



STARTECH

**INNOVATION
AIMING
FOR STARS**



PHILIP MORRIS
OPERATIONS A.D. NIŠ



NALED

WHAT IS STARTECH

StarTech is a three-year (2021–2023) project supporting innovation and digital transformation of Serbian economy, implemented by NALED in cooperation with the Government of Serbia and financed by Philip Morris in Serbia. The project aims to accelerate the growth of Serbian companies and foster transformation from a traditional to a digital economy by providing support in terms of grants and expertise, improving the conditions for innovative entrepreneurship and promoting innovative businesses. StarTech is also the largest development project in Serbia financed entirely by a private company.

THREE PILLARS OF STARTECH PROJECT



DIRECT FINANCIAL
AND EXPERT
SUPPORT TO
SERBIAN
BUSINESSES



IMPROVING THE
CONDITIONS FOR
DEVELOPING
INNOVATION AND
DIGITAL ECONOMY



PROMOTING
INNOVATION,
INNOVATORS AND
SERBIA AS AN
INVESTMENT
DESTINATION

SUPPORTING INNOVATIVE BUSINESSES

FINANCIAL SUPPORT

The project provides opportunity to domestic SMEs and start-up teams to apply, independently or in cooperation with the academic community and research centers, for grants ranging from \$15,000 to \$100,000 for research and development of innovative products and services, or digital transformation of their business. [The three annual open calls will provide grants and support for around 100 tech entrepreneurs, in total value of nearly \\$3,000,000.](#)

Along with financial support, beneficiaries can also count on vouchers for up to 3,000 hours of expert support on topics such as patent registration, compliance with regulations, export and international markets, using new technologies etc. With StarTech support, selected grantees will also have the opportunity to take part in international conferences and fairs to present their products or ensure additional funding.



SUPPORTED PROJECTS

The first two grant cycles welcomed 426 applications – even 144 were submitted by informal teams (startups in the making). 70% of applications came from Belgrade, Novi Sad and Niš. 79% of applications referred to innovation, around 3% to digital transformation, while 18% involved both aspects.

Financial support worth \$2 million was already provided to 57 projects.

Only three awarded projects referred exclusively to digital transformation, while 54 brought concrete innovation. 29 projects are developing physical products, while 26 innovations focus on software only. Even 33 projects use AI and machine learning, and most common topics are machine engineering and electronics (12), food and agriculture (10), MedTech (10), environment protection (7), BioTech (4).



In 2022 StarTech organized two study tours as an opportunity for teams to present their projects internationally. In January, eight grantees took part in the Health & Wellness week at Dubai Expo, while 14 teams and businesses also presented their projects at the Vienna Up festival in May. StarTech's first cycle grantees presented their innovation at a mini fair within the StarTech conference in November 2022, within the international BioTech Future forum in Belgrade, and on multiple other occasions in Serbia and abroad.

— IMPROVING THE CONDITIONS FOR INNOVATION AND DIGITAL TRANSFORMATION —

Along with direct support to innovative projects, an important program component involves activities focusing on systemic improvement of innovators' business framework, with StarTech's Innovation Policy Lab (InnoLab) committedly working on encouraging dialogue, initiating analytics-based reforms, and coordinating initiatives of the public, private and civil sectors.

With extensive consultations with the expert and business community, in April 2022 StarTech presented the **Grey Book of Innovation**, the first publication presenting comprehensive guidelines for cutting the red tape and improving the conditions for the work of innovative and high-tech businesses. The first edition presented **60 recommendations**, including the initiatives for introducing industrial PhDs, better access to finance, simplified imports for R&D and use of AI. A year after it was published, **eight recommendations** have been adopted, ongoing or partially resolved.



LAB'S FOCUS TOPICS

Over the first two years of work, InnoLab has performed numerous research and analyses and provided contribution towards improving legislation relevant for innovators:

Tax treatment and incentives – initiative was launched for regulating the work of freelancers and the project helped set up a web platform for information, calculation and payment of taxes for freelancers; institutions adopted the initiative to extend the 10% limit of annual increase of liabilities for flat-rate taxpayers, while advocacy efforts are made to enable taxes and contributions to be paid to a single account for entrepreneurs

Digitization of business – StarTech ensured support for the introduction of eInvoices in cooperation with the Ministry of Finance, through training and mentor support to SMEs

Future mobility – the project developed and presented to the line ministry a proposal of regulation that would simplify the installation of electric chargers for electric and hybrid cars, based on a situational analysis and citizens' opinion survey on electric cars

Intellectual property protection – a survey was carried out among scientific and research organizations on protection and commercial use of intellectual property and sponsored PhD studies, and a model rulebook on intellectual property protection was developed

Removing administrative obstacles – analysis performed with specific recommendations for simplifying the customs procedure for the import and export of R&D relevant material (samples, hardware components etc.)

Artificial intelligence – opening and reuse of data held by the public and private sector, relevant for AI development

Funding innovation – a rulebook was adopted defining in more detail the innovative entities and business angels, thus easing the use of tax incentives or other benefits, and comments prepared for the SME Development Strategy and the concept of entrepreneurship development financing policy

Bringing together academic and business community – plans for online platform supporting applied research

Citizens' and businesses' opinion surveys on innovation ecosystem are performed on an annual basis

EDUCATION

Along with direct efforts towards favorable conditions for developing innovation, InnoLab is also involved in educational initiatives, such as the accountants training for using the tax incentives for innovators, supporting the Government of Serbia in establishing a Viber chatbot to inform businesses about available incentives and programs, online educational platform on digital entrepreneurship GoStudy, or study tours.



STARTECH IN NUMBERS

3
YEARS

StarTech is a three-year project (2021 – 2023), aimed at providing direct support to startups and innovators, as well as systemic contribution to better work conditions of innovative and high-tech companies.

Worth five million dollars, StarTech is the largest development project in Serbia fully financed by a private company – Philip Morris, and implemented by NALED partnered with the Government of Serbia.

5M \$

57
PROJECTS

Within the first two grant cycles, StarTech supported 57 projects with funds worth nearly \$2 million for developing innovations and digital transformation. Even 40% of the total number of grants were awarded to informal teams that registered a company after receiving the grant.

Grey Book of Innovation brings 60 specific recommendations for better legislation, removing administrative obstacles and improving the conditions for innovators' work.

60
RECOMMENDATIONS

GREATEST SUPPORTED SUCCESSES:

- The first BC-T full-body scanner exported to USA – TechnoNaiss Group
- Device against Helicobacter pylori obtained FDA permit for entering the U.S. market – HerbELixa
- Fully financed production facility for hemp packaging materials – Bifrost
- Financed improvement of the baby temperature monitoring system, as well as the process of applying for CE certificate for EU exports – BabyFM
- Fully financed human subject medical research of probiotics for diabetes – DiaSolution
- Financed the development of multisensory post-rehabilitation device for individual continuous use in the neurological diseases treatment using video games – Neuroblast

„StarTech project is fully in line with the Government of Serbia priorities of ensuring strong economic growth and well-paid job creation through digitalization and encouraging economic activities based on knowledge, creativity, innovation and new technologies.“

Ana Brnabić, Prime Minister of Serbia

„StarTech is an ideal model for creating a sustainable startup ecosystem. With this kind of support, you find it easy to take the path of entrepreneurship and innovative ideas. It is up to you to make the first step.“

BabyFM team

„If you have the product and the knowledge, take up the courage and some time and try! The system works.“

Marko Grujić, Neuroblast

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March 2023

