Shenzhen-Israel R&D Cooperation Program 2018 Calls for Proposals

- A bilateral framework providing financial support for collaborative industrial R&D projects between technology companies from Shenzhen and Israel -

About the Program

The government of the Shenzhen municipality, The People's Republic of China, and the government of the State of Israel signed a bilateral agreement in 2011 to form the Shenzhen-Israel program for Industrial R&D with the primary aim of supporting joint industrial R&D projects aimed at the development of products or processes leading to commercialization in the global market.

Within the context of the bilateral framework, funding mechanisms have been created, through which industry may seek support for joint bilateral research and development (R&D) projects, involving at least one company from Shenzhen and one company from Israel.

The bi-lateral framework is jointly implemented by the Shenzhen Science, Technology & Innovation Commission (SZSTI) in the Shenzhen municipality and Israel Innovation Authority (Previously: Office of the Chief Scientist & MATIMOP) in Israel.

These Calls are open for joint projects based on merit that include science and technology (S&T) development leading to commercial success, social good and benefit to both countries.

Common Requirements & Criteria

In order to apply to the current call for proposals, companies and projects must meet the following criteria:

- a) At least two science and technology companies from the respective countries should express a desire to cooperate in the research and development of a new product or a new process.
- b) The project may involve more than one company from each side; academic/research entities are eligible to join as sub-contractors only.
- c) The product should be highly innovative with significant commercial potential. The joint industrial R&D project should aim at the development of products/processes leading to commercialisation in the global market.
- d) The project partners should agree in advance on the IP rights and on the commercialisation strategy of the product or process***.

***Note: For the submission phase, only an LOI (Letter of Intent), a preliminary agreement or draft MoU is required, however the final agreement has to be presented to the funding authorities after receiving a formal funding approval.



- e) The project should demonstrate the contribution of the participants from both countries
- f) The project must be balanced between participants and significant to both partners.

Any partner whose cooperative R&D project is consistent with the aforementioned criteria can apply to the present Call for Proposals in accordance with the national Laws, Rules, Regulations and Procedures in effect.

Eligibility

Shenzhen Applicants:

Eligible applicants will be R&D performing Shenzhen registered companies operating in Shenzhen.

Israeli Applicants:

Eligible applicants will be R&D performing Israeli registered companies operating in Israel.

Funding Support

Funding support will be provided to each partner through its own implementing & funding organisation (Shenzhen Science, Technology & Innovation Commission [SZSTI]) in Shenzhen municipality and Israel Innovation Authority in Israel) in accordance with the National Laws, Rules, Regulations and procedures in effect.

In Shenzhen

According to the existing rules and practices of Shenzhen Science, Technology & Innovation Commission (SZSTI) in supporting R&D activities of companies, the support for Shenzhen-Israel projects is in the form of grant without repayment.

The total funding from the Government of Shenzhen municipality under the Shenzhen-Israel R&D program must fulfil the following conditions:

- 1. The total funding will not exceed amount of 2 million RMB per project.
- 2. The total funding will be given to subsidize the R&D expenditure of the projects and will not exceed 50% of the eligible and approved R&D costs, in accordance with the national laws and regulations.
- 3. The total funding will not exceed more than the company's Applications amount.

In Israel

- 1. Funding will be provided in the form of a conditional grant to the projects selected under the Call for Proposals.
- 2. The total funding from the Government of Israel via the Israel Innovation Authority will not exceed 50% of the eligible and approved costs of the R&D, in accordance with the national laws and regulations.
- 3. When a project results in sales of a product, service or process, the financial support must be repaid to Israel Innovation Authority according to its regulations (in general, royalties are paid at rates beginning at 3% of sales, depending on various criteria. Royalties are payable



until 100% of the amount of the grant has been repaid with interest as provided in the applicable regulations). If the project does not result in sales, no repayment is required.

4. For more information on funding conditions, applicants should visit the website of Israel Innovation Authority: https://innovationisrael.org.il/program/2851

The Application Process

To ensure the effective delivery of the CFP and reinforce the principles of bilateral partnership, SZSTI and Israel Innovation Authority employ a joint, two-step application process for each Call for Proposals.

Phase 1: Bilateral Cooperation Form (BCF)

A BCF provides a summary of the proposed project with enough detail for the reviewers to make an initial assessment of the merits of the project. Submission of a BAF is <u>mandatory</u> both in Israel and Shenzhen, and is the first required document that companies must submit.

The form should be filled out by both applicants together, signed by both partners, and must include a Letter of Intent (LOI) or MOU detailing IP plans for the project.

Identical copies should be submitted to the program managers in both Shenzhen and Israel by the mutually agreed upon deadline to be eligible for further consideration.

After submission, the BCF would be referred for basic technical review to confirm that all the documents required are provided and that companies are considered eligible by both sides. Upon approval, the companies will receive from program manager notification as to whether or not they can move to Step 2 in the application process.

Step 2: Full Project Proposal (FPP) - National Format

Partners meeting all eligibility criteria and whose BCFs are approved will be invited to submit the Full Project Proposal (FPP) no later than the agreed upon deadline, according to the procedures and rules that apply in their country.

Applicants are required to follow the local requirements and use the provided application format with instructions and submit their proposal. Proposals that are not in the approved format will not be accepted.

In Shenzhen

The Chinese partner will be required to submit the National Application Form in accordance with SZSTI regulations, either through an online system and submission of printed document in required format upon further notice by SZSTI. For further information please check the website of Shenzhen Science, Technology and Innovation Commission (www.szsti.gov.cn)

<u>In Israel</u>

The Israeli partner is required to submit the National Application form in accordance with the Israel Innovation Authority's regulations, through an online system together with the signed BCF that was submitted on first phase: https://bakasha.innovationisrael.org.il/

Please note that application that would not be submitted in either Israel or Shenzhen could not be evaluated

Evaluation and Selection

The Shenzhen Science, Technology & Innovation Commission (SZSTI) in Shenzhen municipality and Israel Innovation Authority in Israel will carry out an independent evaluation of the joint R&D application and will select the eligible project to be financially supported in accordance with their National Laws and Regulations.

Final Approval notification of the results to the submitting companies pending the approval of the project by the Joint Committee being held by both countries, and will not be released beforehand.

Deadlines for Submission – 7th & 8th CFPs

Applications under the Shenzhen-Israel R&D Program can be submitted to one of \underline{two} Calls for Proposals scheduled for 2018, as listed below:

7th CFP:

Item	Date/Deadline	Details
Launch of 7th Call for	January 31 st , 2018	Publishing the CFP online, via mailing
Proposals		lists or newspapers - inviting Companies
		to search for partner and submit to the
		Shenzhen-Israel Bilateral Cooperation
		Program
BAF Deadline (Closing o	30.06.18	Interested Companies must submit BCF
7 th CFP)		application by the stated date
Deadline of Full Project	28.07.18	Deadline for Submitting FPP
Proposal (FPP) – National		
Forms		
Evaluation Period	August – End Oct.	
Joint Committee	Mid Nov.2018 (TBD) **	**Estimated Date, subject to change



8th CFP:

Item	Date/Deadline	Details
Launch of 8th Call for	25 June 2018	Publishing the CFP online, via mailing
Proposals		lists or newspapers - inviting Companies
		to search for partner and submit to the
		Shenzhen-Israel Bilateral Cooperation
		Program
BAF Deadline (Closing of	22.10.2018	Interested Companies must submit BCF
8 th CFP)		application by the stated date
Deadline of Full Project	22.11.2018	Deadline for Submitting FPP
Proposal (FPP) – National		
Forms		
Evaluation Period	End NovMarch 2019	
Joint Committee	End March 2019. (TBD) **	**Estimated Date, subject to change

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