

REPUBLIC OF SERBIA

***SERBIA ACCELERATING INNOVATION AND
GROWTH ENTREPRENEURSHIP PROJECT***

Stakeholder Engagement Plan

October 2019

(Revised September 2020)

1. Introduction

The Serbia Accelerating Innovation and Growth Entrepreneurship (SAIGE) Project aims to enhance Serbia's growth and competitiveness by improving (i) relevance and quality of scientific research, and (ii) innovative entrepreneurship and access to finance for enterprise growth.

The SAIGE Project is part of a comprehensive set of reforms of the Serbian R&D and Innovation sector, which includes reforms to the model of financing scientific research and introduction of various business innovation support measures. The project is being implemented by the Ministry of Education, Science and Technological Development (MoESTD) in cooperation with the Innovation Fund (IF) and the Science Fund (SF). The Government of Serbia will also implement an EU IPA 2019 project with a total budget of EUR 41.5 million EUR to be managed by the World Bank. This funding was approved by EU Commissioners in mid-December 2019. The EU IPA project will complement the SAIGE Project loan. This includes EUR 13 million in technical assistance (TA) and EUR 28.5 million in grant funding to be implemented as additional financing for SAIGE. This additional financing will support activities already defined under SAIGE under the same project development objective.

i. Purpose of the SEP

The purpose of the present Stakeholder Engagement Plan (SEP) is to outline the target groups and methods of stakeholder engagement and the responsibilities in the implementation of stakeholder engagement activities. The intention of the SEP is to activate the engagement of stakeholders in a timely manner during project preparation and implementation. Specifically, SEP serves the following purposes: (i) stakeholder identification and analysis; (ii) planning engagement modalities and effective communication tools for consultations and disclosure; (iii) defining role and responsibilities of different actors in implementing the SEP; (iv) defining the Project's Grievance Mechanism (GM) and (v) providing feedback to stakeholders; (vi) monitoring and reporting of the SEP.

ii. Project Description

The SAIGE Project will consist of the following three components and sub-components:

Component 1: Research sector reforms (EUR 34 million from SAIGE, with additional EUR 31.5 of EU IPA funding)

- Sub-Component 1.1: Science Fund (EUR 22.5 million, with additional EUR 22 million of EU IPA funding)
- Sub-Component 1.2: RDI Reforms (EUR 8 million, with additional EUR 9.5 million of EU IPA funding)
- Sub-Component 1.3: Serbian Diaspora Facility (EUR 3.5 million)

This component consists of three sub-components which contribute to enhanced excellence and relevance of scientific research and are part of a comprehensive set of reforms of the Serbian R&D system.

Sub-Component 1.1 **Science Fund (SF)** includes support for SF programs/activities that include competitive basic science grants, applied research grants with incentives for promoting linkages between the private sector and R&D community, incentives for enhancing collaboration with EU (e.g., Horizon 2020, Horizon Europe) and other international programs, and Smart Specialization Strategy (S3) and infrastructure support for Scientific Research Organisations (SROs). Activities under this Sub-Component

are also to support the operationalization of the Science Fund, including governance, organizational structure, monitoring and evaluation (M&E) and other key components. In addition, the project is to support designing the Science Fund programs based on international best practices. The project is to provide co-financing for direct grants for public research financing under programs designed and developed in phases.

Sub-Component 1.2 **RDI Reforms** supports reforms of R&D Institutes (RDIs) by providing appropriate incentives for undertaking institutional reforms by RDIs on a voluntary (opt-in) basis. This will include providing financing to a select group of RDIs (5-6) who are willing and able to reform. RDIs who wish to participate in the program will undergo detailed assessments- first a self-assessment to be done by each RDI management, and second, a detailed independent external assessment, to be conducted by a team of international experts. Based on such due-diligence, a detailed transformation plan will be prepared and the project will provide financing for the implementation and monitoring of the transformation plans.

Sub-Component 1.3 **Serbian Diaspora Facility (SDF)**. The goal of this program is to support a Serbian Diaspora Facility (SDF) to leverage the strengths and desire of its diaspora community and benefit from this immense potential in the development of research, innovation and entrepreneurship in Serbia. This program will aim to attract promising scientists, researchers and entrepreneurs from the Serbian diaspora community to transfer knowledge and skills back to Serbia through a variety of activities including participation in policy making, governance, program management, advisory bodies and networking; collaboration in scientific and applied research and technology transfer; and participation in innovative entrepreneurship mentoring and angel investments.

Component 2: Enterprise Acceleration (EUR 7 million, with additional EUR 10 million of EU IPA funding)

The enterprise acceleration program will consist of two streams: one for early (idea) stage, and the other for growth (scale-up) stage companies. Each stream will serve 20 companies (teams of two founders) per year, selected competitively by participating investors (including angel investors, early stage VC funds, etc.). Each stream will consist of a structured, 2-3-month program of intensive training and mentoring. The acceleration program will be implemented by the Innovation Fund (IF) building on their capacity and complementing their other enterprise innovation support programs.

Component 3: Project Implementation and Monitoring (EUR 2 million)

This component will finance activities related to project implementation and monitoring including operations of a Project Implementation Unit (PIU). This will include operational and fiduciary (procurement, environmental and social safeguards), M&E, project audits, studies, policy/program design and capacity building support to the MOESTD, SF, IF and related agencies.

iii. Relevant legal and institutional framework

Environmental and social legislation in Serbia has over 100 laws and regulations. Majority of these are harmonized with EU legislation. Below is a list the key laws and regulations of relevance for this project. For a complete list and summary of each legislation, please consult Chapter 4 - Policy, Legal and

Administrative Framework of the project-specific Environmental and Social Management Framework (ESMF).¹

The main legal documents are:

- The Constitution of Serbia ("Official Gazette of RS" No. 98/06)
- The National Strategy for Sustainable Development ("Official Gazette of RS" No. 57/2008)
- Law on Environmental Protection ("Official Gazette of RS" No. 135/2004, 36/2009 - other law, 72/2009 - other law, 43/2011 - decision of the Constitution Court, 14/2016, 76/2018 and 95/2018)
- Law on Environmental Impact Assessment (EIA) ("Official Gazette of RS" No. 135/2004 and 36/2009), fully aligned with European EIA Directive (85/337/EEC, 97/11/EC, 2003/35/EC and COM 2009/378)
- The Law on Waste Management ("Official Gazette of RS" No. 36/2009, 88/2010, 14/2016 and 95/2018)
- The Law on Water ("Official Gazette of RS" No. 30/2010, 93/2012, 101/2016, 95/2018)
- The Law on Occupational Safety and Health ("Official Gazette of RS" No. 101/2005, 9182015 and 113/2017 - other law)
- Law on Animal Welfare Law ("Official Gazette of RS" No. 41/2009)
- Law on Health Care ("Official Gazette of RS", No. 25/2019)
- Law on Protection of Personal Data ("Official Gazette of RS", No. 87/2018)
- Convention on Human Rights and Biomedicine ("Official Gazette of RS - International agreements", No. 12/2010)
- Labor Law ("Official Gazette of RS", No. 24/2005, 61/2005, 54/2009, 32/2013, 75/2014, 13/2017 - decision of the Constitution Court, 113/2017 and 95/2018 - authentic interpretation)
- The Law on Occupational Safety and Health ("Official Gazette of RS" No. 101/2005, 91/2015 and 113/2017 - other law)
- Law on civil servants ("Official Gazette of RS", No. 79/2005, with amendments 81/2005, 64 and 67/2007, 116/2008, 104/2009, 99/2014, 94/2017 and 95/2018)
- Law on the Prohibition of Discrimination ("Official Gazette of RS", No. 22/2009)
- Law on the Prevention of Harassment at the Workplace ("Official Gazette of RS", No. 36/2010) and Rulebook on Conduct of Employers and Employees in Relation to Prevention and Protection from Harassment at Work ("Official Gazette of RS", No. 62/2010)
- Law on Protection of Whistleblowers ("Official Gazette of RS", No. 128/2014)
- Law on Gender Equality ("Official Gazette of RS", No. 104/2009)
- Law on confirmation of convention on information disclosure, public involvement in process of decision making and legal protection in the environmental area ("Official Gazette of RS", 38/2009)

iv. Summary of social and environmental risks and impacts of the Project

The project is classified as **Moderate Risk** taking in account the low impact and predictable nature of the interventions, the experience of the implementing agency in managing similar activities. Project will not directly fund civil works and no adverse impacts such as involuntary land acquisition, impacts on biodiversity, on cultural heritage, are expected. Also, the Project will not finance any of the activities listed in the World Bank Group -IFC Exclusion List. The environmental risks will be small in magnitude, of

¹ <http://www.mpn.gov.rs/wp-content/uploads/2020/09/SAIGE-ESMF-Revision-July-2-2020.pdf>, September 4, 2020

temporary nature and directly associated with the listed investments and TA activities under the Project. In few cases, the mitigation activities will need to be designed to deal with disposal of wastewater, communal, industrial or hazardous waste. Any activities that may have significant and/or high environmental and social impacts, including involuntary impacts on land or assets, and unpredictable risks for the environment, community health and safety will be deemed ineligible through the Project's Environmental and Social Screening Procedure to be used for defining grant eligibility. Any minor impacts will be identified by the ESMF and addressed in activity-specific ESMPs. The ESMF will ensure that the grant selection procedures are fair, transparent and merit based.

Table 1: Environmental and Social Standards Relevance at the time of Project Appraisal

	E & S Standards	Relevance
ESS1	Assessment and Management of Environmental and Social Risks and Impacts	Relevant
ESS2	Labor and Working Conditions	Relevant
ESS3	Resource Efficiency and Pollution Prevention and Management	Relevant
ESS4	Community Health and Safety	Relevant
ESS5	Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	Not Relevant
ESS6	Biodiversity Conservation and Sustainable Management of Living Natural Resources	Not Relevant
ESS7	Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities	Not Relevant
ESS8	Cultural Heritage	Not Relevant
ESS9	Financial Intermediaries	Not Relevant
ESS10	Stakeholder Engagement and Information Disclosure	Relevant

The following table summarizes key gaps between the National Legal Framework and relevant Environmental and Social standards for the project, and how these gaps will be addressed.

Table 2: Gaps between ESF and National Requirements and corrective measures

E&S standard	WB ESS requirement(s)	National requirement(s)	Gap	Corrective measure
ESS1	The Borrower will assess, manage and monitor the environmental and social risks and impacts of	The Serbian Law on EIA requires the preparation of an EIA for projects that may have significant effects	There are no E&S risk screening and assessment requirements for projects with Low	ESMF prepared by MoESTD provides preliminary assessment of project E&S risks and provides steps, processes, and procedures for sub-project screening, assessment, management and monitoring of environmental and

	the project throughout the project life cycle [...] (ESS1 para 14).	on the environment.	and/or Moderate E&S risks.	social risks and impacts of the sub-projects. Sub-projects assessed as having Substantial or High risks are excluded from financing under the project.
ESS2	A grievance mechanism (GM) will be provided for all direct workers and contracted workers (and, where relevant, their organizations) to raise workplace concerns (ESS2 para 21).	The Labor Law provides for judicial protection of employees in case of unfair or unlawful employment relationship practices. Employees may refer their grievances to trade unions or Labor Inspectorates directly. The Law on Civil Servants stipulates that workplace dispute resolution is provided through the Appeals Commission housed within the institution providing employment.	GMs for direct and contracted workers is not a mandatory practice, except for civil servants.	Any organization employing and engaging contracted workers under the project are expected to design and implement GMs that will be aligned or surpass this standard ensuring an easy access to protective measures and effective remedial actions in work situations that may give rise to grievances and disputes. For direct workers employed or engaged by MoESTD, MF (PIU, CFU), SF and IF not subjected to the Law on Civil Servants, a special GM will be conceived and housed by the PIU within MoESTD. All GM requirements, including their implementation and monitoring are detailed in the project Labor Management Procedures (LMP) integrated into the ESMF.
ESS3	The Borrower will consider ambient conditions and apply technically and financially feasible resource efficiency and pollution prevention measures in accordance with the	The Borrower will avoid the release of pollutants or, when avoidance is not feasible, minimize and control the concentration and mass flow of their release using the performance levels and measures as specified in national law.	There is no mandatory requirement to generally apply the least polluting and resource-efficient technologies.	ESMF and Grants Operation Manual will require all applicants to consider the least polluting and resource-efficient technologies and measures for their applied research.

	mitigation hierarchy (ESS3 para 4).			
ESS4	The Borrower will evaluate the risks and impacts of the project on the health and safety of the affected communities during the project life cycle, including those who, because of their particular circumstances, may be vulnerable (ESS4 para 5).	According to the Rulebook on the content of the EIA, impacts on community health and safety must be included in the EIA.	There are no E&S risk screening and assessment requirements for projects with Low and/or Moderate E&S risks.	Community Health and Safety risks shall be mitigated by adhering to the relevant laws guiding research including but not limited to radiological and nuclear safety, use of chemicals, the animal protection law and The Law on Occupational Safety and Health.
ESS10	The Borrower will disclose project information to allow stakeholders to understand the risks and impacts of the project, and potential opportunities (ESS10 para 19).	The draft EIA/planning document for project design is disclosed in hard copy in relevant municipal buildings and offices, as well as on government websites. An announcement on the availability of the EIA for review as well as the planned public hearing has to be made in a local newspaper in official languages in the project area, as well as through electronic media.	The disclosure requirements are only related to EIAs. E&S risks assessment that do not fall under the Law on EIA are not subject to disclosure requirements.	All project E&S assessments, including the ESMF and subsequent ESMPs, will follow the information and document disclosure requirements described in ESMF Chapter 10.1 – Stakeholder Engagement. The ESMF, including LMP, was disclosed by MoESTD on October 24, 2019 prior to parent project appraisal, and consulted on November 1, 2019. The ESMF for the parent project has been updated to reflect the AF and redisclosed on September 4, 2020 on http://www.mpn.gov.rs/wp-content/uploads/2020/09/SAIGE-ESMF-Revision-July-2-2020.pdf .

<p>ESS10</p>	<p>The Borrowers will engage with stakeholders throughout the project life cycle, commencing such engagement as early as possible in the project development process and in a timeframe that enables meaningful consultations with stakeholders on project design (ESS10 para 6).</p>	<p>An announcement on the availability of the EIA for review as well as the planned public hearing has to be made in a local newspaper in official languages in the project area, as well as through electronic media.</p>	<p>All disclosure and public consultation requirements are related to the EIA preparation process only. E&S risks that fall outside of the EIA (i.e., significant environmental impacts) are not consulted upon. There are no requirements to engage stakeholder in project planning, design and implementation. There are no requirements to develop SEPs.</p>	<p>Objectives and specific methods of engagement with relevant stakeholders has been outlined in the current SEP. This SEP also provides information on all stakeholder engagement activities conducted in preparation of the project. The document was disclosed by MoESTD on October 24, 2019 and consulted on November 1, 2019.</p>
<p>ESS10</p>	<p>The Borrower will respond to concerns and grievances of project-affected parties related to the environmental and social performance of the project in a timely manner. For this purpose, the Borrower will propose and implement a</p>	<p>-</p>	<p>There is no specific requirement in Serbian legislation for establishing a project-level GM as required by ESS10. In case of specific project impacts (e.g., expropriation), administrative appeals can be submitted</p>	<p>The Project has two Grievance Mechanisms (GM) hosted at each of the Innovation Fund and Science Fund that will allow for intake of inquiries and complaints about the matching grant mechanism, grant procedures & results as well as potential social and environmental impacts of grant-supported activities. The two GMs are already established and operational.</p>

	grievance (ESS10, para 26).		as per Law on Expropriation.	
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2. Summary of Previous Stakeholder Engagement Activities relevant to the Project

a. Consultations on “Research for Innovation” Strategy and related laws

The Republic of Serbia through the Ministry of Education, Science, and Technological Development (MoESTD) has taken significant steps towards the comprehensive reform of the science and research system aimed at improving the excellence and relevance of scientific research. The basis for these reforms is defined in the Research for Innovation Strategy (2016-2020) which was adopted by the Government in 2016. The strategy was developed as part of the World Bank supported “Serbia Research Innovation and Technology Transfer Project” (SRITTP) implemented between 2015 and 2019.

During the preparation of the abovementioned “Research for Innovation” Strategy in 2016, the MoESTD conducted extensive public consultations involving all stakeholders, interested parties (such as private and public scientific and research institutes, faculties, universities, center of excellence, companies), researchers and citizens. Besides receiving written feedback, the MoESTD organized consultation meetings in all major university centers and with the private sector in collaboration with the Chamber of Commerce. A number of roundtables were organized during the drafting of the Strategy as well. Lessons from this stakeholder engagement processes show that early involvement of key stakeholders in the policy design process ensures better outcomes, including better identification of stakeholder needs, support during the public consultation and policy adoption process, and easier implementation of new policies.

Recently, two new important laws were adopted: the Law on Science and Research (in July 2019) and the Law on the Science Fund (in December 2018). The adoption of these laws is a key step in the reform of the system of organisation and financing of science in Serbia.

The adoption of the Law on Science and Research (RS Official Gazette, no. 49/2019-3) reformed the system of financing scientific research in line with the strategic goal to improve the system, to respond to the challenges and needs of the society and the have an efficient and optimal use of budget funds. A financing model has been developed which combines institutional and competitive project-based financing. The goal on one hand is to ensure stable financing, and on the other to support excellence in science. Introduction of institutional funding for R&D Institutes (RDIs) creates the foundation for further reforms of RDIs envisaged under SAIGE.

Adoption of the Law on the Science Fund (RS Official Gazette, no. 95/2018) provided the basis for the establishment of the Science Fund in 2018, as an independent and expert government entity which will implement project-based funding for scientific research. The Science Fund will use different programs to support the best scientists through a competitive, transparent and merit-based evaluation and selection system. SAIGE will support both the design of Science Fund programs in line with international best practices and provide funding for certain grants programs.

Extensive consultations were conducted during 2018 and up to May 2019 prior to the adoption of these two laws. The draft documents were publicly presented, and all proposals, remarks and suggestions were

submitted in the written form to the MoESTD. In addition to this, the MoESTD fully complied with the Government procedure on Regulatory Impact Assessment and for each newly proposed document prepared a report to support the proposed legislation with analytical data, reports and background analyses which reflect the situation in this area. Finally, a report on the consultation process was also prepared as part of the Regulatory Impact Assessment².

Stakeholder consultations have significantly informed the current “Research for Innovation” Strategy and relevant laws. They represent the basis for reforms which are to be supported from the current project. Ensuring the support of the research community has been a vital element for reforming the model of financing scientific research in the country and without this support the adoption of the new legislation to implement the reforms would not have been possible.

b. Consultations on the “Smart Specialization” Strategy and related bylaws

In addition to the abovementioned legislations, the MoESTD has recently completed coordination of the Entrepreneurial Discovery Process (EDP) in Q1 and Q2 of 2019, which is an integral part of developing the national Smart Specialization Strategy. The EDP process included a series of roundtables in 2019 held across Serbia which had significant representation of academia, the private sector and civil society, with the objective of defining national priorities for the Smart Specialization Strategy. Supported by the Chamber of Commerce, this process had helped the MoESTD deepen its engagement with the private sector and part of the implementation of the Strategy will be in ensuring that this platform for dialogue is a continuous instrument of the MoESTD and not a one-off event. The Smart Specialization Strategy was adopted by the Government in February 2020 and the first two calls for supporting strategy priorities were launched by in June 2020.

MoESTD is also in the process of preparing the by-laws for institutional financing of RDIs which will be of high relevance for the implementation of Component 1 of the project which is to be implemented by the MoESTD. For this purpose, the MoESTD will establish a working group with key stakeholders to discuss the draft document. The MoESTD has also worked with the Association of Research Institutes which has developed a draft methodology for the self-assessment of RDIs and which will be further refined and introduced as part of the by-laws.

c. Consultations held on proposed SAIGE Project activities

During October 2018, the World Bank together with the Innovation Fund organized a pilot acceleration program in Belgrade called SPARK week, so as to provide input for preparation of the future full-fledged acceleration program. The emphasis was on mentoring by experienced mentors matched to the participating companies by sector, and on evaluation of the program in order to gauge learning and financing needs. The key objective of the activity was to support participating entrepreneurs by providing them an opportunity to assess and strengthen their business modeling and pitching skills, fundraising know-how, and their ability to work effectively with mentors. Preparation for SPARK week enabled the IF to assess potential local and global pool of mentors, investors, startups and other community stakeholders such as Hubs and STP Belgrade, NGOs, sponsors, media and others. Workshops on themes such as fundraising and investment readiness were held during SPARK week in addition to interaction with

²<http://vs3836.cloudhosting.rs/misljenja/1511/ana/Analiza%20efekata%20Zakona%20o%20Fondu%20za%20nauku.pdf> (document in Serbian only)

potential investors. It was identified that most startups need assistance with growth phase or early stage funding. Workshop sessions received high marks across the board, with particular satisfaction expressed with the module on sales strategies, pitch feedback, and informal peer-to-peer mentoring.

Since its establishment in 2018, the Science Fund (SF) has been carrying out consultations with all major stakeholders pertinent to its programs and objectives, including, but not limited to, the Ministry of Education, Science and Technological Development, the Cabinet of the Prime Minister of the Republic of Serbia, representatives of SROs, members of the scientific community in Serbia, research organizations, individual researchers, former and current participants in Horizon 2020 calls for proposals, representatives of the European Research Council (ERC), Serbian research diaspora, as well as representatives of other funding agencies from European countries. Stakeholder engagement has been conducted through meetings, interviews, and online correspondence.

The SF has completed its first Call for Proposals. During this process, consultations were held with the SF Program Council and Managing Board, carried out as part of the SF's internal procedures. The Call for Proposals under the Science Fund's Program for excellent projects of young researchers (PROMIS) was the first call that was launched by the SF. Lessons learned through PROMIS will be applied to further program planning of the SF supported by the SAIGE Project. Applicants of PROMIS, as well as others who have participated in any of the SF's preparatory activities for PROMIS (presentations across Serbia, open doors, budget workshops, webinars, email enquiries), have been requested to provide feedback on the program and the application and evaluation process. The results thereof will be used to improve the SF's communication strategy, future programs and the application process under the SAIGE Project.

d. MoESTD's ongoing consultations with stakeholders

The MoESTD holds regular meetings both with individual research institutions and researchers, but also with organizations that represent the interests of the research community such as the Association of Institutes, the Union of Scientific Research Employees, the Conference of Universities, the Serbian Academy of Sciences and Arts and other. Representatives of the research and business community take active part in the work of MoESTD advisory bodies such as the National Council for Science and Technological Development and the Scientific Boards established for all fields of research. Besides regular communication with associations that represent research interests, the MoESTD expanded its engagement with civil society through the EDP process which has been described in greater detail above.

e. Other documented forms of engagement (interviews, workshops, etc. where feedback from relevant stakeholders has been collected)

The project is a continuation of long-term engagement with governmental and private sector, but also civil society organizations and individuals. These have included interviews, focus groups, and roundtable consultations in 2015, 2016, 2017, 2018, and 2019, with individual researchers, representatives of R&D institutes and faculties, Serbian Academy of Sciences and Arts, Chamber of Commerce, Serbian Association of Managers, Serbian Business Angels Network, Serbian Venture Network, Digital Serbian network, representatives of the early stage investor community (StartLabs, South Central Ventures, ICT Hub Ventures, Serbian Business Angels Network) entrepreneurship support organizations such as incubators and hubs (StartIT, ICT Hub, Potkrovlje, Impact Hub, University of Belgrade Faculty of Engineering ICT Inkubator, Vojvodina ICT Cluster) and individual entrepreneurs, investors, and business leaders. Further, extensive analysis of the R&D sector, which included a series of policy notes, involved

structured engagement with stakeholders of the R&D system in Serbia, while an entrepreneurship ecosystem assessment gathered stakeholders on a series of general and specific topics.

3. Stakeholder Identification and Analysis

The Project has multiple stakeholders from government, private sector, research sector and donor organizations involved in the innovation and entrepreneurship eco-system in Serbia and relevant to the Project. The stakeholder risk is moderate due to the need to coordinate with multiple stakeholders throughout the Project period.

Project affected parties include:

- 1) Public and private R&D Institutions – in the new model of financing research activities, RDIs will receive performance-based institutional financing and will not entirely depend on project-based financing. Further, under SAIGE Project, RDIs will also benefit from support for their external assessments and transformation plans. This will allow them to develop more long-term strategic planning, and enhance their excellence and relevance of their R&D outputs.
- 2) Researchers – competitive grants offered by the SF will support the best researchers by providing them with grants that match their project needs. Preparing project proposals for the SF will improve their capacity to bid for EU and other international research grants.
- 3) Private sector enterprises and investors – through Component 1, new opportunities for business-academia collaboration will open and will complement the existing programs of the Innovation Fund. Through Component 2, enterprise acceleration component, entrepreneurs, early stage companies, individual investors, and investment funds, will have increased access to investment, knowledge, and deal flow, respectively.

a. Direct Beneficiaries:

- MoESTD, SF and IF staff
- Participating RDIs staff - Applicants
- Researchers benefitting from the SF grants - Applicants
- Owners and employees of companies who receive training and/or grants under the project - Applicants
- Potential investors and entrepreneurship support organizations
- Members of the Serbian diaspora benefitting from activities of the Serbian Diaspora Facility

b. Other Interested Parties:

- Chamber of Commerce
- Serbian Venture Network
- Digital Serbian network
- Business associations
- The Scientific community in Serbia
- Media and General Public
- Non-Governmental Organizations

A number of local (Serbian and regional) partners have already been identified in two categories (investors and entrepreneurship support organizations), including SC Ventures, ICT Hub Ventures, and StartLabs (as

a source of financing and mentoring), StartIT, Digital Serbia Initiative, ICT Hub, Serbian Association of Managers, and Science Technology Park (as a source of entrepreneurship support services and mentors), among others (for instance, the Chamber of Commerce is being considered but not yet confirmed).

The timing and methods of engagement with identified stakeholders is outlined below.

c. Disadvantaged/ Vulnerable Individuals or Groups:

Project beneficiaries are new and established researchers and owners of innovation companies. These individuals typically have high level of education and social capital and tend not to belong to disadvantaged/vulnerable groups in the society. Non-discrimination principles will be reflected in the TA provided to selected RDIs, embedded in the design of grant support programs and the proposed stakeholder engagement activities.

Serbia has achieved high level of gender equality in science and research participation. As of 2016, women represent at 48.4 percent of researchers 2016 (UNESCO, Women in Science, 2018). There are positive indicators in terms of gender balance based on preliminary data on the first Call for Proposals of the SF. However, the percentage of women applicants from companies (owners and employees) is expected to be low due to the underrepresentation of women in early-stage innovative entrepreneurship. The portion of innovation companies with at least one woman founder is estimated to be 17 percent (Digital Serbia Initiative, 2018). The share of women working in technology startups in the area of software development is approaching 15 percent, which, while above international standards, is still significantly below 50 percent. To ensure that Project benefits are accessible to women entrepreneurs, the Project will:

1. Consider women-specific programming during design stages to encourage participation of female scientists and entrepreneurs in the Science Fund programs and diaspora activities.
2. Collaborate with local partner organizations, such as the Impact Hub, ICT Hub, Digital Srbija Initiative, StartIT, Serbian Association of Managers, Association of Business Women in Serbia, and others, to leverage their networks of women entrepreneurs and deliver programming specific to them that has been identified as missing from the ecosystem. This will include:
 - Mentoring by experienced women founders
 - Workshops on topics of specific interest to women founders and managers
 - Peer networking
 - Introductions to female angel investors

In addition, the project will seek to increase visibility of support programs for women entrepreneurs through customized communications campaigns executed through the press, television and radio, as well as social media. Visibility of initiatives targeting women entrepreneurs in Serbia was identified to be virtually non-existent in popular media, and recognition of existing programs was very low, according to a study by UN Women. Increasing visibility is anticipated to create higher interest and participation in such initiatives by female entrepreneurs. The project will track the number of female-led business that benefit from the enterprise acceleration programs and that upgrade/develop innovative products/services/practices because of business support provided by the project.

On the other hand, there are positive indicators in terms of gender balance based on preliminary data on the first Call for Proposals of the SF.

4. Stakeholder Engagement Plan

September 2020 Update: Due to circumstances caused by the global COVID-19 pandemic, which could not have been foreseen during project design and negotiations, all activities described below, which are an integral part of the SEP, will be modified according to the latest developments and Government recommendations. Primarily public events will be affected, such as launches for calls for proposals. Alternative engagement activities will be designed to ensure effective project communication with stakeholders, while at the same time maintaining the safety and wellbeing of all participants. Training sessions and open-door days will be, where possible, replaced with webinars and social media and other online content will be scaled up. Public meetings and events related to the project will take place in accordance with the current ban on gatherings and will be defined by the currently prescribed measures. All post-ban public gatherings will follow the latest national guidance on containment of the COVID-19 pandemic and WHO Interim Guidance Note on planning of mass gatherings.³ Project field visits and personal interactions will require the use of face coverings, physical distancing, appropriate sanitary conditions and other relevant measures at the time of the activity.

i. Planned stakeholder engagement activities by the Science Fund (Component 1)

The SF will continue to consult with and engage all relevant stakeholders and interested parties in different stages of planning and implementing its programs:

a. The SF will organize action events for identified stakeholders/ target audiences:

- Launch of call and promotional events
- Training workshops (weekly “open doors” for potential applicants, webinars on targeted topics and for targeted audiences outside of Belgrade)
- Responses to frequently asked questions published on SF website
- Award ceremony
- Other promotional events

b. Recurrent communication activities:

- Press conferences
- Press releases
- Interviews for the media
- Photographs, photo news
- Features/success stories
- Participation in events (conferences, panels, presentations, fairs)
- Quarterly newsletters with information about progress on the project and upcoming activities.

³ WHO, 2020. Interim Guidance Note: Key planning recommendations for mass gatherings in the context of COVID-19. 29 May 2020

c. Beneficiary feedback activities

- Annual surveys on research programs

The SF will organize promotional activities throughout Serbia upon launching future calls for proposals. The SF has weekly “open doors” for consultations for interested applicants during which it provides information about the application and research project implementation process.

Earlier the SF has organized a targeted budget workshop – live event and webinar, as well as webinar responses to frequently asked questions from applicants. The above events have raised a high level of public interest in the SF’s activities and call for proposals. The SF will tailor the activities in line with future calls for proposals and the needs of the target audiences thereof.

Lessons learned through PROMIS will be applied to further program planning of the SF supported by the SAIGE Project. Applicants of PROMIS, as well as others who have participated in any of the SF’s preparatory activities for PROMIS (presentations across Serbia, open doors, budget workshops, webinars, email enquiries), will be requested to provide feedback on preferred research grant programs, the application process and the support provided during the application process, including Trainings. The results thereof will be used to improve the SF’s communication strategy, future programs and the application process under the SAIGE Project. This will inform the scope of future research grant programs (funding windows and themes), application procedures and requirements, and the design of on-demand support activities (e.g., webinars on the application process). A survey will be sent to applicants following the completion of the evaluation process and announcement of grantees. Additionally, a survey will be sent to recipients of SF grants following the completion of their projects. Survey results and effect of feedback received on research program scope and design will be published on SF website on an annual basis.

The SF continues to be active via mainstream media as well as on social networks.

ii. Planned stakeholder engagement activities by the MoESTD (Sub Component 1.2)

The MoESTD will continue to inform and engage stakeholders through various activities. For the RDI Reform Sub-component of the project, for which the MoESTD is the project implementing entity, the MoESTD will ensure that all RDIs (management and staff) are consulted and informed in a timely manner on the design and implementation of relevant activities. In addition, RDI management will organize regular consultations with their staff and key stakeholders on their external assessments to be conducted by international experts, and design and implementation of their transformation plans. The MoESTD will work closely with the Association of Research Institutes, which is established by law to represent the views of RDIs, as well as with other key stakeholders (such as the Union of employees in the science sector) to ensure that all views are taken into account during the implementation of this component.

a. The MoESTD will organize action events for identified stakeholders/ target audiences:

- Launch of RDI Reform program (to launch the Call for Expression of interest for RDIs to participate in this component)
- Training and information workshops (while the Call for EoI is open)
- Other promotional events

b. Recurrent communication activities:

- Press conferences
- Press releases
- Interviews for the media
- Photographs, photo news
- Features/success stories
- Participation in events (conferences, panels, presentations, fairs)

c. Beneficiary feedback activities

- questionnaires for beneficiaries

iii. Planned stakeholder engagement activities by the Innovation Fund (Component 2)

The IF plans to continue its previously established practice of informing, consulting and encouraging stakeholders, including Applicants and Investors, to engage in IF activities (training, mentoring and matching grants). All the support will be implemented in line with principles of transparency and equal opportunities for all Applicants. Project events and technical assistance provided will be accessible under equal terms to all interested Applicants.

a. The IF will organize various events for identified stakeholders/ target audiences:

- Launch event
- Information sessions
- Networking sessions
- Matchmaking sessions
- Awardee ceremonies
- Other promotional events

b. Recurrent communication activities:

- Press conferences
- Press releases
- Interviews for the media
- Video and photo news
- Features/success stories
- Participation in events (conferences, panels, presentations, fairs)
- Q&A on IFs website

c. Beneficiary feedback activities

- Annual applicant surveys
- Annual stakeholder workshop on the progress of acceleration program

First, the IF will organize an official launch event of the Acceleration program. Following the launch event, the IF will organize the information sessions which will be held, giving a series of presentations to promote the acceleration program and inform potential Applicants, including targeted communication and information sessions for women entrepreneurs. Consequently information sessions will be organized to provide detailed instructions and guidance on the application preparation process, highlighting principles and potential issues behind the implementation of the acceleration program, identification of specific elements, and relation to formal rules of the acceleration program. Entrepreneurship support

organizations will also facilitate the acceleration program promotion. Information sessions will be conducted in the first months upon publishing the Call for Proposals (CfP). The IF will publish on its website and its social network information on when and where the information sessions will be organized. Local entrepreneurship support organizations will conduct targeted outreach to women-owned enterprises in their geographical area.

The networking and matchmaking sessions will be conducted in the later months upon publication of the CfP with the aim of reaching out and connecting owners and employees of companies and potential investors and various entrepreneurship support organizations.

Other promotional events include IF participation and presentation of the acceleration program and the achieved results thus far at the various events organized by IF (attended by high officials both local and international) and by IF partners, stakeholders, presentation at fairs (e.g. International fair of technics and technical achievements in Belgrade), etc.

The IF will conduct applicant/grantee satisfaction surveys to collect feedback on: i) Acceleration program application process and the quality and effectiveness of IF sessions, ii) project application and grant reporting requirements, iii) level of gender-equity in the selection process; iv) quality and effectiveness of the tailored acceleration technical assistance (TA). The survey results will be soliciting feedback on the effectiveness of the project activities (both financial and technical) aimed at business acceleration. This will allow the IF to identify potential design issues related to access and implementation of acceleration program and the effectiveness of trainings and TA and make the necessary adjustments to improve access and relevance of the program for different applicant groups, including female-entrepreneurs.

The survey data will be disaggregated by age, gender and location. Survey results and follow-up actions will be sent to relevant stakeholders and discussed at steering committee meetings. CE indicators will include:

- Satisfaction survey results of acceleration program
- Satisfaction survey results of acceleration program discussed with stakeholders at annual workshop

iv. Methods of communication with identified Stakeholders by the Science Fund and MoESTD (component 1) and Innovation Fund (component 2)

Methods of communication with identified target audiences through the SAIGE Project presence on the internet (not just via the MoESTD, IF and SF websites); through printed, on-line and audio-visual and social media. It also indicates what kind of information should be disseminated through which communication platform.

Visibility/Informational materials – in order to build awareness of the SAIGE Project: visual identity, roll-up, back drop, name tags, leaflets, notebooks, posters, brochures, agendas, e-invitation and cover pages for social networks, video clips and etc. Visibility materials are intended for potential applicants and wider audience attending MoESTD's, IF's and SF's events.

Mass media Communication - In its communication with the relevant audiences, the MoESTD, IF and the SF will use a variety of mass media - electronic, print and social, national and local - with which it will generate opportunities for meaningful and regular coverage.

Press release - IF communicates about major project achievements on IF’s website and Facebook/ Twitter/LinkedIn/YouTube page and tries to get stories in relevant media, such as national media, local media. Specific media will be identified depending on decisions like where the face-to-face workshops are organized. The IF will produce small video stories about successful initiatives supported via the project. These will be published on the IF website and social media. Similarly, the SF will use their website and social media to report on major project achievements.

Websites – the IF website will have a section where information about the project as well as press releases and other relevant project material are stored. Target group network are urged to distribute relevant information about the project on their website. The SF website contains information about the current call for proposals and expressions of interest, as well as information from promotion events, workshops and other public events. The MoESTD will also include information about the project and all major milestones on its website.

Social media - IF uses Twitter to provide short updates about project and also use it as a platform for both the regular and special communication activities. IF also uses Facebook, LinkedIn and YouTube to communicate the same stories as on website and Twitter, to reach a wider audience. The SF uses social media to promote its program activities, as well as to promote Calls for Expression of interest for Peer Reviewers and Program Board Members, respectively.

Awareness raising events – in order to increase target group knowledge about the project’s opportunities and impact.

v. Timelines

Timeline of the proposed outreach, information and stakeholder engagement activities:⁴

a. Science Fund (Sub Components 1.1. and 1.3.)

For each Program launched under the Science Fund, the following stakeholder engagement activities will be implemented:

Activity	Method	Timing	Target Group
Launch event of program	Formal ceremony and conference	1 st month	Stakeholders
Information sessions	Workshops, open-doors, field-visits to individual PROs, presentations	While the CfP is open to applicants (typically between 1 to 3 months depending on program)	Potential applicants

⁴ As noted above, all the proposed activities will be modified in line with current Government guidelines and recommendations pertaining to the global COVID-19 pandemic.

Awardee ceremony	Formal ceremony	After closing of CFP	Stakeholders
Other promotional events	Various	Throughout	Various stakeholders

b. MoESTD (Sub Component 1.2)

Activity	Method	Timing	Target Group
Launch event of RDI reform program	Formal ceremony and conference	1 st month	Stakeholders
Information sessions	Workshop	While the Call for expression of interest is open	Potential applicants (RDIs)
Other promotional events	Various	Throughout	Various stakeholders

c. Innovation Fund (Component 2)

Activity	Method	Timing (after announcement of CFP)	Target Group
Launch event of program	Formal ceremony and conference	1 st month	Stakeholders
Information sessions	Workshop	In the first months of CFP	Potential applicants
Networking sessions	Meetings, conferences, sessions	2 nd month	Potential investors
Matchmaking sessions	Meetings, conferences, field visits	After closing of CFP	Applicants, investors
Awardee ceremonies	Formal ceremony	After closing of CFP	Stakeholders
Other promotional events	Various	Throughout	Various stakeholders

vi. Preliminary budget of MoESTD, Science Fund (Component 1) and Innovation Fund (Component 2) for SEP implementation

MoESTD/PIU will be responsible for planning and implementation of stakeholder engagement activities, as well as other relevant outreach, disclosure and consultation activities. Based on the needs of the SEP, the stakeholder engagement budget will cover the following activities: (i) development of communication strategy, (ii) applicant/beneficiary survey (after each grant round), (iii) media coverage expenditures; (iv) printed outreach materials; (v) video (clips) production; (vi) workshops/sessions/events. The tentative budget for these activities is US\$ 200,000.

To ensure successful SEP implementation, the Project PIU will consider part-time engagement of a Communication Specialist under the Component 3: Project Implementation and Monitoring.

5. Grievance Mechanism

a. IF Grievance Mechanism:

The IF has an operating GM in place. All complaints are recorded and processed by the IF staff using the established procedures during the piloting phase of IPA 2011. Formal complaints about the outcome of the evaluation process (or other grievances) are recorded and summarized in the IF's "Complaint Monitoring Tool". The Tool contains info regarding the complaint(s) such as: Project ID, Nature of Complaint, Receipt Date, Complain Date, Detailed Description of the Complaint, Action Taken, Outcome, Status: Pending / Closed. Complaints are submitted by way of a formal letter (via email), written in English, up to 500 words. All complaints are responded to within 8 days of receipt. All complaints are processed regularly, and where applicable, an independent Investment Committee is contacted for assistance. The Applicants' right to file a fact-based objection to the outcome of the Application status are described in Program manuals (under Project Evaluation and Financing Decision): [http://www.inovacionifond.rs/cms/files//pr-r-dokumentacija/MINI GRANTS Manual 8 0 ENG.pdf](http://www.inovacionifond.rs/cms/files//pr-r-dokumentacija/MINI_GRANTS_Manual_8_0_ENG.pdf)

IF Program Managers are responsible for ensuring that each Application receives an objective and fair initial peer review, that the process is transparent, that all applications are treated with equal opportunity and that all applicable laws, regulations, and policies are followed.

b. SF Grievance Mechanism:

Resulting from the outcomes of the evaluation process of PROMIS, lessons learned and further consultative processes, a grievance mechanism was introduced under the first Call for the IDEAS Program in January 2020 and will be utilized in all future Programs and calls of the SF. When needed, the grievance mechanism will be adapted based on the feedback of key stakeholders and experiences from implemented calls.

c. World Bank Grievance Redress Services

Communities and individuals who believe that they are adversely affected by a World Bank supported project may submit complaints to existing project-level grievance redress mechanisms or the WB's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the Bank's independent Inspection Panel which determines whether harm occurred, or could occur, as a result of World Bank non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's corporate Grievance Redress Service, please visit <http://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service>. For information on how to submit complaints to the World Bank Inspection Panel, please visit www.inspectionpanel.org.

6. Implementation Arrangements for Stakeholder Engagement

Overview of planned communication and stakeholder engagement activities.

Target stakeholders	Topic(s) of engagement	Method	Location/frequency	Responsibilities
Project wide				
Direct Beneficiaries and other interested parties	Project progress, grant disbursement figures and beneficiary/applicant survey results	Annual workshop, in-person feedback	Annual	MoESTD/PIU, facilitated by SF, IF and external TA
Component 1				
Potential applicants	Applicant satisfaction surveys	Online survey	After each CfP	SF staff
Owners and employees of companies, applicants	Information and training sessions	Meetings, conferences, sessions	During CfP	SF staff, TA
SF project beneficiaries	Grantee satisfaction surveys	Online survey	After project completion.	SF staff
RDI reform beneficiaries	Satisfaction surveys	Online survey	During and after transformation plan implementation	MoESTD staff
Component 2				
Owners and employees of companies, applicants	Applicant/grantee satisfaction surveys	Online survey	After each grant round	IF staff
Owners and employees of companies, applicants	Matchmaking sessions	Meetings, conferences, sessions	During program implementation	IF staff, TA
Potential investors and entrepreneurship support organizations	Networking and matchmaking sessions	Meetings, conferences, field visits	During program implementation	IF staff, TA

7. Monitoring and Reporting of the SEP

Component 3 of the Project will support monitoring and evaluation (M&E) activities to track, document, and communicate the progress and results of the SAIGE Project, including monitoring of the Stakeholder Engagement Plan. The PIU will be responsible for overall compilation of progress and results. Feedback

and grievances received through the project grievance mechanism will be aggregated and included in annual reports.