

## **BRIEF ON THE SERBIAN INNOVATION FUND AND THE EU FUNDED PROJECTS IN THE AREA OF INNOVATION, R&D AND TECHNOLOGY TRANSFER**

The Innovation Fund was established by the Law on Innovation Activity in order to provide funding for innovations, particularly through cooperation with international financial institutions, organizations, donors and the private sector. Its objective is to promote innovation in priority areas of science and technology and to support commercialization of technology transfer thus enabling new technologies to reach the market. The Innovation Fund, as an independent institution, reports to the Ministry of Education, Science and Technological Development, as the relevant ministry in charge.

From 2011 to 2015, with strong support of the EU, the Innovation Fund implemented the **Serbia Innovation Project** with the primary goal to develop and implement financial instruments supporting innovation activities and stimulating R&D in commercial enterprises in Serbia. The Project in total value of **EUR 8.4 million** was funded by the EU Instrument for Pre-accession Assistance (IPA 2011) and administered by the World Bank.

Specifically, the Innovation Fund piloted two programmes – the Mini and Matching Grant Schemes with the primary objective to provide critical financing for project development during the R&D phase. While the Mini Grants (up to EUR 80,000) Programme supported early-stage, private, micro and small companies developing technical innovations with clear market needs, the Matching Grants (up to EUR 300,000) Programme assisted existing SMEs to develop their research activities, establish collaboration with strategic partners, attract investors and commercialize their innovations. By providing co-financing of up to 85% for one year Mini Grants Projects and up to 70% for two year Matching Grants Projects, the Innovation Fund served as a catalyst for Serbian SMEs to engage in R&D activities, establish collaboration and bring their innovative products and services to the market, while reducing the costs of transforming research into a commercially viable products.

### **RESULTS**

During the four Calls for Proposals for financing under the Mini Grants Programme and three Calls for Proposals under the Matching Grants Programme, the Innovation Fund received nearly 500 proposals for innovative projects from across Serbia, mostly from the Hi-Tech industries such as ICT, Energy Efficiency and Nanotechnologies, but also from more traditional industries such as Food and Agriculture, Machine and Mechanical Engineering, and Electromechanical device production. Through the evaluation and selection process, which is supported by high level peer reviewers and experts in the fields of science, technology transfer and commercialization of innovations, the independent and international Investment Committee has awarded **EUR 6 million for the financing of 55 projects**.

The EU funded project and the Innovation Fund directly supported more than 300 jobs for the duration of the project implementation through its financial instruments and helped companies to engage over 90 technical advisors on their R&D projects. The research community recognized the Innovation Fund's efforts to promote entrepreneurship in science and motivate R&D workers to think about the commercial potential of their ideas. Projects selected for financing engage over 20 R&D institutions as well as more than 60 PhD researchers with various backgrounds to bring innovative products, technologies and services on the market.

Some notable results have been accomplished, such as:

- **17** companies have generated revenue from the sale or lease of their innovative products,
- **9** companies have established international cooperation,

- **2** companies have secured distributors for the US market;
- **18** companies have established new business cooperation or partnerships;
- In order to protect their intellectual property, companies have submitted **13** Patent Cooperation Treaty (PCT) applications, **4** EPO applications, **5** US patent applications, along with patent applications in China, Australia, India and Japan. On a national level **33** patent applications have been submitted, together with **10** trademark applications, and **6** copyright applications.

## **ONGOING ACTIVITIES**

The EU continued to support the Innovation Fund through a new project called **Research, Innovation and Technology Transfer Project**, worth **EUR 2.5 million** with an aim to stimulate cooperation between academia and the private sector to commercialize R&D and promote technology transfer.

Within this project, the Innovation Fund has established the Technology Transfer Facility (TTF) that will support services to local Technology Transfer Offices and improve technology transfer practices at Serbian Universities and R&D organizations. The TTF would deploy relevant services in order to elicit disclosures from inventors, conduct prior art analysis (screening of the disclosure), intellectual property (IP) landscape analysis, market analysis, scout for potential licenses, determine the most promising commercialization route (e.g. contract research, licensing, spin-off creation, etc.) and negotiate deals with industry or investors.

In addition to the above, a direct grant to the Innovation Fund is provided from EU IPA 2013 in the amount of **EUR 2.4 million** (+ additional EUR 2 million of national co-financing) for the **Collaborative R&D Grant Scheme**. This scheme is designed by the World Bank and managed by the Innovation Fund to foster pre-competitive industry-driven research. The grant scheme provide financial assistance to 14 joint projects (up to EUR 300,000 per project) of SMEs and public sector R&D institutes, aiming to bring together the best potential from the private and research sector. Project started in March 2016 and will end in March 2019.

Furthermore, the Innovation Fund is representing the Republic of Serbia in the Western Balkans Enterprise Development and Innovation Facility (WB EDIF). This EUR 145 million regional programme will promote the emergence and growth of innovative and high-potential SMEs, as well as the creation of a regional venture capital market in the Western Balkans.

## **MOVING FORWARD**

Additional **EUR 2.5 million** is contracted from EU IPA 2014 (+ additional EUR 2 million of national co-financing) for new products and services developed through research commercialisation, which should replicate the success of the Mini and Matching Grant Scheme. Implementation will start on 1 December 2018.

With support by the Government of the Republic of Serbia, together with the EU assistance, the Innovation Fund aims to further contribute to the overall development of innovations by fostering the establishment of new and strengthening existing companies across Serbia, while supporting the development of innovative technologies.

The total EU funded support to this area amounts to **EUR 15.8 million** (including IPA 2014) and with the national co-financing it builds the portfolio of **EUR 20.8 million**.