conflicts of interest situations;
- Prepare the final scoring table for the SC to populate with numerical scores for each Application and each evaluation criterion;

- Take meeting minutes during the final pitch event; and
- Prepare the Final evaluation report, based on the SC Financing decision.

Selection Committee Members:

- Give an introductory speech to all groups of Applicants who will present during the final pitch event, explaining the concept of the event and its goals;
- Thoroughly prepare for discussions for each preselected Application which will be presented at the final pitch event;
- Provide each Applicant with a 10-minute time window to present their Applications through a PowerPoint presentation, followed by a 10-minute time window for specific questions that the SC may have for each project;
- Following the presentations of pre-selected Applications, assign a numerical score in the scoring table supplied by the IF for each of the Applications and each evaluation criterion; and
- Designate Applicants in one of the two streams of the Katapult – Ideation or Scale-up.

Scoring Methodology

Members of the SC will consider each of the evaluation criteria (described in Section 3 above) and give a separate score for each. The scoring system utilizes a 5-point rating scale (5 = excellent; 4= very good; 3 = good; 2 = acceptable; 1 = poor) and the maximum score by an individual SC member is 25. The total score for an Application is the sum of the scores given by the three SC members, producing a maximum of 75 points. All projects will be ranked according to their total scores by the SC. If an Application scores less than 60% of the total points on any of the evaluation criteria or less than 60% points overall, the Application will automatically become ineligible for funding.

Scoring represents the main segment of the overall evaluation and the Final Decision is made primarily based on the assessments by the SC.

After the SC assigns numerical scores for all Applications in the final scoring table supplied by the IF during the final pitch event, the final scoring table will display the final scores for all Applications from highest to lowest. Following the finalization of this scoring table and based on the amount of available funds, the SC will confirm the Applications which will be selected for the Katapult Accelerator.

At least 50% of available funding will be allocated to Applications in the four priority domains of the Serbia's Smart Specialization Strategy³, subject to availability of good quality projects.

Feedback to all Applicants that have presented their Applications on the final pitch event will be given orally and other feedback may be provided for not selected Applicants. In addition, successful

³ According to the Serbia's Smart Specialization Strategy the four priority domains are: 1) Food for future, 2) Information and communication technologies, 3) Machines and production processes of the future and 4) Creative industries.

Applicants will be informed which of the streams they are channeled into and subsequently offered to sign the Acceleration Agreement.

The IF will also notify all pre-selected Applicants whose projects were not awarded about the outcome of the final phase of the evaluation process via email.

The output of this phase is the final list of Awardees, signed by the members of the SC or the SC member authorized by the IF, and the final evaluation report summarizing all important details of the evaluation process.