

Review Guidelines

Version 1.0
May 18, 2016

Evaluation process time frame¹:

<i>Submission deadline</i>	
	<u>Eligibility Check (IF)</u> 1 week
<i>Estimated duration</i>	<u>First Level of Review (Peer Review):</u> 4 weeks
	<u>Second Level of Review (IF's independent Investment Committee Review):</u>
	Pre-selection Meeting* 1 week
	On-Site Visit Reports (by IF) 3 weeks
	Financing Decision Meeting** 1 week

* To be held via conference call

** To be held in person in Belgrade

¹ The given dates are an approximation. The IF reserves the right to modify the dates. All participants in the process will be notified in due time.

1. REVIEW PROCESS

The Innovation Fund (IF) policy is intended to ensure that Applications submitted to the IF are evaluated on the basis of a process that is timely, fair and based on merit.

Therefore the review process is organized in the following way:

- The first level of review (*Peer-Review*)
- The second level of review (*review by the independent Investment Committee*)

The first level of review (*Peer-Review*) is carried out by peer reviewers composed primarily of scientists and industry experts who have expertise in relevant disciplines.

The second level of review (*review by the independent Investment Committee*) is performed by the independent Investment Committee (the IC) composed of 5 members with expertise in applied research, private sector industry, international finance and venture capital, and entrepreneurship.

Taking into consideration the results of the peer-review, the IC will pre-select Applications for financing under the IF's COLLABORATIVE GRANT SCHEME Program. The IF Program Managers will then meet with management and executives from those Applicant consortia whose projects have been pre-selected by the IC. The outcome of this visit will be summarized in an on-site visit report, which will be used by the IC for the final project selection.

The final decision for financing under the COLLABORATIVE GRANT SCHEME Program is made by the IC with the consent of the IF Board of Directors². The IC is responsible for selecting Awardees for financing based on the complete Application, the result of the peer review and the results of the on-site visit.

2. EVALUATION CRITERIA

The Applications are evaluated based on the following criteria:

- Management and key personnel credentials and ability of the consortium to deliver;
- Quality and collaborative potential of the consortia members;
- Level and type of co-financing;
- Innovative technology, product or service; clear IP position and potential;
- Clear market need, competitive (preferably global) position and commercialization potential;
- Well-developed organizational design and project management system (including clear R2A2s for all consortia members and well-designed budget strategy, stage gate review process and risk management strategy)

² The IF Board of Directors is responsible for approving the Investment Committee's decision for use of the IF funds, based on the availability of funds and in accordance with the law, adopted IF documents (such as IF Multiannual Work Program, IF Annual Work Program, IF Annual Financial Plan) and international agreements. The IF Board of Directors is not responsible for the selection of awards for financing.

Only Project Proposals satisfying all above mentioned criteria will be recommended for financing.

The following guidance has been given to support the review and selection process:

Management and key personnel credentials and ability of the consortium to deliver	<ul style="list-style-type: none"> Does the management team and key personnel have adequate skills, education, knowledge, track record and experience to execute the proposed project?
Quality and collaborative potential of the consortium members	<ul style="list-style-type: none"> How do the consortium members fit together and complement the project's development needs? Do all members have relevant roles and bring specific value to the consortium?
Level and type of co-financing	<ul style="list-style-type: none"> Did the Applicant provide sufficient evidence for securing co-financing? How is the co-financing structured? Preference should be given to Applicants that secured higher levels of co-financing especially from private sector and/or international partners.
Innovative technology, product or service; clear IP position and potential	<ul style="list-style-type: none"> Is improvement of existing technologies, products or services proposed? To what extent does the proposal suggest and explore unique concepts or applications? Does the proposal lead to enabling technologies for further discoveries? Does the proposed technology, product or service have potential for creation of new IP? Does the Applicant have full ownership/rights to develop and use the technology/product or service being developed? Does the Applicant's technology, product or service infringe or violate IP rights of others?
Clear market need, competitive (preferably global) position and commercialization potential	<ul style="list-style-type: none"> Does the proposed approach have potential to lead to a marketable technology, product or process? What is the specific market for the technology, product or process? Is it a growing market? Are customers/users definable? Evaluate the competitive advantage of this technology vs. alternate technologies that can meet the same market needs. Is the technology, product or service competitive and what are the competitive threats? Preference should be given to globally competitive technologies, products and services.
Well-developed organizational design and project management system (including clear R2A2s for all consortia members and well-designed budget strategy, stage gate review process and risk management strategy)	<ul style="list-style-type: none"> Are the overall methodology and activities well-reasoned and appropriate to accomplish the proposed development of the technology, product or service? Are roles, responsibilities, authorities and accountabilities clearly defined? Is the organizational structure of the consortium aligned with the project's development goals? Is there sufficient access to resources (materials and supplies, analytical services, equipment, facilities, etc.) to bring the project to successful conclusion?

3. THE FIRST LEVEL OF REVIEW: PEER REVIEW

The peer review is carried out by the peer reviewers selected by IF and administered by the IF Program Managers. IF Program Managers are responsible for ensuring that each Application receives an objective and fair initial peer review, and that all applicable laws, regulations, and policies are followed.

IF Program Managers:

- Analyze the content of each Application, and check for completeness;
- Document and manage conflicts of interest;
- Assign Applications to peer reviewers for evaluation;
- Attend and oversee administrative and regulatory aspects of peer review.

Peer Reviewers:

- Declare any conflicts of interest with regard to specific Applications presented to them, in accordance with the IF Confidentiality and Prevention of Conflict of Interest Policy;
- Receive access to the Applications for review;
- Prepare a written evaluation (using the online Peer Review Evaluation Form) for each Application assigned, based on evaluation criteria and judgment of merit;
- Assign a numerical score to each evaluation criterion.

Peer Review Procedures

The IF Program Manager will assign reviewers and provide them with the username and password to access the Applications on the IF online application portal.

Within 2 days of receipt of assignments, Peer Reviewers will:

- Examine review assignments, review materials (including Applications), and instructions;
- Review all Applications assigned to them for conflicts of interest or the appearance of conflicts of interest and inform the IF Program Managers if any exist;
- Review Application assignments for concerns related to the content matching with their field of expertise and inform the IF Program Managers of any concerns.

Within 4 weeks of receipt of assignments, Peer Reviewers will:

- Read Applications, consider each of the evaluation criteria, and give a separate score for each based on the technical merit, and write evaluation comments for each of the assigned Applications, using the Peer Review Evaluation Form;
- Gain access to and submit completed Peer Review Evaluation Form for each Application assigned to the IF online application portal.

Scoring

Peer Reviewers will consider each of the evaluation criteria (Section 2) in the evaluation and give a separate score for each. The scoring system utilizes a 3-point rating scale (3 = excellent; 2 = acceptable; 1 = poor). The total score for an Application is the sum of the scores given to each criterion, producing a maximum of 18 points. All projects will be scored based on the average score of at least two peer-reviews and ranked accordingly. Taking the average score into account, if an Application scores less than 2 on any of the evaluation criteria or less than 10 points overall, the Application may automatically become ineligible for funding.

It is recommended that the independent Investment Committee considers applying weights for each criterion as follows³:

- Management and key personnel credentials and ability of the company to deliver (15%);
- Quality and collaborative potential of the consortium members (10%);
- Level and type of co-financing (5%);
- Innovative technology, product or service; clear IP position and potential (30%);
- Clear market need, competitive (preferably global) position and commercialization potential (30%);
- Well-developed organizational design and project management system (including clear R2A2s for all consortia members and well-designed budget strategy, stage gate review process and risk management strategy) (10%)

Peer Reviewer scoring represents only a segment of the overall evaluation and decision-making process. The IF's independent Investment Committee is responsible for selecting Awardees for financing based on the complete Application, the result of the peer review and the results of the IF on-site visit.

4. SECOND LEVEL OF REVIEW: INDEPENDENT INVESTMENT COMMITTEE REVIEW

The second level of review is carried out by the independent Investment Committee (IC) and administered by the IF Program Managers. The IC is responsible for selecting Applications that advance past the pre-selection phase, as well as for selecting Applications which are ultimately approved for financing. IF Program Managers are responsible for ensuring that each Application receives an objective review, and that all applicable laws, regulations, and policies are followed.

IF Program Managers:

- Attend and oversee administrative and regulatory aspects of the IC meetings;
- Document and manage conflicts of interest;
- Ensure that all the documentation including peer review evaluation and any additional reports requested by the IC are available on the IF online application portal;
- Assign Applications to IC members for presentation at the Pre-Selection Meeting;

³ The percentages (out of 100%) given in brackets reflect the weight of each criteria.

- Carry out the on-site visits of the pre-selected Applicants and ensure that the on-site visit reports are completed and available on the IF online application portal;
- Prepare minutes of the IC Pre-Selection and Financing Decision meetings;
- Prepare feedback to the Applicants for all Applications reviewed.

Investment Committee Members:

- Declare conflicts of interest with specific Applications in accordance with the IF Confidentiality and Prevention of Conflict of Interest Policy;
- Receive access to Applications approximately one month prior to the scheduled Pre-Selection Meeting;
- Prepare written evaluations for each Application, based on evaluation criteria, on-site visit reports and judgment of merit (using Investment Committee Pre-Selection Form for the pre-selection and Investment Committee Financing Decision Form for the final selection);
- Pre-select Applications for on-site visit;
- Select Applications for financing.

Investment Committee Review Procedures

The IF Program Manager will provide the IC with the username and password to access the Applications on the IF online application portal.

Within 1 week of receipt of assignments, Investment Committee members will:

- Examine Applications, review materials and instructions;
- Review all Applications assigned for conflicts of interest or the appearance of conflicts of interest and inform the IF Program Managers if any exist.

Within 3 weeks of receipt of assignments, Investment Committee members will:

- Read Applications, consider each of the evaluation criteria and the peer reviews;
- Prepare for discussions at the Investment Committee meeting.

During the Pre-Selection Meeting:

- Assigned IC member will summarize the Applications and peer-review for the group;
- IC will discuss the Applications;
- Assigned IC member will write evaluation comments for each of the assigned Applications using the Pre-Selection Form;
- Assigned IC member will complete the Pre-Selection Form and assign the appropriate status (preselected or not preselected) for each of the assigned Applications on the IF online application portal.

Feedback to the Applicants (not preselected) will include IC comments and peer-review comments.

During the Financing Decision Meeting:

- IC will discuss Applications pre-selected for financing;
- IC will approve Applications for financing, complete the IC Financing Decision Form for all previously preselected Applications and assign the appropriate status (approved or not approved) on the IF online application portal.

Feedback to the Applicants (preselected) will include the IC written comments from Financing Decision Form.