

Announcement

4th Joint Call for Proposals for Research and Development (R&D) Projects between Brazilian and Israeli Companies

Submission deadline: 15/12/2017

Considering the Memorandum of Understanding on bilateral cooperation in research, development and innovation signed by the governments of Brazil and Israel, both countries present the following program in which each government will provide support to their respective companies involved in joint R&D projects, once approved by both sides.

1. Scope

Israel and Brazil announce a Call for proposals for joint R&D projects between Israeli and Brazilian companies, aimed at developing innovative products, services, processes or methods in all technology areas and in sectors with strong market potential.

The program is jointly coordinated by the Secretariat for Innovation and New Business of the Ministry of Industry, Foreign Trade and Services of Brazil (hereinafter MDIC) and the Israel Innovation Authority (hereinafter IIA).

The Israel Innovation Authority will support Israeli companies through access to public funding for joint projects.

Brazilian companies are eligible for financial support from the National Development Bank (hereinafter BNDES), the Brazilian Industrial Research and Innovation Company (hereinafter EMBRAPPII), the State Foundations for Research Support (hereinafter, FAPs) that adhere to the CONFAP Call for Proposals no. 01/2017, and other support institutions.

MDIC and the IIA will provide all necessary assistance to partners for matchmaking and during the project proposal, evaluation and monitoring phases.

2. Eligibility

Eligible Brazil applicants are:

- Brazilian companies of any size, registered, based and operating in Brazil.

- Research institutions accredited as EMBRAP II Units and Poles are eligible to participate and use the resources of EMBRAP II, observing the required participation of one Brazilian company that will make a partnership with the Israeli side.
- Brazilian research institutions outside the EMBRAP II System are also eligible to participate, and are eligible for direct support from the FAPs, provided that they are partners with a Brazilian company.
- In the case of BNDES-only support, Brazilian research institutions are eligible only as subcontractors to the applying companies.

Eligible Israel applicants are:

- R&D performing companies of any size, registered, based and operating in Israel
- Research institutions as subcontractors to eligible companies

3 Requirements

Cooperation proposals should be in line with the following requirements:

3.1 The participation of at least one company from each country is mandatory. Research institutes and other companies may participate as partners or subcontractors in the cooperation project, respecting the financing rules of each country.

3.2 The proposal should result in the development of an improved or new product, process or service with industrial application intended for commercialization in domestic and/or global markets, including proof of concept projects for technology based solutions.

3.3 The new product / process / service should be innovative, have relevant market potential, technological risk and add value to the economies of both countries.

3.4 The project should demonstrate adequate balance and complementarity between the two partners in relation to the R&D phases.

3.5 The project should present a clear competitive advantage and differentiated value proposition as a result of cooperation between the participants of the two countries (increase of knowledge base, access to R&D infrastructure, new fields of application, for example).

3.6 Companies should present a strategy which, given their technological, commercial and financial aspects, demonstrates their potential to introduce the new product / process / service into the markets of both countries and/or third countries.

3.7 Partners in the project must agree in advance on the allocation of intellectual property rights (IP) between companies, as well as the marketing strategy. This agreement should reflect a proportional allocation and a fair return for both partners in relation to their respective investments.

3.8 Partners in Israel and in Brazil should be able to implement the project and finance their respective shares.

Any partnership whose cooperative R&D project is consistent with the above criteria may present it in this Call in accordance with applicable national laws, rules, regulations and procedures.

4 Financing and support

Eligible Israeli and Brazilian project participants will finance their costs through national funding mechanisms and, complementary, with their own resources.

Financing to the companies is subject to the approval of the cooperation proposal by both countries

4.1 In Brazil

4.1.1 Approved projects may be financed by BNDES, EMBRAPII and / or FAPs, as follows:

- **BNDES**
 - BNDES funding may be granted through the Bank’s existing credit lines and financial products.
 - BNDES funding will be granted according to the rules and operating procedures of the institution as well as the applicable legislation in force.
 - In this call, BNDES can support Brazilian companies through indirect support instruments, especially for micro, small and medium-sized enterprises and direct support through the Support Line A, for proposals from R\$ 10 million onwards.

BNDES financial support	Type of support
Up to R\$10 million	Indirect with accredited financial agent
From R\$10 million onwards	Direct

- Approval in International Cooperation calls is one of the qualifying criteria for Brazilian SMEs to access BNDES’ Innovative SME program, in accordance with the conditions and standards of the financial institutions accredited by BNDES.
- For more information about BNDES’ financing conditions and requirements,

please visit: <http://www.bndes.gov.br/>

- EMBRAPII
 - Brazilian companies that have R&D projects aligned with EMBRAPII's technological skills and lines of action can count on the support of EMBRAPII Units to develop their projects.
 - Project must be negotiated directly between companies and EMBRAPII Units and/or Poles. It's up to the Unit and/or Pole to evaluate and decide on the feasibility of the research to be developed, within the parameters of EMBRAPII rules.
 - EMBRAPII finances up to 1/3 of projects between companies and EMBRAPII Units and Poles with non-refundable (grant) resources.
 - All projects supported in the framework of the EMBRAPII System must include previously established investment shares from EMBRAPII Units and Poles (economic resources) and partner companies (mandatory financial resources). The companies' share must necessarily be financial and directly applied in the execution of the contracted projects.

Responsible	Contribution
EMBRAPII	Maximum of 1/3 of Brazilian project costs
Companies	At least 1/3 of Brazilian project costs
EMBRAPII Units	The remaining Brazilian project costs, up to 1/3 of the total

- The Brazilian companies supported to develop projects jointly with EMBRAPII Units and Poles may also request financing to BNDES and other funding institutions. In this case, the requested financing may be granted according to the available credit lines and the rules and operating procedures of each institution as well as the applicable legislation in force.
 - Please note that it is not necessary to guarantee financing from other funding agencies for the presentation of the proposal and grant support from EMBRAPII.
 - For more information on EMBRAPII Units and Poles and their technological skills, please visit: <http://embrapii.org.br/categoria/unidades-embrapii/#>
 - For more information about EMBRAPII's model and rules, please visit: <http://embrapii.org.br/manual-das-unidades-embrapii/>
- CONFAP
 - State Foundations for Research Support that adhere to the CONFAP Call for Proposals no. 01/2017 may offer financial support to the projects approved in

this Call, according to their availability of resources, operational policy and applicable state legislation.

- Check the CONFAP Call for Proposals no. 01/2017 to find out which FAPs are covered in this Call and how and under what conditions they can support the selected projects.

4.2 In Israel

- In Israel, the funding from IIA may not exceed 50% of the eligible R&D costs. Additional top-ups may apply to companies operating in developing zones. The companies must provide the remaining funding. In certain cases, the company may be asked to provide further guarantees or documents in order to assure its financial viability.
- When a project results in sales related directly to the funded project, or when the company's IP is acquired (e.g. upon exit), repayments of the grant will be made according to the R&S law and IIA regulations.
- For more information on funding conditions, applicants should visit the website of Israel Innovation Authority:
http://www.economy.gov.il/RnD/research%20and%20development%20programs/Pages/Mop_Fund.aspx

4.3 Self Funding

Project participants either in Brazil or Israel, may self-fund their respective project costs.

5. Project evaluation

5.1 In Brazil, projects will be evaluated by the MDIC, regarding the innovation aspect and adherence to the requirements of the Call, and by the financing institutions that are relevant to each project, regarding the innovation aspect and the granting of financial support.

5.2 The decision to grant financial support and the conditions for such support shall be the prerogative of the funding institutions, which shall independently analyze the applications for funding in accordance with the operational policies of each institution.

5.3 In Israel, the evaluation of projects and the decision on financial support will be the responsibility of the IIA.

6. Guidelines for submission

6.1 Companies may register on a matchmaking platform, which is available at the website www.cooperacaointernacional.mdic.gov.br, to provide opportunities for Brazilian and Israeli companies to meet their potential partners and develop a proposal for cooperation in R&D.

6.1.1 Brazilian and Israeli companies must register in English at the website www.cooperacaointernacional.mdic.gov.br.

6.1.2 Registration is not mandatory. Companies that already have a partner in the other country may go directly to the Common Proposal Form.

6.1.3 The partner search process will be assisted by MDIC in Brazil and IIA in Israel and will include, whenever possible, a meeting agenda at conferences and business missions of different industry sectors to create opportunities for Brazilian and Israeli businessmen to meet potential partners.

6.2 Common Proposal Form:

6.2.1 The Common Proposal Form is available for download at the following addresses:

www.cooperacaointernacional.mdic.gov.br and
http://www.matimop.org.il/calls_for_proposals.html

6.2.2 The Common Proposal Form must be filled by both partners in English.

6.2.3 The versions submitted by each partner must have identical content.

6.2.4 Before the end date of the Call, all participants must send the Common Proposal Form electronically to cooperacaointernacional@mdic.gov.br and [...].

6.3 Israeli companies

6.3.1 In addition to the Common Proposal Form, Israeli companies are required to electronically submit the IIA application form available at <http://www.moital.gov.il/mandan/tfasim>. The bilateral cooperation form should be attached to the IIA's application form.

6.4 Brazilian companies

6.4.1 In addition to the Common Proposal Form, Brazilian companies must present additional documentation in the form of one or more of the following Annexes, depending on the nature of each project:

6.4.2 If the applicant wishes to request BNDES support of up to R\$ 10 million, they must send, alongside the form, to the e-mail cooperacaointernacional@mdic.gov.br, the BNDES Annex 1 (Economic-Financial Indicators).

6.4.3 If the applicant wishes to request BNDES support above R\$ 10 million, they must send, alongside the form, the BNDES Annex 2, namely, (i) Informações para análise cadastral e risco de crédito; (ii) Indicadores econômicos e financeiros; (iii) Quadro de Usos e Fontes.

6.4.3.1 The information for the cadastral analysis and credit risk assessment at the BNDES should be completed and filed electronically through the On-Line Protocol system for Cadastral Information and Credit Analysis in <https://web.bndes.gov.br/FichasCadastrais/FCE> per the guidelines in the Annex. It should be noted that this information is subject to banking secrecy by BNDES.

6.4.3.2 The *Pessoa Física* and *Pessoa Jurídica* files that need to be printed, signed and notarized along with the Cadastral Analysis Cover page - CAPA should be forwarded to BNDES to the following address:

Edital de Cooperação Internacional
Banco Nacional de Desenvolvimento Econômico e Social – BNDES
Área de Planejamento e Pesquisa – APP
Departamento de Prioridades – DEPRI
Av. República do Chile, 100 – Protocolo – Térreo
20031-917 – Rio de Janeiro – RJ

6.4.3.3 The BNDES Annex 2 must be sent only to BNDES.

6.4.4 BNDES may at any time contact the Brazilian company and request further information.

6.4.5 If the company is developing a partnership with an EMBRAPII Unit, it is fundamental that, in the presentation of the proposal, it signals which EMBRAPII Unit they want to work with and the status of the negotiation, filling out the "EMBRAPII Annex" available together with the Common Proposal Form.

6.4.6 Proposals submitted through the CONFAP Call no. 01/2017 should present the documentation required in the items 6.1 (Common Proposal Form) and 6.4.2 (Economic and Financial Indicators) of the present Call, as well as the specific documents that each FAP may require.

6.5 The approval of the cooperation proposals by both governments, as well as the communication of this approval to the selected companies will occur intermittently and will follow the chronological order of presentation of the proposals throughout the duration of the Call.

7. Timeline

7.1 The technological cooperation proposed in this Call must follow the following schedule

Activities	Date
Official launch of the Call	June 26 2017
Proposal submission deadline (1 st cut-off date)	December 15 2017
Deadline to publicize the projects approved by both sides	February 28 2018

8. Results

The results of evaluations in this Call will be made public by the competent body in each country, observing the operational rules and procedures of each institution and the applicable legislation.

8.1 The MDIC will communicate to Brazilian companies the approval or rejection of their respective projects, electronically.

8.2 In the case of direct financing with the BNDES (projects of more than R \$ 10 million), the companies will be invited, within 3 weeks of approval, to file the documents listed in BNDES Annex 3:

- Social and Environmental Aspects Related to the Company;
- Social and Environmental Aspects related to the Project;
- Job Generation;
- Guarantees.

8.3 The publication by the Israeli side will be given at the electronic address http://www.matimop.org.il/calls_for_proposals.html.

Information about requests for financial support will be disclosed only to the requesting company, observing the operating rules and procedures of each institution, as well as applicable legislation.

For further information contact::

Israel Office	Brasil Office
<p>Mr. Alan Hofman Director Latin America Desk Americas Operations Israel Innovation Authority Tel: +972-3-7157987 Email: alan.hofman@innovationisrael.org.il Airport City 7019900, Israel 4 HaYarden St. (P. O. Box 1099)</p>	<p>Mr. Walter Cunha Coordenação de Inovação Global e Propriedade Intelectual Secretaria de Inovação e Novos Negócios MDIC Tel: +55 61 2027-8223 Email: cooperacaointernacional@mdic.gov.br</p>