

Israel-Italy “Joint Innovation Program”
for Research and Development Cooperation in Industrial, Scientific and Technological fields
in R&D

**Nineteenth Call for Proposals for Joint Industrial R&D Projects
 (“INDUSTRIAL TRACK”)**

Submission by November 25th 2020

Within the activities foreseen by the Agreement for Research and Development Cooperation in Industrial, Scientific and Technological fields signed between Italy and Israel on June 13, 2000 (hereinafter called “the Agreement”), the Directorate General for Cultural and Economic Promotion and Innovation of the Ministry of Foreign Affairs and International Cooperation for the Italian Party and the International Collaboration Division of *Israel Innovation Authority* (hereinafter called “the Party” or “the Parties”), agreed to issue a call for proposals for the selection of joint Italian-Israeli industrial research and development projects eligible for financial support as in Article 4 of the Agreement.

1. Joint projects

1.1 Joint industrial R&D projects can be submitted in the following areas, as listed in Article 2 of the Agreement:

- medicine, biotechnologies, public health and hospital organization;
- agriculture and food sciences;
- application of information technology to education and scientific research;
- environment, water treatment;
- new energy sources, oil alternatives and exploitation of natural resources;
- innovation in production processes;
- ICT, data communications, software, cyber security;
- space and earth observation;
- any other area of mutual interest.

1.2 The joint industrial R&D projects, which will be evaluated and selected according to the procedure in paragraph 4 in the framework of the present Call, will be financed by both Parties. The financial support will be given to each selected applicant by its own Party in accordance with the national and/or regional Laws, Rules, Regulations and Procedures in force.

2. Qualifications

2.1 The criteria to be followed in order to apply to the present Call are:

- a) The **Italian applicant** can be an industrial entity (company) or a non-industrial entity (university, research center, etc.). The applying industrial entity must be a company that

runs R&D activities, and runs the project either independently or in association with other public or private companies or entities. In case the company does not run R&D activities directly, it must be assisted by a non-industrial entity (university, research center, technological park) able to carry out the proposed research as an associate. The product or service resulting from the research activities must show evident potentialities of improving already existing products or creating new ones on the market, in order to guarantee sale profits to the participating company. The applying non-industrial entity (university, research center) must be associated with an industrial entity, whether or not it runs R&D activities, for the realization of the project;

- b) The **Israeli** applicant must be an R&D performing company, which will incur revenue from selling the product/service developed during the project. The Israeli partner may be technologically and scientifically assisted by a non-industrial entity (university, research center, etc.) as a subcontractor;
- c) The Italian and Israeli applicants must express their willingness to cooperate, on a balanced basis, towards the development of a new product, industrial process or service;
- d) Common activities between the Italian and Israeli applicants, to be run together in one or both countries, must be planned and described in the submitted project and must represent a relevant part of the overall work;
- e) The product, process or service must be innovative;
- f) The project should include activities of proof of concept and/or prototype development and testing run together by the Italian and Israeli applicants in Italy. Alternatively, the project should include activities of technological research and development run together by the Italian and Israeli applicants in Israel. Projects including both activities are encouraged.
- g) The project's content and budget should be well balanced between the Italian and Israeli applicants and include the cost estimates of the common activities;
- h) Cost estimates must be congruous with the planned activities;
- i) The intellectual property regarding the output of the financed projects must be regulated in accordance with the "Partnership Agreement" finalized by the winners of the approved projects;
- j) The duration of the project must not exceed 24 months from the date of award.

2.2 In relation to the additional requirements that Italian applicants must fulfil and to the rules applicable to their dealings with the Italian Ministry of Foreign Affairs and International Cooperation, the applicants are asked to refer to the "*Norme Integrative per la partecipazione Italiana ai Bandi per la raccolta di progetti congiunti e per la rendicontazione*", which are to be taken as part and parcel of the present Call.

2.3 Any applicant whose joint industrial R&D project is consistent with the aforesaid criteria can apply to the present Call in accordance with the national and/or regional Laws, Rules, Regulations and Procedures in force.

2.4 In Italy, for projects involving experiments with animals, ethics approval by the competent Ethics Committee must be provided when submitting the proposal. This approval is mandatory to obtain the formal authorization from the competent Ministry of Health to start the activities (D.Lgs 26_04/03/2014 and Directive 2010/63 EU). In Italy, projects involving experiments on human beings must be performed in accordance with the Directive 536/2014/EC. The Italian

coordinator should provide a self-declaration of adhesion to above cited rules.

3. Submission of the Project Proposals

3.1 The Italian applicant and the Israeli applicant must send the Project Proposal, by means of the attached Application Form, called Annex 1, as indicated below. The Application Form must be completed in all its parts and signed by the persons responsible for the project:

- In Italy by the Legal Representative of the applying entity or company and the Scientific Project Leader;
- In Israel by the CEO of the Main Israeli Partner.

Wherever an additional participant is foreseen, the additional Application Form has to be filled and signed by the legal Representative(s) of such entity.

3.2 The Italian applicant is required to submit the Project Proposal to the *Ministry of Foreign Affairs and International Cooperation* – Directorate General for Cultural and Economic Promotion and Innovation by November 25th 2020 at 17:00 CET exclusively and mandatorily, on penalty of exclusion of the project, by certified electronic mail to the following address: dgsp09.accordoisraele@cert.esteri.it. Project Proposal sent by different means will not be accepted. The Italian applicants must send exclusively the documents as laid down in the “Norme Integrative per la partecipazione Italiana ai Bandi per la raccolta di progetti congiunti di ricerca e per la rendicontazione”, according to the “Check List” (Annex A).

3.3 The Israeli applicant is required to submit the full IIA application by November 25th 2020, **at noon**, in accordance with the Israel Innovation Authority regulations, through an online system following the instructions on the relevant incentive program on the IIA’s website. In addition to the local application, an LOI/MOU and a Bilateral Application Form (BAF) must be submitted by Israeli companies.

3.4 If the Project Proposals are not received by both the Italian and the Israeli Parties, through the procedures and by the dates indicated above, the Project Proposals will not be accepted.

4. Evaluation and selection of the Project Proposals

4.1 The Parties will carry out an evaluation of the received Project Proposals and will pre-select the projects to be financially supported in accordance with their national laws and regulations. The “Italian-Israeli Joint Committee” foreseen in Art. 9 of the Agreement will receive the pre-selected Project Proposals from the two Parties, identifying those to be selected as joint Projects financially supported under the Agreement.

4.2 The criteria of evaluation are as follows:

- a. Novelty of the proposal and possible impact on the industrial activities in terms of technological innovation;
- b. Qualifications of the applicants in performing the specific tasks, and added value of the cooperation between project partners;

- c. Relevance of the common activities run together in one or both of the two countries, and degree of involvement of the guest applicant in the hosting country;
- d. Expected economic results from the accomplishment of the project;
- e. Relevance of the proposal to the main strategic objectives in industrial R&D of the respective Italian and Israeli Governments;
- f. Congruity of cost estimates for the support with the proposed project and with the expected results;
- g. Capability and resources of the partners (R&D personnel, infrastructure, finance, marketing, etc.).

4.3 Both Parties might ask, at any moment of the evaluation phase, further information about the adequacy of the budget proposal.

4.4 After the “Italian-Israeli Joint Committee” selects the joint projects financially supported under the Agreement, the respective Parties in Israel and Italy, (i.e. Italian Ministry of Foreign Affairs and International Cooperation, and Israeli Innovation Authority) will inform the applicants admitted to financing, by certified electronic e-mail, on the evaluation outcome, the proposed amount of the grant and the related conditions for its settlement, as well as the rules concerning the definition of the expenses and the issue of the scientific and financial reports.

4.5 Before formal acceptance of the grant, the Italian and Israeli selected applicants have to jointly sign a “Standard Cooperation Agreement” (annex B) regulating the future marketing of the outcome product, process or service, after completion of the R&D activities.

4.6 The Italian selected applicants must send by certified electronic mail to the Ministry of Foreign Affairs and International Cooperation:

- a. A copy of the above mentioned “Standard Cooperation Agreement”;
- b. A formal declaration of acceptance of the grant and of the conditions contained in the letter of assignment sent by MFAIC. Should the principal Investigator change during the year, the replacement has to be promptly formally notified to MFAIC for authorization;
- c. Notarial act for the constitution of a temporary consortium, in case of one or more Italian partners;
- d. A declaration of acceptance of the public grant in accordance with the Commission Regulation (EU) no. 1407/2013 of December 18th 2013 on the application of articles 107 and 108 of the Treaty on the Functioning of the European Union to the “*de minimis*” aid.
- e. Project Identification Code (CUP) assigned to each public investment for public contracts (as required by the Italian Law N. 3/2013);
- f. Affidavit on traceability of financial transactions (as required by the Italian law N. 136/2010).

After receiving the above-mentioned documents, the Ministry of Foreign Affairs and International Cooperation will send to the Beneficiary an official letter of confirmation .

4.7 The *Israeli Innovation Authority* will regulate the relationships with the Israeli applicants according to the national forms and procedures.

5. Funding modalities of the projects

5.1 Projects in the frame of this Call for Proposals will be financed by the respective national and/or regional Authorities in Italy and Israel, in accordance with the national laws, rules, regulations and procedures in force. Each project that is selected can be financed up to 50% of the documented and eligible costs of research and development.

5.2 In Italy, the contribution assigned by the Ministry of Foreign Affairs and International Cooperation will be paid in two possible modalities:

1. At once, after finalization of the project.
2. Upon request by the applicant, through an advanced payment exclusively under the following terms and conditions:
 - a. One year after the formal acceptance of the contribution;
 - b. Upon presenting a letter requesting an advanced payment to be sent to MFAIC, within a maximum of 50% of the granted contribution.
 - c. Upon submitting the necessary documentation proving the coherence of the project implemented compared to the project proposal during the first year. Expenses eligible according to the “norme integrative” have to be documented for at least 30% of the contribution.
 - d. The issue of the financial support is subordinated to the submitting, by the company, of a bank surety bond corresponding to the amount of the requested advance payment, and with a validity of one year after the project implementation deadline. Any expenses for the amount recovering as well as any further incidental expenses have to be covered by the enterprise. The financial support will be granted only after the final financial report has been received and the project has been positively evaluated.

5.3 In Israel:

- a. The support is in the form of a conditional grant amounting generally up to 50% (+ *regional incentives for companies located in a "development zone"*) of the eligible R&D budget.
- b. When a project results in sales of a product, service or process, the financial support must be repaid to the 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).
- c. For further information regarding funding mechanisms of IIA see here: <https://innovationisrael.org.il/node/4698/rules>

6. Notification of the results

6.1 The Italian Party will inform the applicants of the projects selected by the Italian-Israeli Joint Committee by certified electronic mail. The list of the selected projects will be published also on the website of the Italian Ministry of Foreign Affairs and International Cooperation.

6.2 The Israeli Party will inform the Israeli applicants by email.

7. Further information

ITALY

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