

INNOVATION FUND OF MONTENEGRO

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PUBLIC CALL FOR ENCOURAGING INNOVATION CULTURE¹

I SUBJECT OF PUBLIC CALL

The subject of the Public Call is to support activities aimed at actively promoting innovation culture in Montenegro, through organizing events that enhance the popularity of innovation and innovative entrepreneurship, by implementing activities that raise awareness of the importance of innovation for sustainable development, by creating competitions for young innovators with innovative ideas, and other supportive measures for innovation activities.

II OBJECTIVES OF THE PUBLIC CALL

The general objective of this program is to make a continuous contribution to the growth of Montenegro's competitiveness and the construction of an economy based on innovation and knowledge. The specific objectives of this program are:

- Raising the awareness of the general public (university, academic, scientific-research and business communities, and especially young people) about the importance of the development of innovative activities for sustainable development and measures of support for the development of technological and social innovations, startup ecosystems, innovative entrepreneurship and innovative infrastructure;
- Affirmation of innovative entrepreneurship and building a sustainable environment for translating ideas into innovations and their commercialization on the market;
- Strengthening the innovative capacities of enterprises in Montenegro through the promotion and popularization of innovations and cooperation between scientific research organizations and the economy.

III ELIGIBLE APPLICANTS²

The following can apply for this Public Call:

- Micro, small and medium-sized enterprises (hereinafter referred to as MSMEs) established as legal entities as defined by the current Company Law ("Official Gazette of Montenegro", No. br. 065/20, 146/21 and 004/24), as well as the Accounting Law ("Official Gazette of Montenegro", No. 145/21 and 152/22), registered in the Central Register of Business Entities of

¹ This is an unofficial translation. In case of any discrepancies, the version in the official language of Montenegro shall prevail.

² The terms used in this document for natural persons in the masculine form apply equally to the feminine form.

Montenegro (CRPS) with headquarters in Montenegro and majority privately owned, where the share of ownership of a large company may not exceed 10%;

- NGOs registered in Montenegro whose field of operation and activity are in accordance with the objectives of the Public Call;
- Public/private institutions in the field of cultural and artistic creativity and public/private institutions in the heritage sector registered in Montenegro in accordance with the Law on Culture, that is, the Law on Museum Activities;
- Public/private institutions in the field of education registered in Montenegro in accordance with the General Law on Education.

The applicant's eligibility will be checked before signing the Financing Agreement, based on the applicant's Statement and accompanying documentation. However, for the purposes of good administrative practice, the Fund may screen and then exclude applicants at any stage of the evaluation process if it is immediately apparent that they do not meet the eligibility criteria.

IV AMOUNT OF FUNDING

The total amount of support provided for the program line for encouraging innovation culture in 2025 amounts to 100.000 euros. The applicant may be entitled to funds from this program line in an amount up to 8.000 euros.

Type of support: According to the type, the support granted for this program line in the case of entities performing business/economic activity, regardless of their legal status and the way they are financed, will be carried out under the de minimis aid regime (small value state aid), and these users will be obliged to act in accordance with the Rulebook on the list of rules on of state aid ("Official Gazette of Montenegro", no. 35/2014, 2/2015, 38/2015, 20/2016, 33/2020, 38/2020, 53/2020, 98/2020, 130/2020, 44/2021, 107/2021 and 131/2021, 15/2022, 52/2022, 34/2023, 57/2023, 115/2023 and 26/ 2024) and are obliged to act in accordance with the provisions of the legal acts governing this area. The total amount of de minimis aid granted to one beneficiary may not cumulatively exceed 300.000 euros during any period of three fiscal years. A completed de minimis aid declaration form must be submitted to the Fund in case the project is positively evaluated.

Grants can be awarded to an individual user only once for one type of activity, that is, the same expenses may not be financed twice from the state budget, Union programs, international sources and other state aid providers under any circumstances.

The applicant (institution/organization) can receive funds based on a maximum of one application within this Public Call. This rule does not apply to universities in Montenegro.

Co-financing of project activities is not mandatory, and if it exists, it can be provided by the Applicant, partners in the project, donors, etc.

The Fund reserves the right not to allocate all available funds, as well as to allocate additional funds should they become available.

V ELIGIBLE PROJECT ACTIVITIES

Eligible activities for the program line for encouraging innovation culture are:

- Planning, development and implementation of a promotional campaign on the importance of innovation development and innovative entrepreneurship;
- Organization of events that contribute to:
 - promotion and popularization of innovations and innovative entrepreneurship raising awareness about the importance of innovation for sustainable development (the concept of smart cities, green transformation, blue growth, etc.).

Special conditions for the eligibility of activities:

Eligible project activities must be **implemented at the national or regional level in relation to the target groups.**

- If the project is implemented at the regional level, the project activities must be implemented with target groups from at least two cities in the region.
- If the project is implemented at the national level, the project activities must be implemented with target groups from at least one city from each region.

VI ELIGIBLE COSTS

The following categories of costs can be financed under this call:

- **Costs of personnel engaged in the project.** The staff engaged in the project can be employed by the Applicant or solely for the purpose of implementing the project;
- **Costs of external experts/lecturers** for the purposes of project implementation;
- **Costs of equipment, materials and small inventory** for the purposes of the project. Small inventory refers to materials and devices whose unit value is less than 300,00 euros VAT excluded.;
- **Promotion costs for the purposes of the project;**
- **Official travel costs related to the implementation of the project;**
- VAT on eligible costs for which the applicant cannot secure its refund.

The Fund reserves the right to request documentation justifying the budgeted costs, should it deem necessary.

VII INELIGIBLE COSTS

The following costs will not be considered eligible:

- Value Added Tax (VAT) for which a refund can be requested;
- Indirect costs incurred directly as a consequence of project implementation;

- Costs reported by the applicant and financed under another action or program receiving funds from other public financing sources;
- Representation expenses;
- All other costs that are not listed in the category of eligible costs.

VIII CONTENT OF THE APPLICATION

The project application should contain the following documentation:

1. Application form;
2. Project budget;
3. Biographies of the Project Manager and project team members;
4. Signed and stamped Statement of the Applicant;
5. A signed and stamped Declaration of the partner on the intention to participate in the project and the responsibility he assumes (if there are partners on the project).

If all the above-mentioned documentation is not submitted by the application deadline, or the documentation is not complete and properly filled out, the application will not be considered.

Applicants are advised to verify that their application is complete by using the Checklist, which is an integral part of this Public Call.

IX PROJECT DURATION AND IMPLEMENTATION PERIOD

The duration of the project is from 3 to 6 months. The planned activities must be implemented by the Applicant by **March 31, 2026**.

X REVIEW AND APPROVAL PROCESS OF THE APPLICATION

The evaluation process will be carried out by an internal Committee (hereinafter referred to as the Committee) appointed by the Fund in accordance with the Rulebook on the Evaluation Process. The evaluation process includes:

1. Administrative check - verification of the formal fulfillment of the conditions of the Public Call and
2. Evaluation process of project applications.

All applications that have met the administrative criteria enter the evaluation procedure in accordance with the selection criteria.

Administrative check

After the end of the public call, the Fund will carry out an administrative check of each application, which includes checking that the formal conditions for participation prescribed by the Public Call have been met. These conditions are strictly applied and any Application that does not meet all the formal conditions specified in the Public Call will not enter the evaluation procedure.

After reviewing the formal conditions, applicants whose projects did not meet the formal requirements will be sent a decision on rejection, i.e., exclusion of the project proposal from the evaluation process.

Evaluation process of project applications

For applications that meet the required administrative conditions, the Committee evaluates them according to the criteria specified for the program lines. The Committee assigns points (ranging from 1 to 5) and provides comments for each criterion. Based on the Committee's ratings, a final ranking list is created, where a project is positively rated if it receives a minimum of 10 points. In the case that two applications receive the same number of points, an advantage will be given to the application in which the Applicant has secured their own share of co-financing.

Criteria for evaluation of project applications for encouraging innovation culture:

1. References of the project team and experience in similar activities (5 points);
2. Quality of the implementation plan (5 points);
3. The effect on the improvement of innovation culture in Montenegrin society and the relevance of the project (5 points).

The final decision on funding is made by the Fund, based on the Committee's proposal, the obtained ranking list, and the available budget for this Public Call.

The Fund will inform each Applicant about the outcome, **within 60 days from the closing of the Public Call**. The list of projects selected for financing will be published on the Fund's website.

The Fund reserves the right not to allocate all available funds from the budget for this Public Call. Also, in the event that additional available funds are provided, the Fund reserves the right to make a decision on financing the remaining positively evaluated applications from the ranking list.

Environmental Impact Assessment for the Innovation Culture

Due to the nature of activities focused on events and promotional campaigns, the environmental and social impact assessment will be centered on compliance with the Exclusion List defined in the Environmental and Social Management Framework (ESMF) of the Innovation Fund. Accordingly, the Program for encouraging innovation culture is exempt from the requirement to conduct a detailed environmental and social impact assessment, provided that none of the proposed activities fall under any of the items listed in the Exclusion List outlined

in the Fund's ESMF.

All applications considered for support will be subject to review by the Fund to determine whether the proposed activities are included on the Exclusion List. Applications involving activities listed on the Exclusion List will be excluded from further consideration.

XI CONDITIONS FOR SIGNING THE FINANCING AGREEMENT

Based on the formed ranking list, and prior to the final funding decision, the Fund will contact the highest-ranked applicants to conduct the negotiation procedure and prepare the Financing Agreement. The remaining applications constitute a reserve list, and the Fund may invite applicants if additional funds are secured for this Public Call or if the negotiation procedure with any of the top-ranked applicants is unsuccessful.

The negotiation and preparation procedure of the Financing Agreement pertains to the financial, legal, and/or content section of the project proposals, taking into account the Committee's comments. The budget proposed by the successful applicants must be corrected to eliminate any obvious arithmetic errors or ineligible costs and must be reasonable, justified, and in accordance with the requirements of sound financial management, particularly in terms of economy and efficiency.

Applicants at this stage will be invited to submit some of the following documents, depending on the type of applicant:

- Decision on registration/Decision on enrollment in the Register of NGOs;
- De minimis aid declaration form (in the case of subjects who perform business/economic activity).
- Statute defining objectives and activities, i.e., the field of operation;
- Statement on (non)refundability of VAT.

In addition to the above, the Fund may require additional documentation to unequivocally determine eligibility criteria.

XII APPLICATION METHOD

The application is submitted via the Fund's portal (www.programifonda.me) in electronic form. Before submitting the project application documentation, the Applicant must register on the Fund's portal. The registration request is automatically approved, after which the Applicant receives the necessary access credentials (username and password) to log in to the Fund's portal.

After completing the registration, the Applicant can submit the mandatory documentation for the application via the Fund's portal. The application must contain a set of documents listed in chapter VIII *CONTENT OF THE APPLICATION*.

After uploading the mandatory application documentation, the Applicant is obliged to officially submit the application by clicking the Submit Application button. This action informs the Fund that the Application has been submitted. Additionally, the Applicant cannot modify or supplement the application documentation after clicking the Submit Application button.

Detailed instructions for submitting an application for the Fund's programs are available on the portal www.programifonda.me.

XIII DEADLINE FOR APPLICATIONS

Applications for the Public Call are submitted via the Fund's portal **from April 23 to May 26, 2025, by 3pm.**

Incomplete applications, as well as applications that were not submitted in the electronic form via the Fund's portal and within the stipulated application deadline, will not be taken into consideration.

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