

## *Innovation Fund: Technological Innovation Support Programs*

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The Innovation Fund of the Republic of Serbia (hereinafter: "**the Fund**") published a public call for technological innovation support programs on June 21st, 2023, referring to the **Early Development Program, Innovation Co-financing Program and Science-Business Cooperation Program**. The purpose of the programs is to encourage the creation of innovative companies through the establishment of "start-up" and "spin-off" companies, and to provide such companies with direct financial assistance for the development of innovative technologies, processes and products with market potential. Projects can be from any field of science and technology and from any industrial sector. However, priority will be given to projects in the field of food for the future, information and communication technologies, machines and production processes of the future, and creative industries, which will be allocated at least 50% of the available funds.

**Early Development Program** refers to young (not older than ten years), micro or small business companies with majority Serbian ownership, developing a technological innovation for which there is a need on the market. For this program, up to **120,000 euros** per individual project is approved, that is, up to 70% of the total costs of the project (approved project budget), and at least 30% of the co-financing is provided by the company. The deadline for the realization of the project is 12 months.

**Innovation Co-financing Program** is intended for companies (micro, small and medium-sized) with majority Serbian ownership, which need significant financial resources for the

commercialization of research and development. Up to **500,000 euros** per individual project is approved for this program. For micro and small companies, up to 70% of the total approved project budget is granted, where at least 30% is provided by the company. For medium-sized companies, up to 60% is approved, and at least 40% is provided by the company. The deadline for the realization of the project is 18 months.

In case of a successful outcome of the project, that is, if the financed project results in realized income, the users of the funds are obliged to pay "Royalty payments" to the Fund, which imply an annual payment of 5% of the total annual income generated by the sale of new technology/product/service, within five years from the end of the project, or up to a maximum of 120% of the allocated funds.

**Science - business Cooperation Program** enables consortia to implement joint projects to create high-value products, services, technologies and technological processes through applied research and development. Beneficiaries of program funds can only be consortia made up of at least one private micro, small or medium-sized enterprise established in the Republic of Serbia and one public accredited scientific research organization. The company must be majority privately owned, with an annual operating income of at least 300,000 euros and must be profitable. The consortium may also include other micro and small business companies from the private sector and/or scientific research organizations, provided that it cannot have more than five members.

By applying for this program, funds in the amount of up to **500,000 euros can be granted**, that is, a maximum of 70% of the total approved project budget for projects proposed by micro and small enterprises and a maximum of 60% of the approved

project budget for projects proposed by medium-sized enterprises . The rest of the funds are provided by the applicant from other private sources. The deadline for the realization of the project is 18 months.

The documentation that must be submitted with the application is identical for all three programs and includes:

- Statement of the applicant;
- Business plan;
- Project budget;
- Presentation of the project (PowerPoint presentation);
- Questionnaire on environmental impact assessment;
- Biographies of key members of the project team;
- Financial reports for the previous business year.

Applications are submitted in electronic form, through the Fund's portal. The deadline for submitting applications is **September 15, 2023, until 12:00 p.m.**

**For any additional consultation or legal assistance, you can contact the Tasić & Partners team via email at [office@tasiclaw.com](mailto:office@tasiclaw.com) or via telephone at +381116302233.**