# ANNEX 8: FINANCING PROOF OF CONCEPT PROJECTS

#### Objective

This Note is intended for RDI innovations that have commercial potential and a defined commercialization strategy which requires financing support to perform Proof of Concept (PoC). RDI management and Technology Transfer Office (TTO) support are crucial in the entire technology transfer (TT) process.

#### Conceptual Framework

Proof of Concept is a project within RDI focused on determining whether an innovation can be turned into a reality or to demonstrate its feasibility. It involves testing a certain assumption or realizing prototype to confirm that the proposed idea is realizable, viable and applicable in practice. It should show whether the IP/technology/product/service is suitable for solving a particular business problem. PoC project could include market assessment, testing demand for the innovation, making prototype but is not intended to determine the best production process.

PoC is best pursued with innovations in earlier stages of technology transfer process, with good potential IP position and technology, foreseen product/market fit and clear commercialization strategy. Preparation of a PoC Project proposal (development plan with financial budget) is pre-requisite for receiving financing support.

The RDIs should undertake an institution-wide call to researchers within the organization for the PoC projects. Any follow up call may be organized after gaining some experience from the implementation of already approved PoC projects (and available budget). RDIs will prepare a report after completion of each project (using template provided by PIU) outlining achievement of objectives/milestones, and lessons learned.

RDI would direct internal resources and financial support through SAIGE Project to the PoC in order to increase commercialization readiness level of the IP/technology and increase TRL.

Result of PoC would be proven IP/technology/product/service ready for additional development project, next financing round, licensing or basis for a Spin-out.

PoC project steps that would precede request for any SAIGE financing support include:

* Disclosure of innovation to TT Office
* Clear IP position (TT Office engaged)
* Initial IP, technology and market assessment (TT Office engaged)
* PoC Project proposal (Development plan with financial budget)
* Clearly defined resources and time needed to develop and finalize innovation within RDI. This implies raising of the TRL level from minimum 2 to minimum 3.
* Evaluation of requests for financing support will be made by TT Office supported by SAIGE project experts
* Each project has to be cleared by the SAIGE technology transfer expert prior to its submission to the PoC Selection Committee.

#### Financing decision

An evaluated request for financing (described above) is submitted to the PoC Selection Committee for final decision.

Decision on the request for SAIGE financing support will be made by a 3-member PoC Selection Committee consisting of the RDI Director, Head of Dept where the technology is generated, and TTO Manager (or Head of unrelated Dept if TTO Manager is not available). The RDI National Institutional Consultant (NIC) and PIU Project Manager will be Observers on this Committee (they should also ensure that PoC projects meet all the requirements of the PoC guidelines). SAIGE financing support for the selected PoC projects will be provided as a part of the RDI’s Transformation Plan budget.

#### Financing support ticket size

* 5,000 – 30,000 EUR per Project
* Funds will be disbursed to RDIs after the approval of project by the Selection Committee (and any other required approval). Such approval (with copies of approved PoC projects) needs to be communicated to the PIU along with the RfP.

#### Eligibility for financing PoC project

* Decision of TT Office stating PoC is next step in commercialization strategy
* PoC Project proposal Decision of RDI management (proposition from TT Office) to support PoC

#### Criteria for evaluation

* Researchers/authors with knowledge and experience
* Well defined development plan with clear IP position and strong commercial potential
* Forecasted competitive advantage of IP/technology/product/service
* Initial market analysis and forecasted go-to-market strategy
* Financial budget – realistic costs
* Planned duration of PoC project implementation no longer than 6 months

#### Use of funding

* IP protection, management and analysis
* Materials, services or short-term external expertise needed for innovation, IP, technology, product or service development
* Services, assessments or short-term external expertise related to business services like market analysis, technology assessment, business development, regulatory planning (if applicable), etc.
* Equipment necessary for innovation development. This component should not represent more than 50% of the project cost
* Compliance with Republic of Serbia public procurement procedures

#### Not eligible for funding

* Salaries or any sort of on-top income for inventors or any other employees of the RDI.
* Equipment if there is a possibility to contract as service/rent from the market or within RDI labs
* Contingency

#### Proposal Template

|  |
| --- |
| **PoC Project Proposal**  **Delivery date:** xx.xx.xxxx  **Proposed SAIGE funding period**: from xx.xx.xxxx to zz.zz.zzzz |

|  |  |
| --- | --- |
| **Project name:** |  |
| **Institution (RDI):** |  |
| **Principal Investigator (PI):** |  |
| **Email contact of PI:** |  |
| **Mobile phone contact of PI:** |  |

1. **Project Overview (200 words max) – Summary of the project, outlining the problem or opportunity proposed PoC project is addressing and the expected result with this project.**
2. **Description of Invention / Novel Idea to Create Social / Economic Value (600 words max) – Short description of invention / novel idea including assessment and early review of IP position (e.g., ownership structure). Uniqueness of idea and value proposition should be clearly stated. Current development status of the invention / novel idea including TRL level.**
3. **Field / Application of the Invention / Novel Idea (200 words max) - Short description of how the invention / novel idea can be applied and the current state of the art / methodology.**
4. **Market Analysis (400 words max) - Describe market focus for invention / novel idea including to the extent possible market size and potential competitors. Describe comparative advantage(s) of invention / novel idea relative to current products / services offered. Identify possible routes to market, business models including potential partners. Identify any early commercialization activities and their results to date.**
5. **Description of Project Plan (600 words max and table below) - Describe planned project activities (budget, tasks, timeline). Identify key planned expenditures (e.g., consultants, equipment, consumables). Describe expected project results (when possible / relevant with expected improvement in TRL levels).**

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| --- | --- | --- | --- | --- | --- |
|  | **Activity name** | **Description of the tasks, activities and milestones** | **Proposed budget breakdown** | **Timeline** | **Expected result and TRL increase (from - to)** |
| **1.** |  |  |  |  |  |
| **2.** |  |  |  |  |  |
| **3.** |  |  |  |  |  |
| **4.** |  |  |  |  |  |
| **5.** |  |  |  |  |  |
|  |  | **TOTAL** |  |  |  |

**6. Final Remarks (200 words max and table below) - outline the final results and explain why this would increase commercial potential of the Invention / Novel Idea. Please list likely future development plans, considering the next 3 years after the SAIGE funding (in table below).**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Activity / Results** | **Budget** | **Timeline** |
| **Year 1** |  |  |  |
| **Year 2** |  |  |  |
| **Year 3** |  |  |  |

**Principal Investigator (PI):**

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**Signature**