



Republic of Serbia

Ministry of Education, Science
and Technological Development

INNOVATION
FUND



Innovation Vouchers Guidelines

Version 1.5

17th of February, 2021



1. WHAT ARE THE INNOVATION VOUCHERS?

Innovation Vouchers (IV) are simple financial incentive, used by companies to cover part of the costs of the services provided by research and development (R&D) organizations. The development of new products and services is directly related to the innovation process, and IVs are a way to enable the transfer of knowledge and to contribute to the creation of long-term partnerships between companies and R&D.

The aim of the IVs is to financially incentivise companies to collaborate with R&D organizations in research and development in order to make their products more competitive on the market.

1.1. Are you eligible for IV?

Eligible companies - users of the IVs are private sector (at least 51% privately owned) micro, small and medium size companies¹ registered in Serbia. The company must be a legal business entity incorporated under the current Company Law Serbia, registered at Serbian Business Registration Agency and located in Serbia.

If the newly established companies are not classified as micro, small and medium enterprises, based on the data of the Serbian Business Registration Agency at the moment of considering the application for an IV, they can be users of IVs provided that they guarantee that, on the day of signing of the contract for the IV, they are classified as micro, small or medium enterprise.

1.2. Amount of the Innovation Voucher

Innovation voucher will cover 60% of the total service costs, up to RSD 800.000 exclusive of Value Added Tax (VAT). Companies have to co-finance remaining amount of the total service costs. VAT is not financed by the IV and, where applicable, VAT has to be paid for the total service costs by the company to the R&D organizations who provided the service under an approved IV, when applicable.

One company can obtain not more than two (2) IVs for which the application can be simultaneously submitted within the same public call. Maximum amount for two IVs cannot exceed RSD 1.200.000. For example, if a company has already used an innovation

¹ Micro, small, medium sized and newly established enterprises are defined in the article 6 of the Law on accounting that can be found [here](#).



voucher in the maximum value of RSD 800.000, it can be awarded another innovation voucher in the value of up to RSD 400.000.

Once the company has used two IVs it becomes ineligible for IVs in any subsequent call.

The amount the company receives through IV scheme cannot result in a breach of the (*de minimis*²) State Aid regulations of maximum RSD 23.000.000 received within the past three years.²

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

Eligible companies that satisfy all the criteria can apply for IVs to cover costs of the services provided by any of the two categories of R&D organizations:

- **public sector R&D organizations registered in Serbia (at least 51% directly or indirectly owned by the state);**
- **organizations accredited by the Ministry of Education Science and Technological Development to conduct R&D (including privately owned R&D organizations).** List of organizations in Serbia accredited to conduct R&D is available at: <http://www.mpn.gov.rs/nauka/nio/>.

Typical eligible service providers are universities, faculties, research institutes, innovation centres and other R&D organizations in Serbia that fall under any of the two categories of eligible R&D organizations.

1.4. What are eligible services of the IVs?

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

- Development of new or improvement of existing products (related to function and quality), processes or services;
- Proof of concept;
- Feasibility study;
- Production of laboratory prototypes;
- Creation of demonstration prototypes;
- Various types of testing (in the laboratory, at the pilot plant);
- Technology validation;

²Low Value Assistance Rules (*de minimis*) are defined in Article 95 of the Regulation on State Aid Rules, which can be accessed [here](#).



- Validation of new or improved products, processes or services;
- Innovation advisory services;
- Development and implementation of specific product- or process-related software (as part of product development);
- Techno-economic analysis in connection with the provided service. Up to 20% of the IV value may be used for this purpose;
- Specific professional training related to the development of a technological solution. A maximum of 20% of the value of the innovation voucher can be planned for these purposes.

Company and R&D service provider should manage any IP that may arise in the framework of R&D service implementation.

IV can be awarded for all fields of science and technology and for any area of industry.

However, please keep in mind that IV scheme is aligned with the Smart Specialization Strategy of the Republic of Serbia for the period from 2020. until 2027., which focuses on four main priority domains:

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

At least 70% of Innovation Fund (IF)'s available funding for the call for proposals will be allocated for applications in the above-mentioned priority domains, while a maximum of 30% will be allocated for other applications originating in non-priority domains.

The Smart Specialization Strategy of the Republic of for the period of 2020. until 2027. Serbia can be found on the following link: <https://pametnaspecijalizacija.mpn.gov.rs/>.

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

1.5. What are services for which the IVs are not awarded?

The IVs cannot be used for:

- Creation of Business plans and economic appraisals;
- Sales activities;
- Standard website or mobile application development;
- Activities such as market research and analysis (product-market fit);
- Non-consultancy services already available on the market (ISO standardization, technical attests...);
- Activities already financed through another framework, programme or company/institution;



- International travel, conferences or purchase of equipment;
- Services provided by ineligible R&D service providers (which do not meet the above-mentioned eligibility criteria for the R&D service providers).

1.6. Duration of the IV

Awarded IV must be used within a period of (6) six months from the date the contract is signed between the IF and the company.

The IV may be extended for a period longer than six (6) months only under exceptional circumstances based on the request of the company - the recipient of the voucher, if the IF assesses that the reasons stated in the request are justified. In the where the innovation voucher is not used even in this subsequent period, the IF will not have any obligations towards this approved innovation voucher.

1.7. When can you apply for an innovation voucher?

You can apply for an innovation voucher when the IF announces a public call for innovation vouchers.

2. APPLICATION PROCESS

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

Once registered, the company can submit an application directly to the IV portal. In order to be reviewed by the IF, the application needs to be complete, and submitted electronically through the IV portal.

2.1. Application Documents

Application for IV consists of three parts:

- R&D service request formulated by the company (the applicant) filled in on the IV portal;



- Financial offer by the R&D organization (R&D service provider) related to the R&D service request (uploaded as PDF to the IV portal);
- Accepting the terms and conditions of the IV scheme (filled directly on the IV portal).

Financial offer must contain the following elements:

- Technical problem specification for the requested service;
- Name of the R&D organization and the contact person responsible for requested service;
- Financial offer for services with VAT presented as a separate cost if the R&D organization is in VAT system;
- Breakdown of the service costs to up to three categories:
 - Human resources costs³ including the names of the service provider's staff engaged and the duration of their engagement;
 - Consumables costs;
 - Equipment use/rental costs;
- Completion date of the requested service;
- Validity of the offer (minimum of 30 days).

Financial offer must be signed by the official representative of the R&D organization. The service request is inserted directly on the portal, while the financial offer from the R&D service provider needs to be uploaded as a separate document in PDF format.

After registration, filling in the request for the service, setting the financial offer and accepting the conditions of the innovation voucher scheme, it is necessary to click the "Send" option, in order for the application to be successfully submitted.

2.2. Selection of IV Awardees

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

³ In the relevant service delivery period, the service provider may be engaged on a number of innovation vouchers. However, the total number of man-days of a particular person on all vouchers cannot exceed the total number of working days in the observed period of service execution. For example, if the observed period for execution of the service is a maximum of six (6) months, the total number of working days for which it is possible to hire one person is six (6) months x twenty-two (22) days, minus the number of non-working days (public holidays) for engagement in all innovation vouchers in that period. If the maximum number of working days is exceeded, the IF reserves the right to request the client to provide a corrected financial offer from the scientific research organization after considering the received applications.



- Fulfilment of the formal requirements of the applying companies;
- Fulfilment of the eligibility criteria related to the services and R&D service providers;
- Correctness of the financial offer;
- Verification of the affiliation of the service to priority areas within the Smart Specialization Strategy of the Republic of Serbia for the period from 2020. to 2027.

If these criteria are fulfilled, the IF will award the company with IV and send appropriate contract to be signed. Approval of the IV is carried out internally by the IF - by two (2) persons and finally approved by the IF's managing director. The IF will make its decision and inform the company about the decision within approximately seven (7) working days from the date of submission of IV application. IVs will be granted to companies on a "first come first served basis", starting from the date of the public call announcement and finalized at the moment of allocation of dedicated funds to the approved IV within the public call.

IF will reserve at least 70% of the available budget per public call for applications from the priority domains of the Smart Specialization Strategy. Therefore, while awarding applications, the IF will make sure not to use more than 30% of the available budget for applications outside of the four priority domains.

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

Ineligible companies will be notified of their ineligibility (including reason for rejection) by email. In case of rejected IV applications, submission of a new application is possible, provided the reasons for rejection are addressed and rectified.

3. REALIZATION OF THE INNOVATION VOUCHERS

3.1. Contracting

Upon approval of its application for IV, the company is required to sign an IV contract on the allocation and use of the innovation voucher with the IF.

After signing the contract with the IF, the company sends a service request to the R&D service provider to provide the service specified in the approved application of the innovation voucher.



The contract is signed for a period of six (6) months within which the innovation voucher is expected to be realized, ie. that the contracted service is performed by a R&D organization. The IF may consider extending the contract (up to a maximum of three (3) months) only in exceptional cases, based on the submission of a written request by the company containing a description of the change and an explanation for the change no later than fifteen (15) days before the originally defined deadline for which the innovation voucher is approved.

3.2. Reporting and verification

A precondition for payment on the basis of an approved innovation voucher by the IF is that the company confirms that the service has been provided in accordance with the requirements. The confirmation of acceptance of the provided service is submitted by the company directly to the IF's portal and in that way the IF is informed that it should make a payment to the service provider. The IF reserves the right to perform inspections at the company's premises and check the existence and content of delivered services that are financed under the innovation voucher scheme.

The IF has the right to, after signing the innovation voucher agreement, order the company to take or ensure that appropriate corrective measures are taken, if it finds that any provision of the innovation voucher agreement and / or this manual has been violated, as well as if on the basis of obtained and / or otherwise gathered information, that there are other irregularities related to the objectives of innovation vouchers, regulations of the Republic of Serbia or internal acts of the IF.

3.3. Reimbursement

When the company verifies and confirms that the service for which the IV has been granted is delivered, the IF will make a payment directly to the bank account of the R&D organization. Payment is maximum 60% of the total cost of the service, excluding VAT, according to the signed IV contract with the company. In order for the payment to be made, it is necessary that the R&D organization issues an invoice containing the total cost of the service, including the total amount of VAT charged to the company. The invoice must contain a note that up to 60% of service costs, and maximum RSD 800.000, excluding VAT, are paid by the IF based on the issued IV to the company. The company must pay at least 40% of the total cost of the service, including the total amount of VAT (if applicable), to the bank account of the R&D organization. Payment of the IF to the R&D organization will be done after the company submits acceptance note of the provided service, which the company uploads on the IV portal (template of the acceptance note of services provided is available on the IF portal).



R&D organization must fill out and send a request for payment to the IF. The IF will make a payment to the bank account of a R&D organization within approximately seven (7) business days upon receiving documentation satisfactory to the IF.

In order for the IV to be finalized, it is necessary for the company to upload to the IV portal a proof of payment in PDF.

The payment of the IF to the R&D organization may be conditioned by the actions of the company in connection with the order of the IF for taking corrective action, ie. suspended until the execution of the corrective measure.