



SERBIA
PROGRESS REPORT¹
on recent developments regarding
research and innovation cooperation in/with Western Balkans
(Period: June 2016 – June 2017)²

**1 Policy actions and legislative initiatives (legal and strategic framework)
For Western Balkan economies:**

Please inform about essential changes/updates/reviews in political authorities, administrative bodies, agencies, institutions, personnel, development/launch of new national funding programmes, etc.

Please briefly elaborate also on the following questions:

Is there a national strategy on research and innovation policy in place? Has it been implemented? How is it being implemented? Is its implementation and impact monitored and what are the findings?

Do you have a country-wide and/or regional Smart Specialisation Strategy? Are there sector specific scientific priorities?

To what extent is business-academia cooperation and exchange taking place? Please name good practice examples.

Presidential elections were held in Serbia on 2 April 2017, the eleventh since the office of President was introduced in 1990. Prime Minister, Aleksandar Vučić, was elected as President in the first round. Ms Ana Brnabic is newly appointed Prime Minister. There were no personnel changes at the level of the Ministry; Mr. Mladen Šarčević remains at the position of the Minister of Education, Science and Technological Development (MESTD). The new Government has, for the first time, a minister (without a portfolio) for innovation and technological development, dr Nenad Popovic.

In March 2016, the Government adopted the **Strategy for Science and Technology Development: Research for Innovation 2016–2020**, specifically calling for reforms in the

¹ **Important Note:** The progress reports are collected in preparation of the meeting of the Steering Platform on Research and Innovation for the Western Balkans and will be made available for the participants. Based on this report, please prepare one PowerPoint slide, which will be used during the meeting to present the main topics of the progress report to all SP members. Please send the report and the PowerPoint slide by September 1, 2017 to Ms. Ines Marinkovic at marinkovic@zsi.at.

² The last Steering Platform was held in Sarajevo on June 7, 2016. All related information is also available online here: <https://wbc-rti.info/object/news/15251>



public RDI sector and reinforcing the importance of enterprise innovation and technology transfer for the economy. In legal terms, the Strategy is in line with the Law on Scientific Research and the Law on Innovation Activity and the bylaws adopted on the basis of those laws, with the Law on Higher Education and other relevant systemic laws and regulations, as well as ERA Roadmap. Action plan for the implementation of the National strategy is in the last stage of the finalisation.

Financing the **National Program** of Basic Research and Program of Technological Development was extended based on the Governmental conclusion no: 05-021-6495/2017 from 13.07.2017, therefor financing of 776 project in Basic Research, Technological Development and Interdisciplinary research continued.

National Program of Innovations - in the year of entrepreneurship 2016, a public call for proposals for innovative projects for development and production centers according to the Law on Innovation activities - was published in November 2016. MESTD selected 15 project proposals for financing.

Legislative Framework in the Field of **Intellectual Property** - Ongoing harmonization of the text of the numerous Laws (patents, copyright, trademarks, geographical indications)

Government of the Republic of Serbia formed Inter-ministerial working group (WG) for the development of the Research and Innovation **Strategy for Smart Specialization** of the Republic of Serbia. Working group developed the Roadmap for the preparation of the RIS3. MESTD, as initiator of this process, is coordinating activities of the WG. The international partner in this process is DG JRC and the Strategy itself should be finalised in 2018.

The IT sector is one of the largest net exporter in Serbia and has grown at a rate of 10% each year, with a strong potential for future growth. This sector currently employs about 20,000 workers, who work in about 2,200 enterprises. Due to the great importance of this sector, the Government of the Republic of Serbia decided to establish **the Innovation Entrepreneurship and Information Technology Council** in September 2016. in order to: improve the legislative framework, improve the business environment of companies, provide adequate systemic development in this area, schedule the incentive funds, as well as the designated priority goals. Moreover, Government of the Republic of Serbia and The World Bank Group have agreed to form a Support Team to accelerate key initiatives, reforms, and investments to support Serbia's innovators and entrepreneurs (The project "Competitiveness and Jobs", National coordinator: Public Policy Secretariat). The Support Team is intended to be the expert team providing the Government Council primarily with adequate analysis, initiatives and implementation support for policy changes.

MESTD initiated the work on **Research Infrastructure Roadmap** in the Republic of Serbia and create the Working group for this activity.

European integration

In the framework of the process of negotiations for the accession of the Republic of Serbia to the European Union, the Intergovernmental Conference on Accession of the Republic of Serbia to the European Union was held in Brussels on December 13, 2016, where it was opened and temporarily closed (until the closing of all 35 negotiating chapters) **Chapter 25** – Science and Research.



In June 2017- Serbia opened **Chapter 7** - Intellectual Property in the negotiations with the European Union

Enterprise Innovation Fund (ENIF) - The Government of Serbia signed an Agreement to join the Enterprise Innovation Fund (ENIF) as a Limited Partner in June 2017. Serbian Government joins ENIF in the subsequent closing, bringing the total fund size to more than EUR 41M available for investments in early stage technology companies in the Western Balkans. ENIF is an equity fund aimed to support SME in in early stage who wants to grow their businesses internationally. The ENIF's strategy is to invest in excellent local teams that have the skill set, ambition and potential to grow their companies regionally or globally. ENIF is managed by South Central Ventures and has been active in the region since September 2015. Existing investors in ENIF include institutional investors such as European Commission, European Investment Fund (EIF), European Bank for Reconstruction & Development (EBRD), and also Western Balkans economies, and several individual private investors. Its portfolio to date includes 8 tech companies in seed to early growth stage, among them 4 from Serbia.

The Enterprise Innovation Fund (ENIF) forms one pillar of the umbrella structure – the Western Balkan Enterprise Development and Innovation Facility (WB EDIF) which provides a range of complementary financial instruments and support services to SMEs in the Western Balkans. Serbian Innovation Fund is authorized to take part in the work of ENIF, and the WB EDIF in general as it signed the Agreement for Republic of Serbia to join ENIF as an investor. For the need of participation of the Republic of Serbia in ENIF, funds are secured from the division of Ministry of Education, Science and Technological Development in the amount of 21.5 million dinars. Total investment of Serbia is 1,328 million euros. Ministry of Economy is also taking part in the Program through governance bodies.

By a decision of the Board of Directors of the Center for the Promotion of Science at a session held on June 1, 2017, with the prior approval of the relevant Ministry, Dr. Jovan Trifunović, assistant professor at the Faculty of Electrical Engineering at the University of Belgrade, was appointed as the Acting Director of the Center for a period of six months.

2 Development of international cooperation and actions on integration into ERA

(e.g. new bilateral/regional/multilateral/international agreements, memberships, support structures, important projects, programmes, etc.)

MESTD Activities

HORIZON 2020

Serbia continues to participate in EU research and innovation programmes. Ministry of Education, Science and Technological Development (MESTD), as a national institution responsible for implementation of the programme Horizon 2020, continues to perform activities defined by the Agreements.

Nominated experts and delegates/NCP of the Republic of Serbia attend the meetings of the Strategic and Executive bodies of Directorate General for Science and Research held periodically.

According to the statistical data of May 2017 (e-Corda), 130 projects were approved for funding, in which 191 institutions from the Republic of Serbia participated. The agreed budget for the approved projects amounts to €45.5 million.



Promotional H2020 Activities

In order to promote Horizon 2020, MESTD organized and held a series of Info days at Universities, Faculties, Institutes in the Republic of Serbia. In addition to that, all National Contact Points held numerous bilateral consultations with representatives of scientific and of economy sector.

In order to include the small and medium-sized enterprises as well as the industry in the Horizon 2020 info days were held at the big companies with the presence of representatives from other industries.

MESTD and University in Belgrade organized national workshop on Open access in Belgrade, on 8. November 2016. More than 300 participants attended the workshop. University in Belgrade is project partner in H2020 project OpenAIRE - Open Access Infrastructure for Research in Europe towards 2020. Main aim of the OpenAIRE is to establish an open and sustainable scholarly communication infrastructure responsible for the overall management, analysis, manipulation, provision, monitoring and cross-linking of all research outcomes (publications, related datasets, software and services) across existing, planned and future repositories. Beside numerous consultations on H2020 calls organized by NCP in the Ministry, MSCA Info day was held in Belgrade on 13th December 2016 in cooperation with EC and University of Belgrade

Two Info days were organized for innovative SME with Serbian Chamber of Commerce: February 2017 and April 2017 on IP protection and management in processes of creation innovative products;

Serbian IP office is a partner in VIP4SME project H2020-INNOSUP. 11 one to one services for SMEs delivered in the framework of the VIP4SME project;

In January 2017, the European Investment Fund (EIF) and ProCredit Bank Serbia, which is part of the ProCredit Group Germany, signed an agreement that will increase lending to innovative SMEs and MidCaps through the InnovFin - EU Finance for Innovators, within initiatives that are supported by the European Commission. This new agreement will allow the ProCredit Group to finance innovative enterprises with EUR 250 million through ProCredit Banks in Albania, Bosnia and Herzegovina, Bulgaria, Macedonia, Moldova, Romania and Serbia. The advantage to these banks is in the opportunity to utilise guarantees, secured by the EIF and supported by Horizon 2020. For financing innovative projects ProCredit Bank Serbia so far allocated 50 million euros.

Capacity-building for national contact points for SMEs and Access to risk finance under Horizon 2020 - Access4SMEs, ongoing project, participation by direct involvement (on-line) to meetings of the consortium, NCP training for SME instrument, workshop on financial instruments in the context of H2020;

RESINFRA @ DR project - On January 1, 2017 started the implementation of the RESINFRA @ DR project financed from the IPA funds within the Transnational Danube Program 2014-2020.

In the frame of the analytical work of the Danube-INCO.NET project, a research and innovation (R&I) policy mix peer review exercise (PMPR) of two countries of the Danube



Region was foreseen. The aim of the PMPR was to provide an in-depth analysis of the research and innovation landscape of the countries selected. According to the preliminary analysis and indicated interests, Bosnia and Herzegovina and Serbia were the subject of the PMPR.

Bilateral cooperation

Realization of planned activities is continued for approved projects within bilateral cooperation with Austria, Belarus, China, Croatia, Germany, Italy, France, Portugal, Slovakia and Slovenia.

Memorandum of Understanding between the Ministry of Education, Science and Technological Development of Republic of Serbia and the Ministry of Science and Technology of the **People's Republic of China** on joint financing of research and development projects was signed on 18th June 2016 and first call for proposals was published at the beginning of 2017. Received project proposals are currently in the process of evaluation.

A digital video conferencing session between the Department of Science and Technology, **India** (DST) and Ministry of Education, Science & Technological Development of Serbia (MESTD) was held on 06th December 2016 for implementation of bilateral Science and Technology Agreement of 2004. In view of promising opportunities for scientific & technological partnership, the following was agreed: the arrangement of establishing collaborations between scientists from the two countries in areas being negotiated and mutually agreed need to be incorporated in the Programme of Cooperation (POC) to be developed by both sides. *Indian side initiated and sent first cut draft POC to Serbian side.* To begin with, both sides proposed to build collaborations in areas of new materials and nanotechnology, energy and energy efficiency, ICT, human health and biotechnology aimed at meeting the needs of food security, a common challenge facing the two nations.

Multilateral Scientific and Technological Cooperation Projects in the Danube Region, had been adopted in July 2016, by Austrian Federal Ministry of Science, Research and Economy, Ministry of Education, Youth and Sports of the Czech Republic, Ministry of Education, Science, Research and Sport of the Slovak Republic and Ministry of Education, Science and Technological Development of the Republic of Serbia, with the aim in providing mobility funds for cooperation projects in all research fields. Based on the Call for application for 2017-2018 joint projects (July 2016), among 19 multilateral projects which had been approved for funding, 11 projects are with Serbian participation.

EUREKA Program - During 2016 Serbia supported in total 8 Eureka projects, from Common Call for Cross-border Co-operative Projects in the Danube Region (6 projects in March and 2 projects in October 2016). Thought projects, collaborations are established between different institutions from following participating countries: Austria, Bosnia and Hercegovina, Bulgaria, Croatia, Czech Republic, Germany, Hungary, Montenegro, Romania and Slovak Republic.

ERA.Net RUS Plus

After the successful implementation of a call in the funding lines 'Science and Technology' (S&T) and 'Innovation' within the ERA.Net RUS Plus framework in 2014/2015, MESTD expressed interest to join funding parties from EU MS/AC and Russia which decided to launch a second call in 2017. General procedures of the call, time-line, organizational set-up of the project and budgetary issues were discussed as well as roles of all partners and dissemination activities during spring 2017. Official launch of the S&T



ERA.Net RUS Plus call was on 2nd May 2017. (with deadline 4th July 2017.) With this call, the partners aim to further enhance EU-Russia S&T cooperation on an equitable and mutually beneficial basis.

3 Important events, meetings, training activities, studies etc.

MESTD Activities

Within Erasmus+ Programme - Institutional framework for development of the third mission of universities in Serbia (transfer technology and innovation) - IF4TM project, consensus meetings on revision of legal framework and policies held in October 2107; capacity building events held (workshops “methodology guide for innovation”, trainings market strategy, start-up training in the period February- June 2017;

IPOS as a consortium partner delivered 5 trainings on IP protection and management at 5 state universities and participated in 7 Info days from February – June 2017;

June 2016 – EPO seminar o patenting in food technologies for universities and institutes at IPOS;

WIPO competition for the best inventions in 3 categories was organized and prizes awarded on the occasion of IPOS anniversary on 15th November 2016;

In February 2017 new call for the Best Technological Innovation Competition was published;

MESTD participated in May 2017 at 61st Belgrade Fair of Techniques and Technical Achievements;

MESTD with the Association of Banks of Serbia has organized a workshop “Opportunities for Serbian banks from EU funds, Horizon 2020- Access to risk finance, October 2016

ERP - Consultative meetings with the European Commission was held on February 27, 2017 on Economic Reforms Programme 2017-2019 for the priority areas Research and innovation.

INNOVATION FUND ACTIVITIES – UPDATE

- **IPA 2013 - Implementation of the Direct Grant for the Collaborative Grant Scheme Program** - The Collaborative Grant Scheme Program is designed to incentivize private-sector companies and public-sector R&D organizations to engage in joint scientific research and development projects with the goal of creating new commercially viable products and services, as well as innovative precompetitive technologies with significant future impact and market potential. The public call for proposals for this program was opened from June 21st to September 23rd 2016. Financing for this Program is provided by IPA funds in the amount of EUR 2.4 million and the Ministry of Education, Science and Technological Development in the amount of 1 million euros.

All 14 projects which were approved for financing have begun their implementation, following the signing of the Financing Agreements between the IF and the Lead Applicant of each consortium in the period between February 1 and April 1, 2017. Financial disbursement, as well as monitoring of spending and implementation progress are conducted on a quarterly basis.



- **IPA 2013 - Implementation of the Serbia Research, Innovation and Technology Transfer Project – SRITTP** through establishment of the of the Technology Transfer Facility (TTF) and implementation of the pilot Technology Transfer Program. A specialized unit operating within the Innovation Fund, the Technology Transfer Facility (TTF) has a dual mandate:
 1. To demonstrate that commercialization of inventions arising from Serbian public R&D institutions are possible;
 2. To build capacities of Technology Transfer Offices (TTOs) of Serbia's four leading universities by providing them with hands-on experience in technology transfer and commercialization process, from the initial disclosure until deal closing;The mandate of the TTF is fulfilled through its pilot TTF Program – a support program designed for the R&D community in Serbia. The TTF helps local TTOs and other R&D organizations to identify research with commercial potential and focus on the transactional aspect of technology transfer.
The TTF pipeline currently contains a total of 19 applications of which 6 were approved for funding, 2 are under evaluation, 3 were withdrawn, 3 were rejected and 5 applications for collaborative research were prepared.
- **IPA 2014** – The innovation Fund prepared and submitted the application to the Ministry of Finance, for further funding of enterprise innovation through Mini and Matching Grants Programs. The application by the Innovation Fund has been submitted to the Ministry of Finance in early June 2017. Total funding is 4,5 million euros (2,5 million from IPA and 2 million euros from the budget of the Ministry of Education, Science and Technological Development)
- **World Bank Competiveness and Jobs Project** –The Innovation Fund has officially renewed its two hallmark programs for the support to innovative entrepreneurs – the Mini Grants Program and Matching Grants Program, intended for private micro and small companies engaged in the development of technological innovations with a clear market need and potential for commercialization. The launch event and the announcement of the public call took place at Belgrade's Science and Technology Park on June 1, 2017. The deadline for application submission is September 1, 2017. Total funds in the amount of 2,7 million euros for implementation of the Mini and Matching Grants are secured from the budget of the Ministry of Education, Science and Technological Development for 2017.

ACTIVITIES OF THE CENTER FOR THE PROMOTION OF SCIENCE

Training workshops on responsible research and innovation and ethics in research were held within RRI and SATORI FP7, projects where the Center for the Promotion of Science (CPN) is a member of the consortium.

Training workshops on gender equality and women in science took place within the scope of Hypatia H2020 project.

Mr Robert-Jan Smits, Director-General of DG Research and Innovation at European Commission, visited Serbia in April, and during this two-day stay, one of his stops was the Center for the Promotion of Science. CPN prepared an exhibition: "Serbia in Horizon 2020", showing current Serbian involvement in the Horizon 2020 and other EU-funded programs which support European research and innovation, education and culture. CPN, together with the Gallery of Science and Technology, also hosted a session for researchers where they had a chance to meet Mr Smits and discuss number of issues related to science and research.



In May, Center for the Promotion of Science, in cooperation with the City of Kragujevac, organized in this town a presentation of the Network of Financial Managers of EU Projects.

Collaboration with the local governments regarding the possibilities of EU funding was intensified. Representatives of the CPN held several meetings with the representatives of the Association of Regional Centers for the Professional Development of Educators and Centers for Vocational Training of 12 municipalities in Serbia.

The network of 13 science clubs was established in 13 cities throughout Serbia, with the aim to bring science closer to their citizens. Around 30,000 people have visited science clubs during one-year period.

Department for Cooperation with Scientific and Research Organizations is formed within the Center for the Promotion of Science with the main task to assist Scientific and Research organizations in the process of application for EU funds, and the new web page with all the relevant information has been launched at <http://www.cpn.rs/nio>.

At the International Book Fair in Belgrade, in October 2016, the Center for the Promotion of Science has presented latest publications of the Scientific and Research Organizations.

4 Outlook and perspectives

(e.g. upcoming relevant meetings, policy actions etc.)

INNOVATION FUND ACTIVITIES

- Evaluation of the applications for the Mini Grants Program and Matching Grants Programs
- Further development and promotion of TTF service lines
- Signing of Direct Grant Agreement under IPA 2014

ACTIVITIES OF THE CENTER FOR THE PROMOTION OF SCIENCE

CPN is a leading partner involved in organizing the final conference of the SATORI FP7 project in September, in Brussels: "Ethics assessment of R&I: Looking to the Future", which will gather all relevant stakeholders in the domains of ethics, research and innovation.

Based on agreement made in June, CPN will support organization of free training for H2020 project proposal writing and management for 60 researchers together with UNDP (United Nations Development Programme).

Every week, at the Science Club Belgrade, one day will be dedicated to activities related to the H2020 framework.

5 Other relevant information related to Research and Innovation cooperation in/with Western Balkan economies)

(e.g. relevant publications, relevant online (information) platforms etc.)

OECD Questionnaire - Data collection completed, related to qualitative and quantitative indicators in the field of Research, Development and Innovation.

Publications

December 2016 – EPO publication in Serbian issued "Research? Think patents"