



# **THE PROOF OF INNOVATIVE CONCEPT PROGRAM – POC**

## **Manual**

July, 2024

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## **The Proof of Innovative Concept Program – PoC**

### **I. About the Proof of Innovative Concept Program**

The Proof of Innovative Concept Program recognizes the need to support innovation from the earliest stages of research in order to secure pre-commercial capital for technical and commercial validation of an innovative concept.

Validation of an innovative concept is required to provide evidence that a new process or technology is feasible and can potentially have commercial application. For start-ups seeking investors, successful validation of an innovative concept will give potential investors confidence that the prototype or further development process is technically feasible, thus helping the business attract clients and investors. The program will enable comprehensive commercial and technical verification and validation of research results with commercial potential, what is being done to reduce technical and commercial risks and identify the most appropriate commercialization strategy and protect innovation.

The PoC program is one of the earliest stages in the development of innovations in which the correctness of the concept of a technological solution is just being confirmed, so projects that contain product development, service, technology, process and commercialization activities will not be financed from the Proof of Innovative Concept Program.

As part of this program, projects that have a high technological risk are financed, that is, those for which it is unknown whether the proposed solution can be developed and function as such. The result of the PoC can be both positive and negative, that is, this program will provide answers about the profitability of further investment in development. The successful PoC projects will provide investors with assurance that the process is technically feasible and that the prototype works.

The program will primarily finance research activities at the technological readiness level TRL 3-4 <sup>1</sup>, which can be classified in the category of industrial research <sup>2</sup>.

***The main objective of the program is to support innovations in the early research phase*** in order to secure pre-commercial capital for technical and commercial

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<sup>1</sup> <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2012:0341:FIN:EN:PDF>

TRL 3: Experimental proof of concept

TRL 4: Laboratory validation of the technological concept

<sup>2</sup> Industrial research means planned research or critical review with the aim of acquiring new knowledge and skills for the development of new products, processes or services, i.e., to achieve a significant improvement of existing products, processes or services. This includes the creation of component parts of complex systems and may include prototyping in a laboratory environment or in an environment with simulated interfaces of existing systems and pilot lines if necessary, for industrial research, primarily for verification of generic technology.

verification of innovative concepts and to strengthen the capacity and capabilities of the of the scientific research institutions for research, development and innovation.

**Objective of the Program:** Increasing the development and introduction of innovative products or processes that are the result of applied research and development activities.

**Specific objectives:**

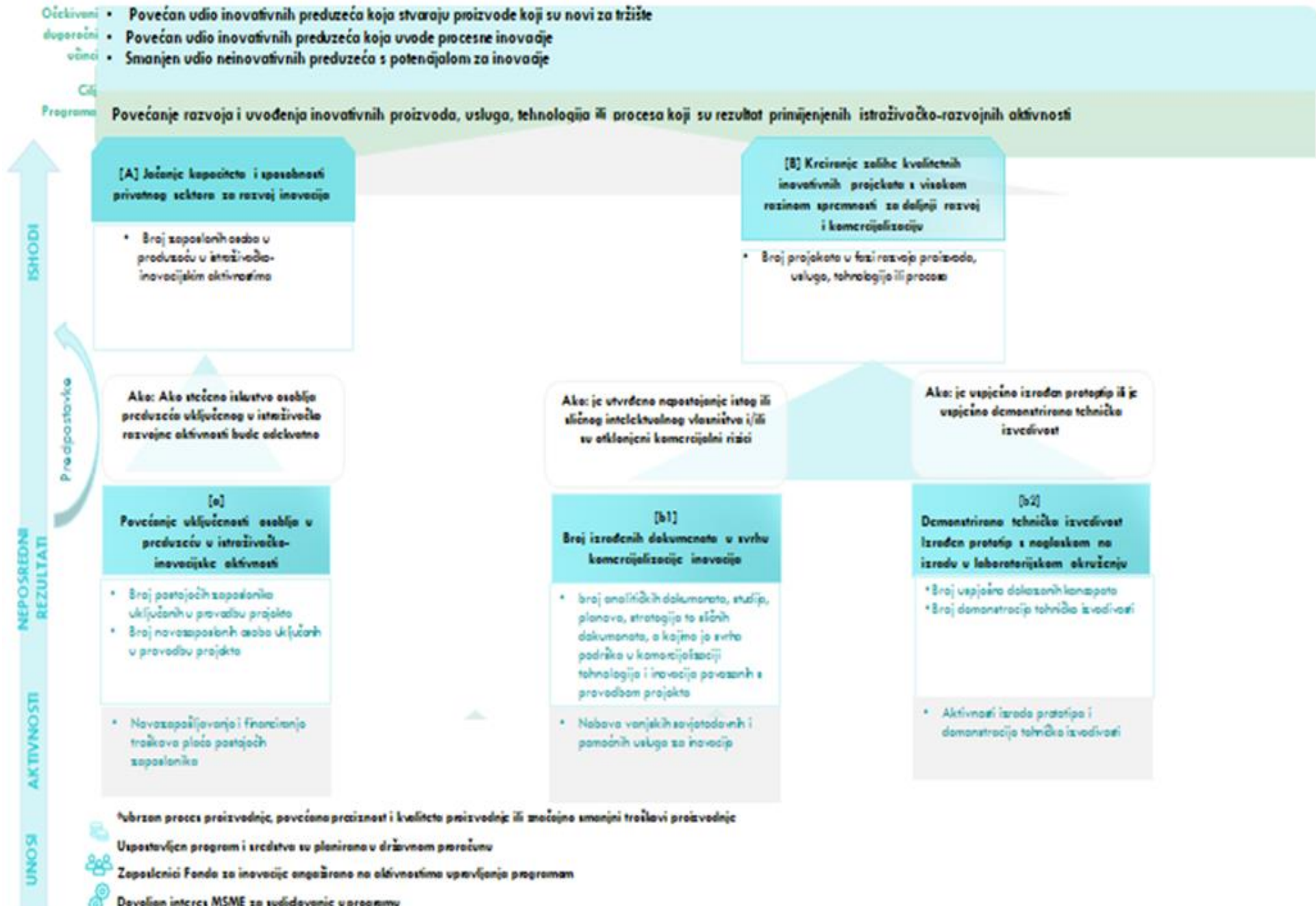
- a) Increasing the transfer of research and development results to commercialization and
- b) Improving the capacity of scientific research organizations for the development of innovations.

**The results** that are expected immediately after the completion of the implementation of the projects, i.e., the immediate results, are as follows:

- a) Increasing the involvement of scientific research organization personnel in research and innovation activities
- b) Prototype with an emphasis on manufacturing in a laboratory environment built
- c) Demonstrated technical feasibility
- d) Inspection performed and/or protection procedure initiated IV
- e) A market analysis conducted
- f) Cost-effectiveness study prepared
- g) Developed concept and/or strategy for product development or commercialization

**The theory of change** is a planning methodology that describes how the change processes in the program are conceived, that is, it shows the relationships and steps between program activities, transitional results and outcomes and effects, while at the same time specifying the context and indicators that will be used to measure immediate results, outcomes and long-term outputs.

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## II. Eligible applicants

Within this Program, the applicant must prove:

that it is a "**research and dissemination organization**" or "**research organization**" which means an entity (such as universities or research institutes, technology transfer agencies, innovation intermediaries, individuals or virtual research-oriented collaborative entities), regardless of its legal status (an organization based on public or private law), i.e. the method of financing, the primary goal of which is the independent implementation of fundamental research, industrial research or experimental development, i.e. to acquaint the general public with the results of these activities, through lectures, publication or transfer of knowledge, in accordance with Community framework for state aid for research and development and innovation (2022/C 414/01), chapter 1.3., point 16. (ff).

- ✓ which is **registered in the register of centres of excellence, licensed institutions and organizational units from Article 28, paragraph 3 of this law, which is maintained by the Ministry of Science and Technological Development Law on Scientific Research Activity ("Official Gazette of Montenegro", no. 80/2010, 40/2011 - second law, 57/2014 and 82/2020);**

The applicant is obliged to be registered in the Register of Innovative Organizations no later than 6 months after the grant agreement contract is signed. The registration procedure in the Register of Innovative Organizations began in October 2021 and is continuously enabled for all interested subjects of innovative activities. Registration is done through the web portal: [www.inovacije.gov.me](http://www.inovacije.gov.me).

## Acceptability of partners and partnership formation

Applicants must act individually. Partner organizations and partnerships of any kind are not acceptable.

## III. Application number by Applicant

The applicant may submit more than one project proposal according to the Call, noting that an individual beneficiary can be awarded grants only once for each activity, and the same expenses may not be financed twice from the state budget, Union programs, international sources and other state aid providers.

#### **IV. Duration of projects**

Co-funding in the Program can last a minimum of 4 and a maximum of 12 months, which means that the projects should be set up in such a way that the planned project activities can be carried out within 4 to 12 months.

#### **V. Financial allocation, amounts of grants and intensities of state aid**

The total value of a particular project includes:

- grants that will be allocated to a particular project by the Fund for part of the eligible costs of the project, and
- the applicant's funds for co-funding the remaining value of eligible costs.

#### **Grant amounts**

The Innovation Fund of Montenegro allocated funds in the total amount of 350.000,00 EUR for the financing of innovative projects under this Program.

The lowest and highest amount of grants that can be awarded to an individual applicant and project is:

- the lowest amount is 20.000,00 EUR
- the highest amount is 40.000,00 EUR.

#### **VI. Eligible project activities**

Eligible activities are:

A)

- 1) Prototyping in a laboratory environment
- 2) Demonstration of technical feasibility

B)

- 1) Verification and protection of intellectual property
- 2) Market analysis, Preparation of a feasibility study, Developing a concept and/or strategy for product development and/or commercialization (commercialization plan or study)
- 3) Project implementation activities.

Projects to be financed by this call must include at least one of the activities from Group A, combined with at least one activity from Group B. The optimal combination of project activities allows the applicant to assess the feasibility of a business idea based on the proposed technology. If during the implementation it turns out that the project is not feasible for technical and technological reasons, the applicant is not obliged to implement the proposed activities that fall into Group B.

Activities that will not be co-funded by the Program are all activities related to product development and commercialization.

## **Ineligible project activities**

Ineligible project activities are:

- activities related to commercialization, i.e., investments for the purpose of strengthening the production or sales capacities of the applicant;
- research and development activities and costs that are technologically developed lower than the permitted level of TRL 3 or higher than TRL 4;
- activities of placing the final product, service or technology on the market;
- activities related to increasing production and other capacities of the applicant in case the product/service/technology/process cannot be considered innovative
- cash withdrawal from the project account;
- any other activities not listed in the Eligible Project Activities section.

## **VII. ELIGIBLE COSTS**

1. **Staff salary costs** (gross 2) employed by the applicant and new employees who will work on the implementation of the project.

The gross 2-year salary is the actual current salary plus social security contributions of the employees expected to work on the project. Gross salaries cover the work of the Project Manager and the professional team (employees involved in the project), provided that they are employees of the applicant with whom they have an employment contract. Other salary supplements such as jubilee awards, gifts for children and vacations are not eligible for co-funding with program funds.

Acceptable and justified expenses in the Program are gross salaries of additional employees who are hired exclusively for work on the project.



1.1. **Existing employees**, for the position where there is an employee in the month preceding the month of submission of the project proposal, the gross amount is based on the actual salary of that position:

a) for the position where there is a worker who was employed by the applicant for the last 3 consecutive full months preceding the month in which the project proposal is submitted, the gross amount is based on the actual salary for that position;

b) for the position where there is a worker who has been employed by the applicant for less than 3 consecutive full months preceding the month in which the project proposal is submitted and whose payroll can prove the cost of the gross salary, the calculation will be made from the available recorded gross amounts of the employment costs of that employee for the months in which the employee worked for the applicant preceding the month in which the project proposal is submitted, which are then duly adjusted for a period of 3 months.

1.2. **New employees**, the annual gross amounts of salary costs are calculated:

a) for newly employed persons, the annual gross amounts of salary costs are calculated on the basis of documented data on the salary of other employed personnel assigned to the same or similar workplace, whose last annual costs are available for the reference period, i.e., for the 12 consecutive months preceding the project proposal;

b) exclusively in the case when none of the applicants' employed persons are assigned to the same or similar workplace that would correspond to the workplace of the newly employed person, for newly employed persons, the annual gross amounts of salary costs are calculated according to the rules on the applicant's work, some other document which determines the salary levels in the institution of the applicant or by agreement in accordance with the scope and demands of the job.

**The total co-financing by the Fund in this cost category cannot exceed 60% of the awarded grant amount.**

2. **Costs of outside research services**, if the project team is unable to independently perform certain activities.

**The total co-financing by the Fund in this cost category cannot exceed 50% of the awarded grant amount.**

3. **Costs of materials and small inventory** for the needs of the project. Small inventory refers to materials and devices whose unit value is less than 300.00 euros VAT excluded.

**The total co-financing by the Fund in this cost category cannot exceed 10% of the awarded grant amount.**

4. **Costs of instruments and equipment**, in the range and in the period in which they are used for the project. If these instruments and equipment are not used for the project during their entire lifetime, only depreciation costs incurred during the project's lifetime are considered acceptable costs, in accordance with generally accepted accounting principles. The item equipment includes equipment whose unit value is greater than 300.00 euros VAT excluded. The applicant should take care that this equipment is really necessary for the proof of the concept and prove that without this equipment the project could not be realized. **The total co-financing by the Fund in this cost category cannot exceed 50% of the awarded grant amount.**
5. **Costs of business trips related to the implementation of the project. The total co-financing by the Fund in this cost category cannot exceed 10% of the awarded grant amount.**
6. **Costs of market analysis, preparation of a feasibility study, preparation of a study or plan for commercialization, and costs of verification and protection of intellectual property. The total co-financing by the Fund in this cost category cannot exceed 20% of the awarded grant amount.**
7. **VAT on eligible expenses for which the applicant cannot ensure its reimbursement.**
8. **Indirect costs** incurred directly as a consequence of the implementation of the project by the applicant are calculated **at a fixed rate up to 7% of the total value of the acceptable direct costs of the project.**

Indirect costs arising from the implementation of the project are not justified and include, for example:

- rental and maintenance costs (periodic inspections prescribed by law, replacement of worn materials and elements, periodic and extraordinary works and repairs),
- overhead costs that include heating/cooling, electricity, water, waste removal

Grants awarded to applicants who meet the definition of "organisation for research and dissemination of knowledge" in accordance with the Community Framework for State Aid for Research and Development and Innovation (2022/C 414/01), chapter 1.3., point 16. (ff), **do not represent state aid in the sense of the Law on Control of State Aid**, and in those circumstances, the intensity of aid for costs eligible for financing with grants may reach **90% of eligible project costs**, taking into account the maximum value of the amount of grants that can be allocated to an individual project.

Organizations for research and dissemination of knowledge ("research organizations") are not recipients of state aid if they do not meet the requirements for an enterprise. Those conditions do not depend on their legal status, i.e., whether it is established in accordance with public or private law, nor on its economic nature, i.e., whether it seeks to make a profit or not. What is decisive for non-fulfilment of the conditions from the definition of the company is the fact that the economic activities consisting of the offer of products or services on a certain market do not exceed 20% of the total annual capacity of the organization. In case that the research organization is engaged in both economic

and non-economic activities, public financing of non-economic activities will not be covered by Article 107, paragraph 1 of the Treaty on the Functioning of the European Union, if it is possible to unambiguously separate the two types of activities, their costs, financing and income in order to effectively avoid cross-subsidization of economic activity.

The applicant is obliged to study the Guidelines for Beneficiaries related to the application of state aid rules and confirm compliance with the main provisions with the applicant's Declaration (Declaration of Non-Economic Activities).

## **Ineligible costs**

The following costs are not eligible:

- Value Added Tax (VAT) for which a refund can be claimed;
- Debts and debt repayment costs (interest);
- Compensation for losses, debts or potential future liabilities;
- Costs reported by the Applicant and financed under another action or program that receives funds from other public funding sources;
- Purchase of land or buildings, including renovation;
- Vehicle purchase and leasing ;
- Costs of judicial and extrajudicial disputes;
- Costs for opening, closing and maintaining accounts;
- Currency exchange losses, fees and penalties;
- Loans to third parties;
- Non-financial investments;
- Representation expenses;
- Recruitment, relocation or subscription costs;
- Procurement of used or refurbished goods;
- Patent maintenance costs that did not arise from the project;
- Costs related to development and commercialization;
- Costs of participation and travel to fairs and conferences for the purpose of commercialization;
- Costs of advertising, selling and/or distributing products or services.
- All other costs that are not listed in the category of eligible costs.

## **VIII. CO-FUNDING BY THE APPLICANT**

The applicant commits to provide additional funds for the co-funding of the project. Co-funding can be from its own sources or by securing funding in another way. The funds must not come from non-refundable public sources or from the European Union.

From the means of co-funding by the applicant, all acceptable costs can be financed in accordance with point XII.A of this Program, that is, costs related to acceptable project activities.

## **IX. Dual financing**

Financing of the same expenses from the state budget, Union programs, international sources and other providers of state aid should be avoided .

Funds can only be allocated once for each activity to an individual applicant, and the same costs may not be financed twice from the above-mentioned sources under any circumstances.

Applicants may not request/receive funds from other public sources for the costs that will be reimbursed within the framework of the submitted and project selected for financing.

If the applicant applied for funds from other state aid providers for the same justified expenses, it is necessary to submit a statement stating the amount and status of this aid.

## **X. Eligible areas of research and development**

This Program is aligned with the strategic priorities established by the Strategy of Smart Specialization (2019-2024):

- Sustainable agriculture and the food value chain;
- Energy and sustainable environment;
- Sustainable and health tourism; and
- Information and communication technologies as a horizontal priority.

At least 70% of the Fund's available resources within this Program will be allocated for applications in the specified priority areas of the Strategy for Smart Specialization of Montenegro, depending on the availability of quality projects.

## **XI. Procedure for awarding grants**

In order to apply for the Public Call, the Eligible Applicant must first register on the Fund's portal via the link [www.programifonda.me](http://www.programifonda.me) . The request for account registration is automatically approved, after which the Eligible Applicant receives the necessary credentials via email. After registration, the Eligible Applicant can submit their Application directly on the portal.

Potential applicants may ask questions during the duration of the Public Call for the purpose of obtaining additional clarifications and explanations of the provisions of the Call. Inquiries can be made until the end of the working day before the Public Call closes.

In the grant awarding procedure (hereinafter referred to as the awarding procedure), the following are carried out:

1. assessment of project proposals in relation to administrative criteria
2. assessment of project proposals in relation to the selection criteria
3. making the Decision on financing.

The allocation procedure is carried out by the Innovation Fund of Montenegro.

Considering the type, complexity and number of expected project proposals and the demandingness and complexity of the award procedure, the award procedure lasts a maximum of 120 days from the day the call is closed. The aim of checks within the award procedure is to verify the compliance of project proposals with the administrative and quality assessment criteria listed below. *In justified cases, the Innovation Fund of Montenegro can extend the duration of the awarding procedure, which it issues a notification about.*

## **Assessment of project proposals in relation to administrative criteria**

Administrative verification of project proposals is carried out in accordance with the criteria set out below and will be carried out by Fund Managers or other persons employed by the Fund as determined by the Executive Director. These criteria are strictly applied and any project proposal that does not meet all the administrative criteria specified in the Public Call is not included in the further process. The verification of the fulfilment of the administrative criteria is carried out before the start, and continues during the evaluation of the project proposals in relation to the selection criteria. After reviewing the administrative criteria, the applicants who did not meet the administrative criteria are sent a decision on the rejection, that is, the exclusion of the project proposal from the further procedure. The decision to exclude proposals from further procedure due to non-fulfilment of administrative criteria is made by the Executive Director of the Fund. The decision is final and cannot be challenged, except in the case of an administrative error. The objection is sent to the Fund by e-mail to the address:

[info@fondzainovacije.me](mailto:info@fondzainovacije.me).

Administrative criteria:

- a) All required documentation from point XVI has been submitted. application form is written in English
- b) The content of the project application is filled in according to the correct forms

- c) Eligible applicants are those who meet the definition of "organization for research and dissemination of knowledge" in accordance with the Community Framework for State Aid for Research and Development and Innovation (2022/C 414/01), chapter 1.3., point 16. (ff).
- d) The application was submitted in electronic form through the portal on the Fund's website within the deadline specified in the Public Call
- e) According to the financial plan, the amount of aid requested from the Fund is not less than 20.000 and not more than 40.000 euros.
- f) The duration of projects is at least 4 months and at most 12 months.
- g) The activities of the project are in accordance with the eligible activities within this Program as stated in point VII
- h) The applicant has a positive capital value in the balance sheet on the day December 31, 2023.

## **Evaluation of project proposals in relation to selection criteria**

All project proposals that have met the administrative criteria enter the evaluation process of project proposals in relation to the selection criteria.

Fund managers, after reviewing the project proposals, send each project proposal to three evaluators who are from the field of technology to which the project belongs.

In order for the project proposal to enter the assessment procedure according to the selection criteria, it must meet the criterion related to the technological level of development of the innovation. Criterion 1 is checked by evaluators .

- 1. The technological level of development of the innovation (product / service / technology / process) at the beginning of the project is clearly described and can be classified between TRL 3 - TRL 4 (not lower than TRL 3 nor higher than TRL 4):
  - Yes
  - No

The applicant who was awarded NO by two of the three evaluators according to this criterion is excluded from the awarding procedure and no further checks are carried out.

### **The selection criteria evaluated by the evaluators are:**

#### 1. PROJECT

- 1.1. Are the aim, purpose and expected results of the project clearly defined and explained?
  - a) The aim, purpose and expected results of the project are extremely clearly defined and explained

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- b) The aims are very well defined and explained
- c) The objectives are well defined and explained
- d) The aims are not well defined and explained
- e) The available documentation does not provide enough information for a quality assessment of this criterion.

#### Questions for comments:

Are the objectives clearly stated and well explained? How could we check the achievement of the aims? Can we objectively measure whether the proposed aims will be achieved or not? Are the proposed aims achievable?

1.2. Feasibility of the proposed research, i.e., whether the proposed research is feasible in terms of appropriateness of activities, time schedule, calculations and whether it can be realized in the proposed period.

- a) The proposed research is extremely easy to perform.
- b) The proposed research is easy to implement.
- c) The proposed research is feasible.
- d) The proposed research is not feasible
- e) The available documentation does not provide enough information for a quality assessment of this criterion.

#### Questions for comments

Does the project proposal have a clear, complete, feasible and detailed implementation plan, which includes appropriately identified activities as well as a realistic estimate of the time frame and required resources for its implementation, including an adequate and clearly developed budget. Are the research methods appropriate? Regarding the proposed aims, is the timeline achievable? Is the proposed budget cost-effective and appropriate for the proposed project?

## 2. LEVEL OF INNOVATION

2.1. In relation to the innovation market (product, service and/or technology), which is the subject of the project investment, according to the level of novelty of the solution, it represents:

- a) Radical innovation for the market (or creation of an entirely new market)
- b) A significant improvement compared to existing solutions on the market

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- c) Incremental innovation in relation to existing solutions on the market for the purpose of creating new versions of products, services, technologies applicable to new markets
- d) The innovation does not represent a radical, significant improvement or an incremental innovation compared to existing solutions on the market
- e) The available documentation does not provide enough information for a quality assessment of this criterion.

Questions for comments

Is the innovation based on the latest results of research and technological development? Explain why do you think the innovation is radical or represents an improvement or is incremental compared to existing solutions on the market? Does the project have a technological risk, i.e., it is unknown whether the idea/proposed solution can be developed and function as such?

2.2. In relation to the business environment, the process innovation that is the subject of the project investment, according to the level of novelty of the solution, represents:

- a) A radical innovation
- b) A significant improvement over existing solutions
- c) Incremental innovation compared to existing solutions
- d) The innovation does not represent a radical, significant improvement or an incremental innovation
- e) The available documentation does not provide enough information for a quality assessment of this criterion.

Questions for comments:

Is the innovation based on the latest results of research and technological development? Explain why do you think the innovation is radical or represents an improvement or is incremental compared to existing solutions on the market? Does the project have a technological risk, i.e., it is unknown whether the idea/proposed solution can be created and function as such?

The evaluator assesses criterion 2.1. or criterion 2.2.

### 3. ASSESSMENT OF MARKET POTENTIAL



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3.1. The product or service and/or technology that will result from the project represents an innovation on:

- a) Global market
- b) Regional market
- c) Local market (MNE)
- d) The product/service/technology does not represent an innovation for the global, international, regional or local market
- e) The available documentation does not provide enough information for a quality assessment of this criterion.

Questions for comments

Assess the market reach of the product/service/technology based on the proposed innovation, i.e., whether the innovation has the potential to succeed in the target market with little or no competition, and whether the innovation has the potential to succeed on the global market. Also, have potential users/customers been adequately described, have the business model and method of entering the target market been presented, the initial market share correctly estimated, the competition (substitutes) analysed, the potential barriers to market entry observed, the regulatory requirements to be fulfilled presented, including intellectual property requirements as well?

3.2. Modernization of business by applying innovative process solutions will result in the competitiveness of the company on:

1. Global market
2. Regional market
3. To the local market (MNE)
4. The application of innovative process solutions will not result in the competitiveness of the company on the global, international, regional or local market.
5. The available documentation does not provide enough information for a quality assessment of this criterion.

Questions for comments

Assess whether the modernization of operations by applying innovative process solutions will result in the competitiveness of the company on the target market where there is less competition or none at all, and does the innovation have potential for the competitiveness of companies on the global market? Also, have potential users/customers been adequately described, have the business model and method of entering the target market been presented, the initial market share correctly estimated, the competition (substitutes) analysed, the potential barriers to market entry

observed, the regulatory requirements to be fulfilled presented, including intellectual property requirements as well?

The evaluator assesses criterion 2.4. or criterion 2.5.

*Reasoning:*

*The global market implies the reach of innovation on the world market; the regional market includes the surrounding countries (Bosnia and Herzegovina, Albania, Kosovo, the Republic of Serbia, the Republic of Croatia and North Macedonia), the local market includes the market of Montenegro*

4. APPLICANT'S OPERATIONAL CAPACITIES - Expertise of key team members, skills and ability to implement the proposed project

4.1. Are the structure and competencies of all members of the project team needed for the implementation of the project adequate, that is, are their responsibilities realistically distributed and described?

- a) The structure and competencies of all members of the project team are excellent
- b) The structure and competencies of all members of the project team are very good
- c) The structure and competencies of all members of the project team are good
- d) The structure and competencies of all members of the project team are minimal
- e) The available documentation does not provide enough information for a quality assessment of this criterion.

Questions for comments:

Did the applicant secure adequate human resources needed for the implementation of the project, realistically define the structure, qualifications and competencies of the project team members and distribute their responsibilities and plan the project management, and are the project team members capable of realizing the business idea?

The evaluators rate the individual aspects that make up each evaluation criterion, and rate each aspect on a scale of five numbers - from 1 to 5. Their ratings are equally valuable, and therefore the mean value is drawn. Evaluators are expected to add a comment to each rating in a form that will provide clear feedback to applicants.

The final evaluation grade is formed based on the following formula:

$$K = 0,2I + 0,35II + 0,25III + 0,2IV$$

where *I, II, III* and *IV* are the mean grades (calculated on the basis of the arithmetic mean for each criterion and on the basis of the arithmetic mean for all criteria together) of the three evaluators for the corresponding criterion and *K* is the final grade of the project proposal. The final grade is calculated by rounding to 2 decimal places.

## **Making a financing decision**

Based on the final grade (*K*) of all project proposals, a final ranking list is formed, the Fund Managers contact the highest ranked applications and agree on the terms of project implementation. Negotiations may refer to the financial, legal and/or substantive part of project proposals, considering the comments of independent evaluators. Applicants are required to submit the following additional documentation:

1. Documents related to the calculation of staff salary costs:
  - 1.1. For newly employed persons, submit a contract proposal (unsigned) and the document on the basis of which the salary was determined.
  - 1.2. For existing employees, submit payroll for the period of 3 consecutive full months preceding the project proposal.
2. Valid offer for any cost over 6,000 euros except for staff costs.
3. Procurement plan
4. The form for de minimis aid

After the negotiations have been completed, decisions on the acceptance or rejection of the projects are sent.

Applicants whose projects have been approved are invited to sign the grant award contract. **In order for the project proposal to be financed, it must have a final grade (K) of at least 3.50.**

The list of beneficiaries with whom the Grant Agreement has been signed will be published on the website of the Innovation Fund within 10 working days after the Agreement enters into force.

At least the following information is published:

- user name;
- project name;
- the amount of grants allocated to the project and the rate of co-funding (aid intensity);
- a brief description of the project.

## **XII. Documentation required for the implementation of the Program**

1. Public call for the Proof of Innovative Concept Program

2. Proof of Innovative Concept Program
3. Rulebook for project evaluation
4. Grant award contract

## **Application documentation**

1. Application form
2. Financial plan
3. Biography for project team members
4. Applicant's statement
5. Statement on (non)recoverability of VAT
6. Statement on non-economic activities
7. Balance sheet and income statement on December 31, 2023

**Note:** The application documentation must be submitted in the same format as on the Fund's website. The application form, financial plan, and biographies of the project team members must be submitted through the Fund's portal in English language, in the format available on the Fund's website. The application forms are an integral part of this manual, and applicants are required to follow the specific instructions provided in these forms. All statements must be stamped and signed by an authorized person.

The Fund will provide advisory support to all interested applicants regarding the administrative aspects of preparing project proposals for the program through email, telephone, frequently asked questions, info days, and open-door sessions. Please note that the Fund's staff cannot assist in writing the content of the application, nor can they provide advice or qualitative judgments related to the quality of the application content.

## **XIII. Indicators at the level of projects and Proof of Innovative Concept Program for scientific research institutions**

The proof of innovative concept program will support projects that have an early stage of technological readiness, i.e., from TRL3 to TRL4. The support will be directed to projects with clearly defined expected results, in accordance with the aforementioned aims of the Program.

For the purposes of monitoring the project's achievements, the applicant is obliged to select the indicators from Table 1 in the Application Form and specify the specific target values of the indicators that he expects to achieve by implementing the project. It is also necessary to explain the target values and their connections with the planned project activities in the Application Form. The achievement of the result indicators will be monitored during the project implementation, and the outcome and performance indicators in the period after the implementation.

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Within the monitoring and evaluation of project achievements, the uncertainty of achievement of Program's indirect results, which are measured at the level of outcomes and performance, will be taken into account.

Table 1 Indicators at the level of projects and programs

[O] Objective of the Program: Increasing the number of new innovative companies founded by universities or research centres					
Indicator mark	Level	Indicator	Unit of measurement	Deadline for completion	Note regarding the selection of indicators
01	Performance	Increased share of innovative companies established by scientific research organizations	Innovative companies established by scientific research organizations	Five years from the end of project implementation	Applicants do not include the indicator in the project proposal. The Innovation Fund will monitor the indicator at the Program level.
	Description: share of innovative companies established by scientific research organizations As part of the monitoring of indicators, the share of innovative companies will be monitored according to the corresponding strategic priorities determined by S3. Source of verification: report and/or survey upon completion of project implementation				
02	Performance	Increased cooperation between scientific research organizations and companies	Cooperation between scientific research organizations and companies in the form of collaborative projects, licensing agreements, joint ventures, etc. achieved	Five years from the end of project implementation	Applicants do not include the indicator in the project proposal. The Innovation Fund will monitor the indicator at the Program level.
	Description: The indicator measures the increase in the number of collaborations between scientific research organizations and companies. As part of the monitoring of indicators, the share of innovative companies will be monitored according to the corresponding strategic priorities determined by S3. Source of verification: report and/or survey upon completion of project implementation				

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[A] Strengthening the capacities of scientific research organizations for innovation development					
Indicator mark	Level	Indicator	Unit of measurement	Deadline for completion	Note regarding the selection of indicators
A	The outcome	The number of persons employed in scientific research organizations in innovation activities	Scientific research organizations employees	Three years from the end of project implementation	An indicator needs to be selected and a target value set for it at the project level for each project.
	Description: The indicator measures the number of employees in scientific research organizations who are engaged in research and development activities within the company, regardless of the level of professional education. Source of verification: report and/or survey upon completion of project implementation				

[ Aa ] Increasing the involvement of personnel in research and innovation activities					
Indicator mark	Level	Indicator	Unit of measurement	Deadline for completion	Note regarding the selection of indicators
Aa	The result	The number of newly employed persons involved in the implementation of the project	Scientific research organization employees	At the end of the project	An indicator needs to be selected and a target value set for it at the project level for each project.
	Description: The indicator measures the number of newly employed persons in scientific research organizations who are involved in the implementation of the project, regardless of the level of professional education. Source of verification: report and/or survey upon completion of project implementation				

[B] Increasing the transfer of research and development results into commercialization					
Indicator mark	Level	Indicator	Unit of measurement	Deadline for completion	Note regarding the selection of indicators
Ba	The outcome	The number of realized technology	Number of technology transfers	Three years from the end of project	The indicator needs to be

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		transfers (signed research and development contracts or intellectual property licensing agreement or establishment of a spin-off)		implementation	selected and a target value set for it at the project level for each project.
		Description: The indicator tracks the number of technology transfers			
		Source of verification: report and/or survey upon completion of project implementation			

[B] Increasing the transfer of research and development results into commercialization					
Indicator mark	Level	Indicator	Unit of measurement	Deadline for completion	Note regarding the selection of indicators
Bb	The outcome	The number of intellectual property applications (including patents, trademarks, industrial designs, etc.)	Intellectual property application	At the end of the project	The indicator needs to be selected and a target value set for it at the project level for each project.
	Description: The indicator tracks the number of intellectual property applications (including patents, trademarks, industrial designs, etc.)		Source of verification: report and/or survey upon completion of project implementation		

[ Ba ] Number of documents prepared for the purpose of commercializing innovations					
Indicator mark	Level	Indicator	Unit of measurement	Deadline for completion	Note regarding the selection of indicators

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Well	The result	Number of documents prepared for the purpose of commercializing innovations	Document	At the end of the project	It is necessary to select the indicator and set a target value for it at the project level for each project that includes the activities of creating the specified documents.
	<p>Description: The indicator measures the number of analytical documents, studies, plans, strategies, and similar documents developed with the purpose of supporting the commercialization of technologies and innovations related to project implementation.</p> <p>Source of verification: reports during the implementation of the project and the final report</p>				

[Bb] Prototype made					
Indicator mark	Level	Indicator	Unit of measurement	Deadline for completion	Note regarding the selection of indicators
Bb	The result	Number of successfully proven concepts	project	At the end of the project	It is necessary to select at least one result indicator from group Bb and set a target value for it at the project level.
	<p>Description: The indicator refers to the number of projects in which the concept has been successfully proven. At the end of the implementation of the projects, it is assessed whether the concept is proven, partially proven, proven with additional unplanned results or not confirmed. All projects in which the concept has been partially or completely successfully proven are included in the achievement of the indicators.</p> <p>Source of verification: final report on project implementation and accompanying documentation</p>				

[Bb1] Demonstrated technical feasibility



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Indicator mark	Level	Indicator	Unit of measurement	Deadline for completion	Note regarding the selection of indicators
Bb1	The result	Number of technical feasibility demonstrations	project	At the end of the project	It is necessary to select at least one result indicator from group Bb and set a target value for it at the project level.
	Description: The indicator refers to the number of projects in which technical feasibility has been successfully demonstrated. Source of verification: final report on project implementation and accompanying documentation				