

Pursuant to Article 28 paragraphs 1 and 3 of the Law on Innovation Activity (*Official Gazette of the Republic of Macedonia* no. 79/2013, 137/2013, 41/2014, 44/2015, 6/2016, 53/16, 190/2016 and 64/2018) and Article 20 paragraph 2 line 4 of the Statute of the Fund for Innovation and Technology Development, the Management Board of the Fund, upon the proposal of the Director of the Fund, at the meeting held on 04.02.2019, adopted the following

WORK PROGRAMME FOR 2019

Institution/ Company/ Organization:

FUND FOR INNOVATION AND TECHNOLOGY DEVELOPMENT

Period: 01.01 - 31.12.2019

Total value: MKD 904,504,898.00

Introduction

Main activity

The main activity of the Fund for Innovation and Technological Development (hereinafter the Fund) is to provide financial support to companies registered in the Republic of Macedonia, with the objective to encourage innovation activities through co-financed grants awarded on competitive basis.

The main tasks of the Fund are as follows:

- Financing, preparation, implementation and development of programmes, projects and other activities in the field of innovation policy implementation;
- Professional and other operations related to acquiring assets in the Fund, managing and using such assets;
- Mediation regarding the financing of the innovation activities with funds from international organizations, financial institutions and bodies, as well as domestic and foreign legal entities and natural persons, especially in the areas of science and technology, in accordance with the priorities defined in the innovation strategy;
- Keeping a database for the beneficiaries of the funds awarded by the Fund, identification data of the entities that were awarded funds, the programmes, projects and other activities in the field of innovation activities financed by the Fund, as well as the financial resources required and available for their implementation;
- Encouraging and establishing cooperation with international and domestic financial institutions and other legal entities and natural persons, for the purpose of financing the innovation activity, in accordance with the innovation policy and other strategic plans and programmes, also in line with ratified international agreements;

- Selection of a company for management of private funds through a public call, which will manage the funds of the Fund intended for realization of the instruments for equity and mezzanine investments;
- Establishment of an Equity and Mezzanine Investment Fund and adoption of the statute and prospectus of the Equity and Mezzanine Investment Fund and
- Monitoring and evaluation of the projects for which funds have been awarded, in order to develop entrepreneurship in the Republic of Macedonia.

Mission and objectives

The mission of the Fund for Innovation and Technological Development is to stimulate and support innovation activities in micro, small and medium enterprises in order to achieve accelerated technological development, based on transfer of knowhow, research for development and innovations that contribute to creation of new jobs and economic growth and development, while simultaneously improving the business environment to develop competitive capabilities of the companies.

The priorities and objectives of the Fund are:

- Improved access to financial support for innovations and technological development
- Promoting and encouraging the innovation activity in Macedonia

By fulfilling its objectives, the Fund contributes to accelerated technological development based on transfer of knowhow, development research and innovations that contribute to economic growth and development, but also to the enhancement of the business climate for development of competitiveness of the enterprises.

Action Plan

I PROGRAMME ACTIVITIES

1. IMPLEMENTATION OF PROGRAMMES

1.1. Implementation of programmes in line with the current support instruments

The Fund, in coordination with the Office of the Prime Minister of the Republic of Macedonia and the Cabinet of the Deputy Prime Minister in charge of Economic Affairs, will continue to implement the Economic Growth Plan, pillar 3: financial support (co-financed grants) for micro, small and medium enterprises. These are industrial policy measures to stimulate investments, exports and competitiveness of the Macedonian economy, as follows: Measure 1. Financial support for fast-growing MSMEs ("Gazelles"), Measure 2. Special financial support (co-financed grants) for SMEs, Measure 3. Financial support to MSMEs for improving innovativeness, Measure 4. Financial support for professional

development and internships for newly employed young people and Measure 5. Creating an environment and preparing legal bases for risk capital development.

- **Measure 1. Financial support for fast-growing MSMEs ("Gazelles")**

The funds from this measure are used for co-financed grants for technological development of companies by covering direct costs in investment projects up to 30% of the eligible costs of the applicant, but not more than MKD 10,000,000.

The support is provided for the following investment activities and costs:

- Acceptance and implementation of European technical regulations regarding product safety;
- Preparations for acquiring quality certificates;
- Activities for analysis, preparation, acquisition and protection of industrial and intellectual property rights;
- Preparation and implementation of activities for improving energy efficiency;
- Preparation of reports for environmental protection;
- Preparation and establishment of waste management systems;
- Introducing information systems;
- Costs for technical support (expertise), based on a previously submitted profile of domestic and/or external experts who will be engaged in the project;
- Costs related to proceedings before organizations, scientific research institutes, companies and international organizations related to acquisition of quality certificates, acquisition of patents and other intellectual property rights, as well as other documents related to investment activities, issued by a certified entity;
- Costs of contracted research and development services (for example, testing, laboratory services, etc.);
- Costs for procurement or rental of equipment, IT tools and other types of fixed assets for MSMEs, directly related to the implementation of the technological development project;
- Other costs directly related to the project implementation, excluding salaries and procurements from domestic public enterprises.

The applicant can use the financial support for a period of *up to 18* months from the date of project approval.

- **Measure 2. Special financial support (co-financed grants) for MSMEs**

The funds from this Measure are used for co-financed grants for technological development of companies covering up to 30% of eligible direct costs of the beneficiary, but not more than MKD 5,000,000.

The support is provided for the following investment activities and costs:

- Technical support by external experts for preparation of mid-term and long-term strategic plans;
- Training for mid-term business planning (three-year business plan);
- Preparation of development projects for business networking and establishment of business cooperation (in a period of 3 to 5 years) with foreign investors and domestic companies;
- Improving the organizational structure to meet the growth of the company;
- Specialized management trainings – programmes for development of skills of the management teams;
- Training for talent recognition (future leaders) and creation of programmes for talent development (future leaders);
- Training for cost planning and control;
- Procurement or design of specific software related to the improvement of the organizational structure and performance or improvement of the operational processes that will increase the productivity and/or the planning process;
- Costs of technical support (expertise), based on a previously submitted profiles of key domestic and/or external experts who will be engaged;
- Costs related to preparation and implementation of trainings;
- Other costs related to implementing a plan for better organizational structure of the applicant;
- Costs for procurement and/or production of equipment, software, IT tools and other types of fixed IT assets for MSMEs directly related to the implementation of the technologic development project;
- Other costs directly related to the project implementation, excluding salaries and procurements from domestic public enterprises.

The applicant can use the financial support for a period of *up to 18* months from the date of project approval.

- **Measure 3. Financial support to MSMEs for improving innovativeness**

This measure was implemented through the Support Instrument – Co-financed grants to improve innovativeness. During 2018, changes were made to create a joint instrument that covers both instruments: Co-financed grants to improve innovativeness from the Economic Growth Plan – pillar 3 and the instrument Co-financed grants and conditional loans for commercialization of innovations, which was implemented within the instruments provided by the Skills Development and Innovation Support Project).

With the instrument Co-financed grants for commercialization of innovation, the World Bank has become a partner of the Government in the implementation of the

Economic Growth Plan. The amended Rulebook of the instrument is undergoing the procedure to obtain consent from the Government of the RM.

- **Measure 4. Financial support for professional development and internships for newly employed young people**

The funds from this measure are used for co-financed grants for technological development of the companies to cover up to 30% of the costs for training and professional development of newly employed young people, but not more than MKD 1,000,000.

The support from this measure is granted for professional development and/or internship for persons up to 29 years of age, who have been employed by the applicant for at least 6 months before submitting the application for financial support. Support includes coverage of:

- Costs of professional training and internship for newly employed young person with the applicant (including the Fast Track Management Programme);
- Costs of professional training and internship for newly employed young person in another company and/or organization that provides this type of services;
- Costs related to the preparation and implementation of a plan for strengthening professional and technical skills;
- Travel, accommodation and food expenses in the country and abroad, if the programme for professional development and/or internship is conducted outside the place of residence of the employee;
- Costs for application, registration fees and other fees for participation in the vocational training and/or internship programme charged by the organizer (different entity from the applicant);
- Costs for preparation and taking exams for obtaining certificates and other documents for successfully completed programme and/or internship;
- Other direct costs related to the organization and/or participation in the professional training and/or internship programme.

The applicant can use the total support from this Measure for a period of up to 24 months for one newly employed young person.

The measures from pillar three of the Economic Growth Plan of the Government of the Republic of Macedonia are implemented through 4 co-financing instruments, as follows:

- Co-financed grants for fast-growing small and medium enterprises ("Gazelles");
- Co-financed grants for micro enterprises;
- Co-financed innovation improvement grants (now Co- financed innovation commercialization grants) and
- Co-financed grants for professional development and internship of newly employed young people.

The **Measure 5. Creating an environment and preparing legal bases for risk capital development** stipulates the preparation of bylaws that would enable co-investments by the Fund in private funds together with investors, investment funds and accelerators in start-up enterprises, technologically advanced enterprises and enterprises with rapid-growth potential. The Measure plans for Co-investments by the Fund for Innovation and Technological developments in private funds together with investors, investment funds and accelerators for the purpose of securing start-up capital and consequent investments in start-up enterprises, technologically advanced enterprises and enterprises with rapid-growth potential.

The activities for establishing the Equity and Mezzanine Investment Fund (EMIF) are in the final phase. For EMIF, in the course of 2018, a document was prepared that contains the conditions and methods of its functioning, the investment strategy and investment policies. Based on this document, in early 2019, a public announcement will be published for the selection of a manager who will manage the Equity and Mezzanine Investment Fund. The criteria for selecting the manager are: the size of the fund, the amount of own investment, the experience of the team and the proposed investment strategy. The public call will be open for 6 months in order to give potential applicants time to secure individual investors, to register with the Securities & Exchange Commission, to conduct research of the Macedonian market and to form an investment team.

The Skills Development and Innovation Project implemented by the Ministry of Education and Science aims to improve the transparency of resource allocation and to promote accountability in higher education, as well as to improve the relevance of secondary technical vocational education and support the capacity for innovations in the Republic of Macedonia. Within the project, the Fund acts as the responsible institution in the part – Improving the capacity for innovations of enterprises and cooperation with research organizations. The activities of the skills development project and the World Bank loan agreement end in May 2019. The Ministry of Education and Science initiated the extension of the project for a period of 13 months, until June 2020.

Within the Skills Development and Innovation Project, the Fund provides support through 4 support instruments:

- Co-financed grants for newly established start-up and spin-off companies;
- Co-financed grants and conditional loans for commercialization of innovations (now Co-financed innovation commercialization grants);
- Co-financed grants for establishment, operation and investments of business-technological accelerators and
- Co-financed grants for technological extension.

With the adoption of the new Rulebook for the support instrument – Co-financed grants for commercialization of innovations, the conditions for applying and financing provided in the Rulebook are harmonized with the conditions for applying and financing provided in the Rulebook for the support instrument – Co-financed grants for improving innovativeness. The purpose of such harmonization is to increase the attractiveness of the

instrument for commercialization of innovations, i.e. to maintain the continuous interest of potential applicants in this instrument and to enable equal treatment of the applicants/beneficiaries through both rulebooks.

The following amendments have been made to the Rulebook for the support instrument – Co-financed grants for commercialization of innovations:

- Increasing the amount of financial support from this instrument from the current maximum amount of up to 100,000.00 (one hundred thousand) euros to the amount of up to 325,000.00 (three hundred and twenty five thousand) euros in financial support.
- The range of companies that are eligible to apply for this instrument is expanding, i.e. the instrument becomes available not only to micro and small companies but also to all medium enterprises. Until now, only those companies that have an annual income of up to 500,000.00 (five hundred thousand) Euros could apply for this grant, and those that have an annual income of 500,001.00 (five hundred thousand) Euros up to 1,000,000.00 (one million) Euros could apply only for a conditional loan. Companies with annual revenues of over 1,000,000.00 (one million) euros were not eligible to apply. With this change, the instrument becomes available to all micro, small and medium enterprises.
- The conditional loan is removed, which according to the previous Rulebook for this instrument could be approved for companies with annual revenues from 500,001.00 (five hundred thousand) euros to 1,000,000.00 (one million) euros, thus equalizing the treatment of companies and allowing all micro, small and medium-sized companies to apply for a grant, not one part for a grant and one part for a conditional loan.
- The co-financing ratio for medium-sized companies is being changed, i.e. for all medium-sized companies the Fund provides co-financing of a maximum of 60% (sixty percent) of the total project budget, and the applicant provides a minimum of 40% (forty percent) from own co-financing. For micro and small companies, the co-financing ratio remains the same as before, i.e. the fund provides a maximum of 70% (seventy percent) co-financing, and the applicant provides a minimum of 30% (thirty percent) from own co-financing.

The funds for financial support for innovations and technological development for MSMEs determined by the instruments above are allocated in accordance with the criteria and procedures regulated by the regulations for each of the above instruments of the Fund for Innovation and Technological Development.

The innovation projects will be selected, assessed, implemented and evaluated in accordance with the principles, procedures and conditions set out in the Project Operational Manual, Instrument Operational Manual of the Fund, Rulebooks on the Instruments of the Fund, Procurement Guidelines and Consultants, Corruption Prevention Guidelines, Rulebook on Environmental Management and all applicable Environmental Management Plans. External experts will also be engaged in the evaluation of project proposals.

The funds for financial support for innovations and technological development **planned for 2019** shall be awarded through three public calls, as follows:

- First public call for the instrument Co-financed grants for commercialization of innovations,
- Second public call for the instruments: Co-financed grants for small and medium enterprises with rapid-growth potential (Gazelles), Co-financed grants for micro enterprises and Co-financed grants for professional education and internship for newly employed young people and
- Third public call for the instrument Co-financed grants for commercialization of innovations.

The plan is to publish the first public call in the first half of 2019, while the second and third public call will be published in the second half of the year.

1.2. Monitoring and evaluation

In accordance with the established procedures for evaluation of the received applications, in 2019 monitoring will be conducted among the applicants under the instruments for which a public call has been announced, through a visit on location, in order to determine the capacities and potentials for implementation of project proposals submitted to the Fund. The implementation of the projects by the beneficiaries will also be monitored through visits on locations, and through quarterly, narrative and financial reports. In 2019, the implementation of the projects by the beneficiaries will be monitored and evaluated in accordance with all the instruments specified above.

In late 2018, a tender was published for selecting an external entity to monitor the projects.

1.3. New support instruments

In addition to the existing instruments, the Fund will develop other instruments to support the target group, in order to encourage innovation activities and technological development. It is planned to pilot and/or implement the following new instruments, as follows: (a) Application of innovations in the public sector; (b) Introduction of innovations and technological development in rural development and (c) Funding research instruments in the academic community.

1.3.1. Instrument for application of innovations in the public sector

The Fund continues to pilot the Instrument – Application of innovations in the public sector. This instrument will encourage greater involvement of domestic companies with innovative culture and capacities in meeting the needs of the public sector and the society. The instrument will finance the development of innovative products and services for the specific needs of the public sector. Through the process of applying for funds, companies

will be provided, on a competitive basis, with funds to develop a new product or service. By involving the public sector as end user, these companies will gain significant market expansion. The benefit for the public sector (and for the Budget of the Republic of Macedonia) is that the new product or service can be bought or rented at a price that is expected to be significantly below the level that would be achieved in a "traditional" public procurement procedure.

1.3.2. Instrument for introduction of innovations and technological development in rural development

Within the Other funds from the Programme for financial support of rural development over the amount of 1% of the total funds from the same, and according to the Programme for financial support of rural development, for innovations, research and development, technology transfer, technological extension, business technological accelerators in the field of agriculture, forestry, water economy and rural development for 2019, the Fund will develop a new instrument **Introduction of innovations and technological development in rural development**. The purpose of the new instrument is to encourage and support innovation in rural development.

1.3.3. Introducing an instrument for supporting transfer of technologies

The plan is to create and implement a new instrument for transfer of technologies in order to expand the criteria for financing eligibility, thus higher-education institutions and scientific research institutions would be included, with the objective to strengthen the cooperation between the science and the industry, and to support the commercialization of scientific research with business applicability.

2. PREPARATION OF PROGRAMMES

2.1. Access to mobilization of resources

The Fund continues to seek other available opportunities to finance its activities. It is planned to establish cooperation with similar institutions to support innovation abroad, among other things, in order to form consortia for participation in European and other projects. Within the Department for Program Preparation, whose scope of operations includes international cooperation and financing, the possibilities for financing from the European Union through the Instruments for Pre-Accession Assistance (IPA 2) and international funds will be explored. The Fund will also monitor calls under the Horizon 2020 programme as well as application opportunities with other bilateral and multilateral donors.

2.2. Reform of the ecosystem

Within the project "Canvas for Innovation: A Road to Strengthening the National Innovation Ecosystem – Feasibility Studies" implemented by the EU Delegation in cooperation with the Fund, a draft feasibility study was submitted containing an analysis of the situation in the innovation ecosystem. The main goal of the project is to support the development of the innovation ecosystem in the country, while the specific objectives are: assessment of the national innovation ecosystem with focus on institutions and measures related to innovation and technological development, as well as development of new instruments and measures to support innovation and technological development in enterprises. By the end of February 2019, the feasibility study should be supplemented with specific proposals and scenarios for further organizational structure and operation of the Fund and other institutions that provide support to innovative small and medium enterprises, in order to improve their efficiency, etc. The final report should be approved by the Government of the Republic of Macedonia and the EU Delegation.

2.3. New subjects for infrastructural support for conducting innovation activity

The following entities are envisaged as new subjects for providing infrastructural support for performing innovation activity: Business-technological accelerators and the Science-Technology Park.

In the second half of 2018, the Fund for Innovation and Technological Development, in cooperation with the World Bank, for the first time allocated funds to support three business accelerators for young people. With the establishment of these business accelerators, the selected consortia will develop programmes for the establishment and development of start-up companies for young people, including financial support for the development of fast-growing businesses that will create high-paying jobs. With the programmes, special focus will be placed on young entrepreneurs who, through this specific mentoring and financial support based on international experiences, get opportunities offered in other developed countries.

Regarding the Science–Technology Park, a draft Analysis for the selection of the model for the Science–Technology Park has been prepared by a team of consultants, funded by the EU. According to the proposal, the project will be implemented in two phases: the first is by the end of 2019 and envisages the repurposing and reconstructing of an existing facility, after which the opening of the first part of the Science–Technology Park is expected. In the following five years, the implementation of the second phase is planned with the construction of additional capacities and laboratories. The future Science–Technology Park will be located on the campus of the technical faculties of the University "St. Cyril and Methodius" in Skopje.

Within the Science–Technology Park, it is planned to open an office for knowledge transfer as a centre for cooperation between universities, research institutions and the industry.

2.4. Cooperation with domestic and international partners

The Fund will continuously maintain and develop new partnerships with several key institutions and organizations operating in the SME sector and in the sector of innovations, research and development by organizing information events, participating at conferences, workshops, debates and through other activities.

The Fund will continue the cooperation with the Office of the Prime Minister of the Republic of Macedonia and the Cabinet of the Deputy Prime Minister in charge of Economic Affairs in order to implement the Economic Growth Plan of the Government of the Republic of Macedonia.

The plan includes organizing competitions/challenges on topics of special social interest, as well as challenges related to piloting innovations in the public sectors, which will be organized in cooperation and partnership with institutions from the public sector.

In 2019 the Fund plans to initiate cooperation with the competent institutions for strategy analysis and preparation – Smart specialization. The priority areas on national and/or regional level will be defined where competitive values would be developed through innovative strategies.

The fund has also established and is developing cooperation with international institutions, such as: World Bank, European Commission, USAID, UNICEF and others, for the purpose of generating financial means for accomplishing the set objectives.

The Fund will continue the cooperation with the World Bank in order to build and increase the capacities of this institution, especially in the part of monitoring the financed projects, as well as in the part of implementing the marketing and communication strategy with the goal of encouraging and increasing the awareness of the need for innovations and development of research activities in the private sector.

Cooperation with an international partner will be established in order to prepare a study for introducing the concept for introduction and implementation of innovations in the field of public procurement **(Public Procurements for Innovation) in the Republic of Macedonia, by introducing a mandatory % that will be used for innovative products and services**. The main goal is, by amending the existing regulations and increasing the capacities of the Fund, to contribute to enhancement of the quality of public services and increasing the competitiveness of the national economy, thus bringing us closer to modern societies where overall growth is based on knowledge and ideas. Moreover, the realization of the cooperation with the British Embassy would continue within the project for increasing the transparency of the institutions, as well as in the areas that cover the development of the private sector (need for innovative solutions in the private sector), educational resources and open data (use and commercialization of public data).

2.5. Communication with the public

The activities planned in the field of public relations in 2018 include informative and promotional materials, media relations and organizing events. As **informative promotional material**, it is planned to publish brochures in electronic version and/or hardcopy with information about the individual support instruments of the Fund, as well as to post them on the website of the Fund.

In 2019, the Fund will continue to organize **events, conferences, info-sessions and workshops** in order to better introduce the conditions for submitting applications to potential beneficiaries and raising awareness of entrepreneurship and innovations, EU innovation policies (Horizon 2020, Western Balkan Enterprise Development and Innovation Facility - WB EDIF, etc.). The fund will also participate in and support events organized by other organizations at national and international conferences.

Special attention will be paid to **media communication**, meaning the Fund will include the media in all events it organizes. Press releases will inform the media about the support instruments, and for some of the activities, press conferences or briefings will be organized. The Fund's website will continue to provide continuous information on all events organized by the Fund or events in which it is involved, as well as posting information on individual support instruments and current calls.

2.6. Raising awareness about the benefits of innovations among small and medium enterprises

The objective of the Fund is to improve the operations of small and medium enterprises by raising the awareness about the benefits of the innovations by implementing the following measures:

- **Technical assistance for supporting and promoting innovation activities and transfer of technologies in MSEs.** The measure will be implemented by providing free-of-charge consulting/mentoring services for the promotion of innovation activity as well as for the preparation of project proposals for the instruments of the Fund for Innovation and Technological Development. Furthermore, it is envisaged to improve the access to free consulting/mentoring assistance for enterprises by ensuring a balanced regional representation.
- **Promotion of the support instruments offered by the Fund.** The measure will be implemented by preparing and implementing a Communications Plan for promoting the support instruments offered by the Fund.
- **Most Innovative Company Award.** The measure will be implemented by organizing events for medium and small enterprises where the benefits of innovations will be promoted, as well as the available incentives and good practices and

- **Support for self-employment through development of innovative businesses.** The measure will be implemented by supporting unemployed persons so they can start their own businesses. Part of the programme will be intended for self-employment of persons who start fast-growing innovative companies.
- It is planned to also **introduce innovative vouchers**, first by preparing the legal regulations for their introduction. The support through innovative vouchers will be intended for services procured by higher-education and scientific institutions.

2.7. Incentive measures for educational development of talented pupils

The development of talented pupils will be incentivized through the following:

- Programme for support of pupils and students and
- “Challenge for young researchers”

The pupil and student support program will be implemented through scholarships for pupils and students in order to encourage innovativeness in priority areas of science and technology, participation at international events relevant to the development of science and technology and organizing events for young people.

To encourage innovativeness among the young people, the Fund will organize the “Challenge for young researchers” for pupils and teachers in elementary and secondary schools.

3. GENERAL, LEGAL AFFAIRS AND FINANCES

3.1. Management

The scope of operations of the **Management Board** for 2019 includes the adoption of the following: The Annual Work Programme and the Annual Financial Plan of the Fund for 2019, as well as other documents in accordance with the Statute and general acts of the Fund. The Management Board should also adopt the Public Procurements Plan for 2019, rulebooks for new instruments, etc.

In early 2019, we expect the completion of the phase of pre-selection of project proposals from the fifth call supported by the World Bank for the Support Instrument – Co-financed grants for newly established commercial companies: start-up and spin-off companies. The evaluation of the projects in the pre-selection phase will be done by experts. The **Investment Approval Committee** will conduct the procedure for selection of project proposals from the same call, i.e. it will review and evaluate the project proposals that have passed the pre-selection phase. After the realization of the pitches by the applicants, the **Investment Approval Committee** will make a final decision on the financing.

In addition, it is planned for the Committee to decide on the allocation of funds for public calls on the instruments and upon requests from beneficiaries for significant project

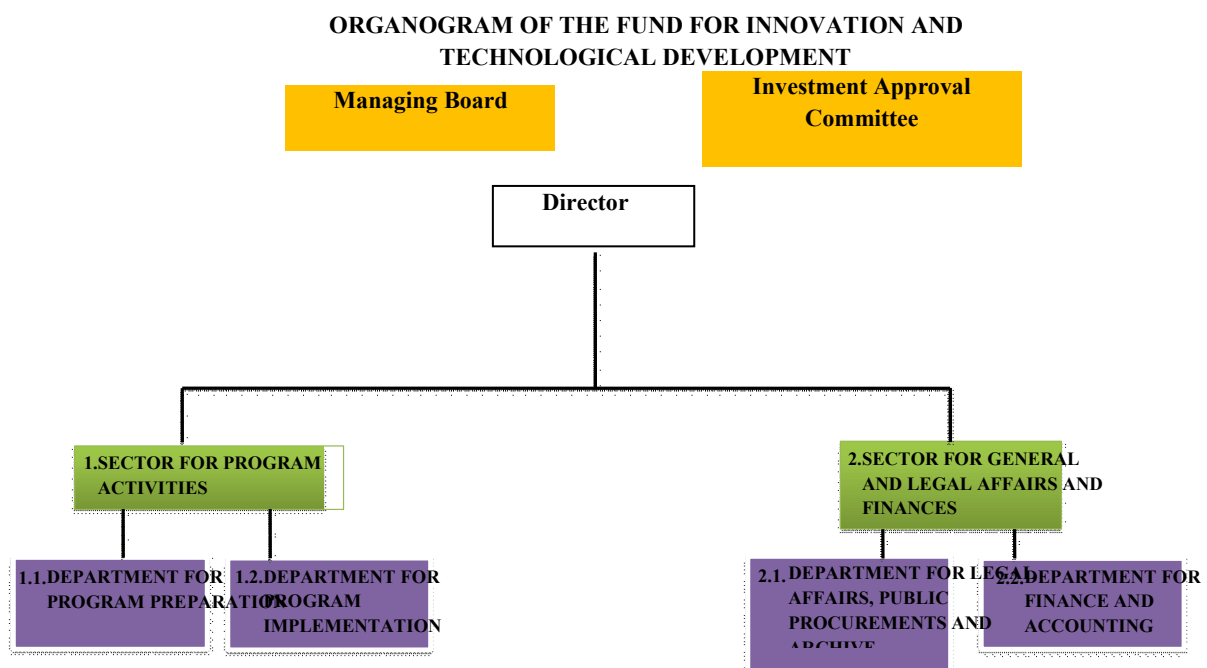
changes, changes in the ownership structure and other activities that are within the competence of the Committee.

3.2. Organizational structure

During 2019, it is planned to adopt a new act amending the Rulebook on job systematization in the Fund with the following objectives: to strengthen the functions of development and implementation of programmes; monitoring of contracts; communication with the public/companies potential beneficiaries. Additionally, the need to establish the (Support Department for) National Office for Technology Transfer as a separate organizational unit (project unit) within the Fund will be considered.

According to the planned new job systematization act, prepared in cooperation with the operational consultant of the Fund, engaged by the World Bank, a functional analysis was made which envisages the number of employees to reach 50 by the end of 2020, employed for an indefinite and definite period of time. Capacity building is aimed at successful implementation of new competencies (programmes) within the third pillar of the Economic Growth Plan – financial support for MSMEs for innovation and technological development.

Current organizational structure of the Fund:



The employees of the Fund will receive additional education through trainings, study visits to similar institutions abroad, seminars, conferences, working groups, workshops, various courses, as well as by hiring consultants in the Fund.

The trainings of the Fund employees will be in the following areas: establishment of enterprises, commercialization, promotion and design of financial instruments (including

grants and raising risk capital) in order to finance innovative activities, conduct detailed analyses for technology development in the early stages, technology transfer, project cycle management, evaluation of projects and enterprises, etc.

3.3. Building capacities of the Fund for Innovation and Technological Development

It is planned to improve the institutional competences of the Fund through: (a) planning and designing the programmes, strategies, operations and procedures of the Fund and (b) strengthening the capacities of the Fund for Innovation and Technological Development; and (c) providing technical assistance to support and promote innovation and technology transfer to beneficiaries.

The institutional capacity of the Fund will be built through trainings, study visits, as well as through the use of technical assistance from domestic and foreign partners on topics related to the current needs of the Fund. In order to strengthen the capacities of companies to apply and use the allocated funds, the Fund will also conduct trainings, workshops, events and educations. It is envisaged to strengthen the capacities of the Fund through new employments as well.

Regarding the technical assistance to the users, it is planned to provide free consulting/mentoring services during the implementation of the projects for the purpose of supporting and improving the work of the users, as well as their innovative potential.

3.4. Other processes

For the operations performed in the Fund, the appropriate systems and described processes will be maintained. A system for maintaining the database for the beneficiaries of the Fund instruments, and other systems in accordance with the recommendations of the World Bank will be maintained. Within the World Bank Skills Development and Innovation Support Project, support is provided for the development and maintenance of the Fund's operating infrastructure, including information and communication technologies for day-to-day project management, maintenance will be performed of the financial management, accounting operations and reporting system, activities related to the registration of the beneficiaries, activities related to the submission of requests and project proposals, activities related to the management and integration of the database for projects and beneficiaries, for the evaluation of requests and project proposals, field visits and monitoring of projects. In cooperation with the operational consultant, the Fund will plan and design programs, strategy, operational activities and procedures.

4. FINAL PROVISION

This annual program enters into force on the day of its posting on the bulletin board of the Fund, and it will be posted after receiving consent from the Government of the Republic of Macedonia.

Admin. no. _____
_____,
Skopje

**President of the Management Board of
the Fund for Innovation and Technological
Development**

Monika Jovanova

