



רשות החדשנות  
Israel Innovation  
Authority



Endless Possibilities  
**to Promote  
Innovation**

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## Israel Innovation Authority

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## Divisions of the Israel Innovation Authority

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| Growth                       | Advanced Manufacturing      |
| Technological Infrastructure | Societal Challenges         |



## Stages of the Application Process

Additional information is available on the Israel Innovation Authority website: <https://innovationisrael.org.il/en/>  
Email: [contactus@innovationisrael.org.il](mailto:contactus@innovationisrael.org.il)

The information is updated on an ongoing basis on the Innovation Authority's website

### Important information

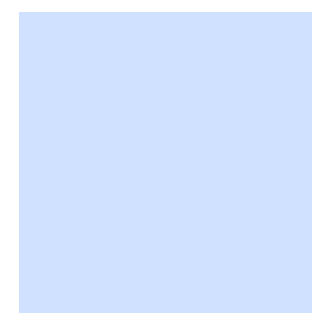
The incentive programs listed in this brochure operate under the R&D Law and its related regulations. In case of a contradiction – these rules always prevail over information provided in various media channels and as written in this brochure.

# The Innovation Authority

The Israel Innovation Authority is an independent objective public agency responsible for Israeli innovation policy. The Authority strives to advance the innovation ecosystem in Israel and the economy in general. Its role is to cultivate and develop the innovation resource in Israel while creating relevant infrastructures and strengthening the structural foundations that provide the supportive framework for the entire knowledge-based industry.

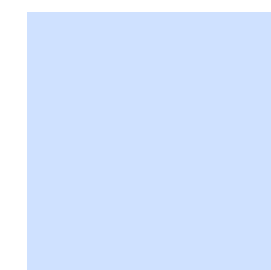
## What do we do?

The Authority promotes innovation in Israeli industry, with an emphasis on the high-tech sector, including the manufacturing industry. The Authority's roles are to initiate state-funded R&D activities and to award funding to entrepreneurs and industrialists.



### Grants

Funding is provided for technological R&D projects aimed at assisting entrepreneurs and companies at different development stages to advance groundbreaking innovation.



### Human Capital and Impact on the Israeli Economy

Addressing the shortage of skilled personnel in the high-tech industry and providing a solution for social and public challenges.



### International Technological Leadership

Positioning the State of Israel as a world leader in innovative technology sectors such as Artificial Intelligence and Big Data.



## Grants for Research and Development

The Innovation Authority helps fund R&D projects for its diverse range of clients – first-time entrepreneurs, young startups, growth companies, industrial corporations, and others – in all fields of technological innovation. The Authority offers them varied, designated, and personalized funding programs, some of which include additional services. For example, young startups at a very early stage can take part in technology incubators that offer both funding for R&D and a comprehensive supportive framework. The Authority also offers varied funding options for collaborations in R&D with researchers in academia, global partners, testing sites for conducting pilots, and more.

Most of the R&D funding programs are technologically neutral and grant award is based on the level of technological innovation and its commercial feasibility. At the same time, some programs focus on a specific field and are aimed at resolving its market failures (e.g. the programs to support pilot tests in the field of environmental protection) or to promote social and public goals (e.g. the “Ezer-Tech” Program for encouraging R&D of assistive technologies for the disabled). The Innovation Authority is the entity responsible for formulating, integrating, and implementing Israel’s innovation policy. The Authority strives to advance technological innovation as a leverage for inclusive and sustainable economic growth. Its main activity is assisting in the funding of R&D for technology projects of entrepreneurs and companies in a variety of fields: high-tech, manufacturing, and others.

### R&D Grant Programs:

- › **Startup Division:** for entrepreneurs and companies who have raised up to USD 10 million and for corporations interested in operating incubators and laboratories.
- › **Growth Division:** for startups and companies in the growth stages, mature companies, and R&D centers.
- › **Societal Challenges Division:** for entrepreneurs and companies with solutions in the social field and for those dealing with human capital in high-tech.
- › **Technological Infrastructure Division:** for entrepreneurs, companies, and research institutions interested in R&D collaboration.
- › **International Division:** for companies interested in expanding to global markets.
- › **Advanced Manufacturing Division:** for manufacturing companies and factories interested in developing products and assimilating innovative technologies.

### Grant Programs for Pilots:

- › **Growth Division:** for startups and companies in the growth stages, mature companies, and R&D centers.

## Human Capital and Impact on the Israeli Economy

### Cultivating Human Capital

Human capital is the most valuable resource in the Israeli innovation ecosystem. In recent years, the high-tech industry has suffered from a shortage in skilled developers and engineers that may impede the industry’s growth. The Innovation Authority strives to increase the supply of skilled personnel to high-tech by removing obstacles and developing infrastructures to train and place human capital in high-tech jobs.

The Authority’s activity in this area includes the promotion of entry and retraining avenues to the industry such as elite extra-academic programs, coding bootcamps, attracting experts from abroad (returning Israelis and foreign experts), and the creation of infrastructures to develop and preserve skilled R&D employees. Furthermore, the Authority strives to fully utilize the high-tech employment potential among women and other sectors under-represented in high-tech, most notably Arabs and Ultra-Orthodox.

## Support for R&D Providing a Solution for Social-Public Needs (Tech for Social Impact)

Technological innovation providing a solution for public and social challenges is gaining increased momentum in Israel and around the world. To strengthen the impact of the Israeli innovation ecosystem and increase the number of high-quality projects that are initiated and reach scale-up, the Innovation Authority awards financial support (grants) for innovative technological R&D that is aimed at contending with challenges in the following fields:

- › Digital innovation for challenges in the public sector (education, health, welfare, economy, legal, local authority, and others).
- › Assistive technologies for the disabled.
- › Technologies for health and sustainable development challenges in developing countries.



## Israeli Leadership in Future Technologies

Private investors and commercial companies tend to focus on relatively low-cost and quick technological developments with guaranteed economic yield. Nevertheless, in the current era, it is becoming increasingly clear that groundbreaking technologies that will shape our lives in the future – such as Artificial Intelligence, cultured meat, quantum computing, and others – require large long-term investment and rely on national or even international infrastructures. In such conditions, giant corporations and states with access to abundant resources are leading the global technology race.

Over the years, Israeli innovation has produced products and services that have gained great success in global markets. Focused state involvement to locate and realize distinct opportunities for Israeli leadership is required for the Israeli industry to preserve its unique position in the age of future technologies that relies on massive investment. By pooling resources with its partners in government and industry, the Innovation Authority is acting to create and promote technological infrastructures that will enable Israeli industry to progress in its development of different future technologies, which have been identified as possessing Israeli potential and added value. Moreover, the Authority also offers a range of funding tracks for collaboration between companies and researchers in academia.

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# The Programs and Sub-Programs Offered by the Divisions of the **Israel Innovation Authority**

## Startup Division

### Who for?

Entrepreneurs and startups in the early stages of conceptualization and corporations interested in operating incubators and laboratories.

### What?

Development of a preliminary technological idea into a product with the aim of reaching advanced fundraising stages and sales.

### How?

The Division provides a range of unique tools that support the initial development stages of technological initiatives – R&D grants, incubators, labs.



### Startup Division Incentive Programs:

- › Ideation (Tnufa) Incentive Program
- › Technological Incubators Incentive Program
- › Biotechnological Incubators Incentive Program
- › Technological Innovation Labs Incentive Program
- › Entrepreneurship Incubators in the Periphery Incentive Program (Pilot)
- › Young Entrepreneurship Incentive Program
- › Advancing Technology Entrepreneurship in Haifa Incentive Program

#### For further details, contact:

Startup Division  
Email: [SU@innovationisrael.org.il](mailto:SU@innovationisrael.org.il)



## Ideation (Tnufa) Incentive Program

The Ideation (Tnufa) incentive program is intended for fledgling entrepreneurs who are interested in formulating and advancing an innovative technological concept to the R&D stage where they can raise funding for further development and commercialization.

### Goal of the incentive program:

To support the project's technological feasibility and commercial practicality with the aim of enabling the entrepreneur to locate a business partner and/or private fund raising for the idea's continued development.

### Who is the incentive program for?

- › A private entrepreneur or consortium of entrepreneurs
- › New startup companies (in accordance with the guidelines) in all sectors of industry.

### What do you get?

- › **In all technological fields (except Bio-Convergence):** a maximum grant of up to 85% of the approved budget with a maximum grant of NIS 100,000 each year. To dispel any doubt, the maximum requested grant in the submission forms will not exceed NIS 117,647 a year.
- › **In the field of Bio-Convergence:** entrepreneurs offering innovative solutions in biology combined with engineering fields such as AI, computational physics, nanotechnology, materials science, and advanced genetic engineering, to meet challenges in the fields of medicine, agriculture, energy, and defense, will receive a maximum grant of up to 85% of the approved budget, with a maximum grant of NIS 200,000 awarded each year. To dispel any doubt, the maximum requested grant in the submission forms will not exceed NIS 235,294 a year.  
\* A project may only receive support from the Ideation (Tnufa) incentive program for a maximum cumulative period of 24 months.
- › **The grant funds in all fields are used for** building a prototype, intellectual property protection and initial business development including materials, perishable components, contractors, technical and marketing advisors, patent attorneys and exhibition expenses (not intended for salary and overhead expenses).

### Why should you apply for this incentive program?

**Favorable conditions for entrepreneurs:** the entrepreneurs are not obligated to leave their place of work or establish a company as a condition for receiving support in the Ideation (Tnufa) incentive program. The entrepreneur is not required to give up his rights to the project.

**Quality mark support:** the support of the Ideation (Tnufa) incentive program allows entrepreneurs to test the feasibility of their projects, as it reflects a professional and objective vote of confidence in their potential. This can help entrepreneurs raise additional capital following the initial financing support.

**Follow-on funding by the Authority:** following the completion of the support period in the Ideation (Tnufa) incentive program, the project may receive support from one of the Authority's additional incentive programs – Technological Innovation Labs, Early Stage Companies, R&D Fund, Binational Funds and others.

## Technological Innovation Incubators Program

The Incubators Program is intended for entrepreneurs interested in founding a startup company based on an innovative technological idea via a technological incubator that constitutes an entrepreneurial center. The incubator's role is to invest in companies in their early stages and to provide a framework that supports the establishment of the company and the development of the idea into a commercial product. The incubators are chosen in a competitive procedure for a franchise period of 8 years and are deployed around the country. The list of technology incubators appears on the Innovation Authority website.

### Goal of the incentive program:

To support entrepreneurs with a technology idea in the early stages of R&D who are having difficulty raising private financing and who need the labs' support to reduce the project's risks and achieve a significant funding milestone.

### Who is the incentive program for?

- › Private entrepreneurs interested in founding startup companies within the framework of the incubators.
- › New Israeli startup companies owned by private entrepreneurs who are interested in developing a commercial product.
- › Researchers and institutions that are interested in establishing startup companies with the incubators on the basis of groundbreaking studies.
- › Entities that are interested in establishing technological incubators in Israel in accordance with a relevant call for proposals.

### What do you get?

- › A grant of up to 85% of the approved budget up to a maximum budget of NIS 3.5 million, for an operative period of up to 2 years (according to the project type and the incubator's geographical location).
- › A further grant for a third year according to the program's regulations.
- › Investment financing from the incubator to supplement state funding, of up to 15% of the approved budget, thereby completing 100% of the total budget. No financial investment is required by the entrepreneur.
- › Comprehensive assistance from the incubator, including physical space and infrastructure, administrative services, technological and business guidance, legal advice and access to partners, additional investors, and potential customers.
- › As part of the Innovation Authority's Bio-Convergence program that focuses on innovative solutions combining the fields of biology and engineering (such as electronics, AI, computational biology, physics, nanotechnology, materials science, and advanced genetic engineering, for meeting challenges in the fields of medicine, agriculture, food, energy, and defense) increased grants of between NIS 2.5 million – NIS 3.5 million will be awarded for the initial implementation period.

### Why should you apply for this incentive program?

**Attractive conditions:** the entrepreneurs are not required to establish a company before the project is approved by the Innovation Authority. The incubator provides the entrepreneurs with the infrastructure necessary for setting up the company and developing the project.

**Experienced partner:** the incubator is a partner with vast experience and expertise in leading startups and commercializing products. It facilitates follow-on investments in companies that have graduated from the incubator and assists them in raising financing and preparing for product marketing, including penetration of target markets.

**Administration:** the incubator takes care of the ongoing contact with the Innovation Authority and allows the entrepreneurs to focus on research, development, and promotion of the company.

**Attractive conditions:** low risk, high leverage, a degree of certainty.

## Biotechnological Incubators Incentive Program

The program supports entrepreneurs who are interested in founding a startup company on the basis of a biotechnological idea and who are in the early stages of a project. The assistance is provided via a supportive framework offered by the biotechnological incubator.

### Goal of the incentive program:

To transform innovative biotechnological ideas into startup companies and to lead them to fund raising from the private market.

### Who is the incentive program for?

- › Private entrepreneurs who are interested in founding startup companies within the framework of the incubators, on the basis of a biotechnological idea.
- › New Israeli startup companies owned by private entrepreneurs who are interested in developing a commercial product on the basis of a biotechnological idea.
- › Researchers and institutions that are interested in establishing startup companies with the incubators on the basis of a biotechnological idea and groundbreaking studies.
- › Entities that are interested in establishing biotechnological incubators in Israel, in accordance with a relevant call for proposals.
- › New startup companies (in accordance with the guidelines) in all sectors of industry.

### What do you get?

#### Startup Companies:

- › A grant of up to NIS 8.1 million for an operative period of up to 3 years.
- › Full financial support of 100% of the company's approved budget (85% from the Innovation Authority and 15% from the incubator). No financial investment is required by the entrepreneur.
- › Work environment: infrastructures for conducting R&D, technological and business assistance.

#### Biotechnological Incubators:

- › **Low risk:** The Innovation Authority finances 85% of a company's approved project budget. Therefore, the Authority assumes most of the risk.
- › **Attractive investment:** The incubator invests 15% of the approved budget in exchange for up to 50% of the company's shares.
- › **Certainty:** A franchise period of 8 years.
- › **Peripheral incubators:** The Innovation Authority participates in the operating costs of an incubator located in Israel's periphery.

### Why should you apply for this incentive program?

#### Startup Companies:

**Necessary infrastructure:** the incubator provides the companies with all the infrastructure necessary for developing the product – offices, a work environment, a central lab, scientific, technological and business guidance and mentoring, administrative services, and legal, regulatory and marketing counseling as needed.

**Experienced partner:** the incubator is a partner with vast experience and expertise in leading young start-ups in the early stages. It also facilitates follow-on investments in companies that have graduated from the incubator and assists them in acquiring additional funding and in preparation for products' marketing including locating and connecting the company with investors, partners, and potential customers.

**Collaborations:** the incubator enables synergy and collaboration with other similar companies operating as part of the incubator.

## Technological Innovation Labs Program

The program is aimed at assisting entrepreneurs in the preliminary stages of a project, who need unique infrastructures and expertise to prove the feasibility of a technological idea. The assistance is provided through innovation labs operated by the industry's leading corporations via a model of open innovation.

### Goal of the incentive program:

- › To provide entrepreneurs and startup companies with access to unique technological infrastructures, market insights, and specialized channels of marketing and expertise to which they currently lack access, with the aim of proving feasibility on the way to transforming a technological idea into a commercial product.
- › To bolster and advance the Israeli economy in general and industry in particular, so that Israeli corporations operating a lab as part of the program can establish themselves and grow in Israel, and to assist foreign corporations in establishing reciprocal relations with Israel's unique innovation ecosystem and to establish a presence in Israel.

### Who is the incentive program for?

- › Commercial companies interested in establishing innovation labs, in accordance with a relevant call for proposals.
- › Entrepreneurs and companies with a technological idea in the labs' fields of specialty, and that are interested in POC and in crystallizing their idea into a commercial product, and in founding startup companies with global potential.

### What do you get?

#### Companies and corporations chosen for the innovation labs:

- › A broad platform for company use: the lab will facilitate collaborations with other companies in the industry, in academia, etc.
- › Attractive costs: The Authority will fund 33% of the costs to establish the necessary technological infrastructure (50% in the periphery areas), up to a maximum of NIS 4 million, and will also fund 50% of the lab's ongoing operating expenditures each year up to a maximum of NIS 500,000, without any requirement for financing by the entrepreneur.

#### Early Stage Entrepreneurs and Startups:

- › Attractive grant: a grant of up to 85% of the approved budget, up to a maximum sum of NIS 1 million, for an operative period of a year.
- › Comprehensive assistance from the lab, including unique technological infrastructures, assistance in checking commercial applicability via a pilot and in locating marketing channels, exposure to knowledge and expertise, connections with investors, partners and customers of the corporation operating the lab. The lab will also provide synergy with other similar companies accepted to the lab.

### Why should you apply for this incentive program?

- › Attractive conditions for entrepreneurs and startups in the early stages of a project: the entrepreneur is not required to establish a company before his project is approved by the Innovation Authority. The lab provides the entrepreneurs with the technological infrastructure necessary for proving feasibility via collaboration with leading corporations and allows the entrepreneurs to achieve a developmental milestone, to locate marketing channels, to establish connections with investors, etc.
- › Opportunity for companies and corporations: exposure to the Israeli innovation ecosystem as a source of growth and as a foundation for building the company's future strategy. They also benefit from the possibility of creating unique value for the organization (open innovation).

## Entrepreneurship Incubators in the Periphery Incentive Program (Pilot)

This program is aimed at promoting local entrepreneurship in Israel's periphery areas via specially designated incubators that will encourage and assist in the establishment of the incubator's companies that will engage in research, development, and commercialization activities. The incubator's activity will include formulation and promotion of projects developed by entrepreneurs or students from the periphery who are studying at an institute of higher education. The incubator will also promote projects of industrial entities or startup companies and entrepreneurs together with those of institutes for higher education.

A franchisee chosen to establish and manage an entrepreneurship incubator in the periphery will provide services to the incubator's companies including technological and business guidance, and connections with key focal points in the proximity such as industry, academia and local authority entities, investors, potential partners and customers. An incubator franchise will be awarded for a period of 5 years with an option for a 3-year extension via competitive procedures conducted in National Development Zones in Israel.

### Goal of the incentive program:

The incentive program is intended to encourage the development and bolstering of innovation, entrepreneurship, and employment systems in periphery regions via collaboration between specially designated incubators and institutes of higher education, students, entrepreneurs, and startup companies. The support is provided via the research, development, and commercialization activities of the incubator's companies on the basis of local projects.

### Who is the incentive program for?

- › Private entrepreneurs who are interested in establishing a startup company as part of the incubator.
- › New Israeli startup companies owned by private entrepreneurs that are interested in developing a commercial product.
- › Researchers and research institutions that are interested in founding startup companies with the incubator on the basis of groundbreaking studies.
- › Entities that are interested in establishing technological incubators in Israel's Grade 'A' Development Regions in accordance with a relevant call for proposals.

### What do you get?

#### Incubator Franchisees

- › A grant of NIS 500,000 per franchise year for the incubator's ongoing operation.
- › An incentive grant of NIS 1 million per franchise year for encouraging and promoting the incubator's companies.
- › Investment leveraging via different grants from the Innovation Authority for R&D by entrepreneurs and companies.
- › A franchise period of 5 years for operating the incubator with the option for a 3-year extension.

#### Entrepreneurs and Companies

- › A grant from the Innovation Authority for up to 85% of the incubator company's approved budget, up to a maximum budget of NIS 1 million, for a period of up to 1 year, to achieve proof of feasibility and commercialization.

- › Additional grants from the Innovation Authority as part of the Authority's other incentive programs including: the Tnufa Incentive Program and the Startup Companies Incentive Program.
- › Comprehensive assistance from the incubator, including technological and business guidance and connection to key focal points in the proximity, investors, potential partners and customers, and offices and work environment (if required).

## Young Entrepreneurship Incentive Program

The Authority is working in conjunction with the Ministry of Education to promote a young entrepreneurship incentive program that will constitute an efficient tool for encouraging and educating young people in business, scientific, and technological entrepreneurship. The participants in the program will gain experience in developing knowledge and products with economic value while utilizing Ministry of Education scientific and technological infrastructures. These include 'Eshkol' and 'Tapuah' science centers and science museums. The Innovation Authority and the Ministry of Education are assisted in operating the program by entities active in the field of promoting young people's education in business entrepreneurship.

### Goal of the incentive program:

To encourage and educate young people towards practical experience in business, scientific, and technological entrepreneurship while imparting skills and knowledge that will help them integrate into the future world of entrepreneurship.

### Who is the incentive program for?

- › Organizations that are interested in instilling the basics of business, scientific, and technological entrepreneurship in Grade 7-12 students.
- › The incentive program operates in different settings: schools, community centers, youth science centers, and local authorities.

### What do you get?

- › The participants in the incentive program learn concepts from the fields of business, economics, and entrepreneurship. They also get to practice the process of establishing a company and developing a real business venture.
- › Participants experience the entrepreneurial process in practice, from the conceptual stage to production and sales.
- › The process is supported by dozens of prominent executives from various fields who mentor and assist the students in developing their projects.

### Why should you apply for this incentive program?

**Empowering young people:** the incentive program is designed for diverse populations and different audiences that have not been previously exposed to entrepreneurship. The activities included in the incentive program empower young participants and their sense of capability. The incentive program is operated mainly in the south and north of the country, focusing on populations from Israel's social and geographic periphery.

**Future prospects:** exposure to the incentive program's content and the concepts from the entrepreneurial world, as well as familiarity with business leaders who assist the students in the development of a business venture, allow them a foothold in the Israeli entrepreneurial community.



## Advancing Technology Entrepreneurship in Haifa Incentive Program

The program is aimed at reinforcing and strengthening the city of Haifa's status as a focal point of high-tech industry in the Israeli ecosystem.

### Goal of the incentive program:

- › To increase the number of startup companies and technological initiatives in Haifa, with emphasis on its Lower City neighborhood.
- › To create synergy and collaboration between principal city focal points (City Hall, academia, industry, the business sector, and the non-profit sector).
- › To bolster urban infrastructures and the use of the city's strategic assets.
- › To encourage independence of entrepreneurial parties, to strengthen the Haifa entrepreneurial community, and to integrate populations such as ethnic minorities, Ultra-Orthodox, women and Ethiopian Israelis.
- › To brand and market the city of Haifa as a center of entrepreneurship and innovation.

### Who is the incentive program for?

- › Israeli corporations interested in engaging in urban activity.

### What do you get?

- › As part of the incentive program, a competitive procedure will be conducted to select an executive body that will coordinate all relevant urban activity. The Innovation Authority will participate in financing the executive body's urban activity via a grant for NIS 25 million for the duration of the activity.



## The Bio-Convergence Program



The Innovation Authority has identified the field of Bio-Convergence as one of the next potential growth engines of Israeli high-tech. As part of the strategic plan, the Authority has already invested and will invest further in the development of this field during the next decade. The significant challenges of the health system and the global pharma sector are the primary factors driving the growth of Bio-Convergence, a field based on technological breakthroughs achieved in recent years that enable innovative interactions between biology and different fields of engineering.

### For further details, contact:

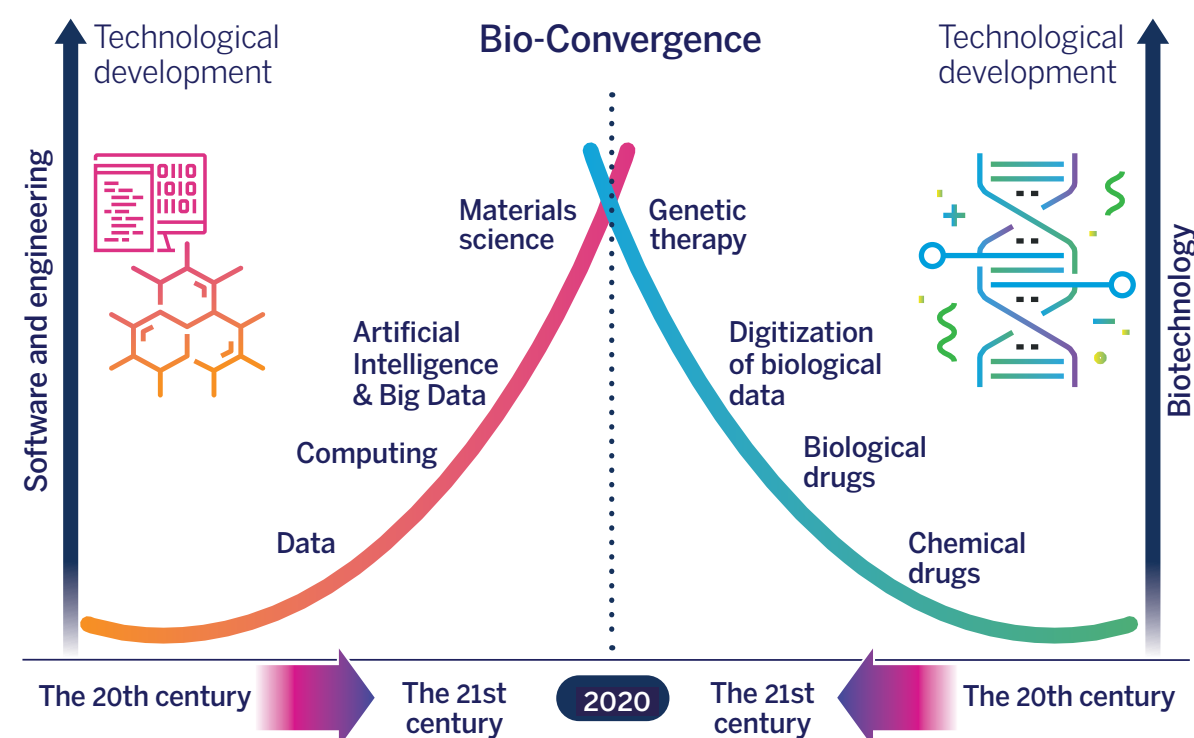
The Bio-Convergence Program  
SU@innovationisrael.org.il



# The Bio-Convergence Program

The State of Israel's strengths in the fields of physics, engineering, and science are well-suited to the flourishing medical device industry, leading research in life sciences, and hospitals that rank among the best in the world. The Israeli ecosystem's ability to create integration between these areas constitutes a solid infrastructure for building a world-leading cluster in the field of Bio-Convergence and for advancing future health solutions. These solutions may also prove relevant to fields of agriculture, food, energy, and defense. The Innovation Authority's Bio-Convergence Program will facilitate the creation of noteworthy companies, higher levels of employment, productivity, and economic growth, and will constitute an engine of innovation creating the medicine of the future for Israel and the entire world.

Figure 6.3: Technological Breakthroughs in Biotechnology and Engineering Paving the Way for Bio-Convergence

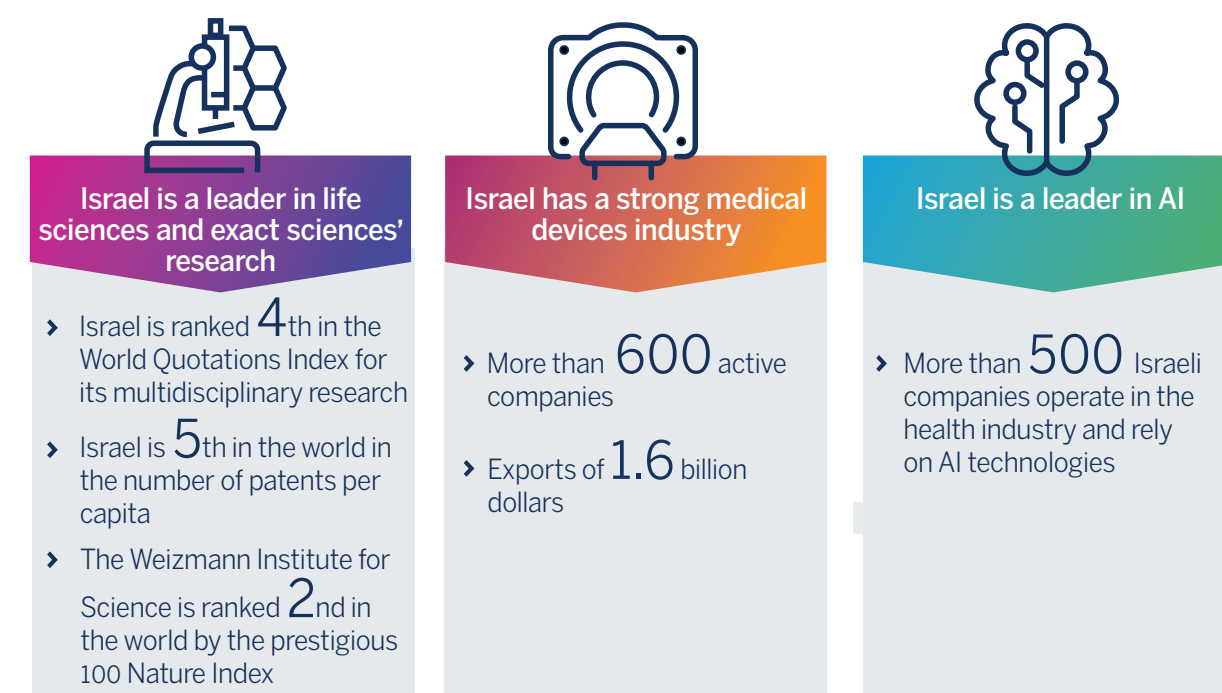


Source:  
Innovation  
Authority

## Goal of the program:

To create supportive financial conditions that will enable the growth and prosperity of the Bio-Convergence sector in Israel and the building of a competitive industry with high economic value and global leadership.

Figure 6.5: Strengths of Israeli Innovation Ecosystem in Bio-Convergence



## Who is the program for?

- › Researchers, research institutions, and hospitals
- › Entrepreneurs
- › Startups
- › Companies in growth stages
- › Large companies
- › Multinational corporations
- › R&D centers of multinational companies in Israel.

The program promotes groundbreaking developments and studies that integrate between the worlds of engineering and biology: from applied research, proof of feasibility, and R&D programs in initial and advanced stages of development, to collaborations between entrepreneurs and the entities mentioned above.

What do you get?

Promotion of the Bio-Convergence field will be in the form of increased grants in some of the Authority's support tracks – from the research stage to growth phases. Details of the grants and benefits awarded as part of the program are listed on the Innovation Authority website.

Figure 6.6: Policy Tools to Promote Bio-Convergence



Entrepreneurs, companies, and researchers in the fields of biology, engineering, and advanced technologies?  
Join the Bio-Convergence community and stay up to date with all the latest in the field: Grants, collaborations, opportunities, webinars, networking events etc.

➤ Look for us online: The Bio-Convergence Program



# Growth Division

Who for?

Startups and companies in growth stages, mature companies, and R&D centers

What?

Promotion of competitiveness and technological leadership with the aim of increasing their growth rates and potential.

How?

R&D grants for the different stages – from proof of feasibility to trial at the pilots' stage, and a diverse range of financial tools for advancing innovation.

Growth Division Incentive Programs:

- R&D Fund – Support of R&D and Encouragement of Technological Innovation
- Promotion of Analysis Capabilities for Investment in the High-Tech Industry by Institutional Capital Market Entities
- Support for Pilot Programs
- Israel Center for Regulation of Innovative Technologies at the Innovation Authority

For further details, contact:

Growth Division  
Growth@innovationisrael.org.il

## R&D Fund Incentive Program – Support of Competitive R&D and Encouragement of Technological Innovation

The incentive program supports commercial companies currently developing new products or upgrading an existing technology. The program offers the largest financial incentive awarded by the State of Israel for Israeli corporations' R&D activity and is offered to all sectors with the aim of strengthening and advancing the Israeli economy.

### Goal of the incentive program:

To encourage technological innovation, thereby strengthening and advancing the Israeli economy. To offer support to startups and investment-intensive corporations for R&D in a wide variety of fields, including hardware, software, communications, complex systems, life sciences, medical devices, cyber, IOT, fintech, cleantech, and others.

### Who is the incentive program for?

Israeli corporations at different stages and from all industrial sectors – from startups to investment-intensive corporations engaged in technological innovation, interested in developing or upgrading existing products and technologies.

### What do you get?

- › Financial support of between 20%-50% of the approved R&D expenditure.
- › Companies operating in National Development Zones are eligible for 10% additional support, and those operating in the areas around the Gaza Strip are eligible for 25% additional support.
- › Preferential funding terms for a startup corporation owned by minority population and/or Ultra-Orthodox and/or women entrepreneurs of amounts up to 75% funding in the first year and 70% in the second year.

### Why should you apply to this incentive program?

**Attractive financing model:** The R&D Fund provides significant financial benefits. The program shares in the risks involved in the company's development process regardless of future successes or profits. The companies that receive financing undertake to repay the received funding to the Authority via royalty payments from sales, but only if the project successfully reaches the commercialization stage.

**Innovative High-Risk R&D:** The program enables companies to engage in R&D that entails development risk and that is aimed at developing future products and innovative technologies which give them a competitive advantage and the ability to penetrate new markets.

**Quality mark support:** Support from the Authority, that is only provided following a comprehensive professional assessment of the project, serves as a mark of quality for companies in the industry and makes it easier for them to raise private capital in the long-term.

› The Early Stage Companies Incentive Program has been merged with the R&D Fund Program.

› Look for us online: R&D Funds Incentive Program

## Promotion of Analysis Capabilities for Investment in the High-Tech Industry by Institutional Capital Market Entities

The incentive program assists institutional entities operating in the Israeli capital market to build the capability to identify and analyze investments in Israeli high-tech companies.

### Goal of the incentive program:

To assist in the identification, analysis, and investment by institutional investors in the Israeli high-tech industry, thereby increasing their investment and developing their expertise in this sector.

### Who is the incentive program for?

**The incentive program is for institutional capital market entities that conform to two of the following definitions:**

- › A provident fund or pension fund meeting the criteria detailed in Clause 2.3 of the benefit program.
- › Mutual funds meeting the criteria detailed in Clause 2.3 of the benefit program.
- › An insuring entity meeting the criteria detailed in Clause 2.3 of the benefit program.

### What do you get?

#### Approved Budget:

The approved budget will not be less than NIS 500,000 and will not exceed NIS 1.5 million a year, distributed over the program's five years.

#### Level of Financial Support:

- › In the first three years, the grant awarded will be between 50%-60% of the approved budget each year.
- › In the fourth and fifth years, the grant will be 30% and 40% of the approved budget, respectively.
- › The scope of support of the approved budget in the fourth and fifth years are subject to the company meeting the stipulated criteria.

### Why should you apply to this program?

The program will increase the investment capacity of the institutional capital market entities in the Israeli high-tech sector, thereby allowing the entire Israeli economy to share in its profits and increase investment in it.

› Look for us online: Promotion of Analytical Capabilities for Investment in the High-Tech Industry by Institutional Capital Market Entities Incentive Program



## Joint Government Support Grants for Pilots Programs

The collaboration between the Innovation Authority and the various government departments enables to focus state effort on selected fields including funding support for high-risk projects, supplementary support of regulatory entities as part of the pilot programs' regulatory requirements, access to state-owned testing locations and facilities, significant impact on the growth of Israeli companies, and influence on the general economy caused by applying technologies to further areas of the local innovation ecosystem.

The programs allow Israeli technology companies to receive support for R&D or pilot programs (for testing feasibility / proving value of an existing technology in a work environment that simulates the target market) in selected fields, according to calls for proposals and submission deadlines that will be published as part of the following tracks:

- Support Program for Innovation in Selected Fields – Transportation
- Support Program for Innovation in Selected Fields – Environmental Protection
- Support Program for Innovation in Selected Fields – Digital Health
- Support Program for Innovation in Selected Fields – Government Companies
- Support Program for Innovation in Selected Fields – Space
- Support Program for Innovation in Selected Fields – Agriculture (Agri-Tech)
- Support Program for Innovation in Selected Fields – Reducing Greenhouse Emissions
- Support Program for Innovation in Selected Fields – Cyber Defense
- Support Program for Innovation in Selected Fields – Government ICT Authority
- Support Program for Innovation in Selected Fields – Local Authorities
- Support Program for Innovation in Selected Fields – Ministry of Construction and Housing
- Support Program for Innovation in Selected Fields – The Israel Securities Authority

### ➤ Support Program for Innovation in Selected Fields Transportation

This program, that supports pilots in the fields of transportation, is operated jointly by the Innovation Authority, the Ministry of Transport, and the Fuel Choices and Smart Mobility Initiative in the Prime Minister's Office. The products submitted as part of this program must be ready for trial and without any further significant R&D content.

The program's goal is to develop and apply innovative technologies and operative perceptions that will advance the field of transportation and develop the Israeli high-tech sector with the aim of economizing and improving transportation, both in Israel and worldwide.

This program is intended for Israeli technology companies in the fields of transportation that will receive financial support of between 20%-50% of the approved R&D expenditure. Special support of 75% of approved R&D expenditure will be given for programs with potential for exceptional impact on the economization and improvement of transportation in Israel. Regulatory assistance may also be provided by the Ministry of Transport for conducting a pilot program and receiving a unique regulatory framework.

➤ Look for us online: [Support Program for Innovation in Selected Fields – Transportation](#)

### ➤ Support Program for Innovation in Selected Fields – Environmental Protection

This program, that supports R&D and pilots in the field of environmental protection, is operated jointly by the Innovation Authority and the Ministry of Environmental Protection. The products submitted as part of this program must be ready for trial and without significant R&D content.

The program's goal is to develop and apply innovative technologies in the fields of environmental protection (cleantech) that will lead to a reduction in the use of natural resources and/or of greenhouse emissions, and to examine their feasibility on an industrial scale and among relevant customers. The program also encourages the creation and growth of whole sustainable companies in the fields of environmental protection in Israel via advancing innovative technological solutions.

This program is intended for Israeli technology companies in the fields of environmental protection that will receive financial support of between 20%-50% of the approved R&D expenditure. Special support of 75% of approved R&D expenditure will be given for programs with potential for exceptional impact on the environment. Regulatory assistance may also be provided by the Ministry of Environmental Protection for conducting a pilot program and receiving a unique regulatory framework.

➤ Look for us online: [Support Program for Innovation in Selected Fields – Environmental Protection](#)

### ➤ Support Program for Innovation in Selected Fields – Digital Health

This program, that supports R&D and pilots in the field of digital health, is operated jointly by the Innovation Authority, the Ministry of Health, and the Headquarters for the National Digital Israel Initiative in the Ministry for Social Equality. The products submitted as part of this program must be ready for trial (after proof of feasibility and development of most of the product) and without additional significant R&D content.

The program's goal is to advance the health system and public health in Israel and around the world by developing and applying innovative technologies in the field of digital health and by examining their feasibility among Israeli health organizations. The program also encourages the creation and growth of whole sustainable companies in the fields of digital health in Israel by advancing innovative technological solutions.

This program is intended for Israeli technology companies (that are not one of the Israeli health organizations) engaged in projects in the field of digital health that will be conducted in Israeli health organizations or will be based on their capabilities, data or information. Projects operating in this program will receive financial support of between 20%-50% of the approved R&D expenditure. Special support of 75% of approved R&D expenditure will be given for a project with potential for exceptional impact on advancing the health system and public health in Israel and worldwide or that constitutes a technological breakthrough in its field.

➤ Look for us online: [Support Program for Innovation in Selected Fields – Digital Health](#)

## Support Program for Innovation in Selected Fields – Government Companies

This program, that supports R&D and pilot programs at sites of government companies, is operated jointly by the Innovation Authority and the Government Companies Authority in the Ministry of Finance.

The program's goal is to develop and examine technologies that allow for the government companies to cut down on the cost of their economic activity and business results via pilot test sites of relevant government companies. The program also encourages the creation and growth of whole sustainable companies by advancing innovative technological solutions.

This program is intended for Israeli technology companies (that are not government companies) that will conduct their projects at sites of government companies or will be based on their capabilities, data, or information. Projects operating in this program will receive financial support of between 20%-50% of the approved R&D expenditure. Special support of 60% of approved R&D expenditure will be given for projects with potential for exceptional impact on streamlining the economic activity of government companies.

➤ **Look for us online: Support Program for Innovation in Selected Fields – Government Companies**

## Support Program for Innovation in Selected Fields – Space

This program, that supports R&D for finding technological solutions in the different fields of space, is operated jointly by the Innovation Authority and the Israel Space Agency in the Ministry of Science and Technology.

The program's goal is to encourage R&D aimed at finding technological solutions in the different fields of space – strengthening the knowledge and technological development ability of Israeli industry in the field of space; reducing knowledge gaps vis-à-vis the global market and improving the Israeli industry's competitiveness in these areas, despite the challenges (including the significant technological risk and high development costs, limited production quantities, and the systems' high cost).

This program is intended for companies developing products in the fields of space that will be installed on satellites or at ground control and navigation stations, as well as for companies developing equipment for calibration and testing of these products or that are related to the operation of satellites including installation of different versions of sellable satellites for export.

A "large" company operating in this program (companies with annual revenues of USD 100 million or more during the year preceding submission of the request) will receive a grant of 50% of the approved R&D expenditure. A "small" company (with annual revenues of less than USD 100 million during the year preceding submission of the request) will receive a grant of 60% for R&D of ground products and systems or a grant of 85% for R&D of products and systems intended for operation in space.

➤ **Look for us online: Support Program for Innovation in Selected Fields – Space**

## Support Program for Innovation in Selected Fields – Agriculture (Agri-Tech)

This program is operated jointly by the Innovation Authority and the Ministry of Agriculture. The program's goal is to encourage the development of agricultural products intended for sale and export.

This program is intended for Israeli technology companies in the various fields of agriculture such as technologies for developing plant- and animal-based products that serve as food or industrial raw materials, and products to improve and economize the growing process of plants and animals including different methods and inputs. Projects operating in this program will receive financial support of up to 60% of approved R&D expenditure for developing agricultural equipment or innovative agricultural business technology. Companies operating in Development Zones will be eligible for a further 10% support.

➤ **Look for us online: Support Program for Innovation in Selected Fields – Agriculture (Agri-Tech)**

## Support Program for Innovation in Selected Fields – Reducing Greenhouse Emissions

This specially designated program, which provides extensive support for projects that conduct preliminary commercial installations of new Israeli technologies, is operated jointly by the Innovation Authority, the Israel Investment Center, and the Ministry of Environmental Protection. The Israeli government determined national goals for energy efficiency and reduction of greenhouse emissions and therefore decided to establish a program providing up to 40% support for investment in relevant projects.

The program's goal is to encourage demand for innovative Israeli cleantech technologies and to develop an Israeli high-tech industry in the field of energy efficiency and reduction of greenhouse emissions. This program is intended for entities conducting first-time application of Israeli technologies in the field of energy efficiency and reduction of greenhouse emissions. Companies operating in this program will receive financial support of 40% of the installation cost.

➤ **Look for us online: Support Program for Innovation in Selected Fields – Reducing Greenhouse Emissions**



## Support Program for Innovation in Selected Fields – Cyber Defense

This program, supporting R&D projects in the fields of cyber defense technologies, is operated jointly by the Innovation Authority and the National Cyber Directorate in the Prime Minister's Office. The program's goal is to develop, productize, and test innovative technologies in the fields of cyber defense and to examine their feasibility on a significant scale (including cyber deployment installations). The program also encourages the creation and growth of whole sustainable companies in the fields of cyber defense in Israel by advancing innovative technological solutions.

This program is intended for Israeli technology companies in the fields of cyber defense with a product or a service that is still in its development stage and yet to be launched, at a Technology Readiness Level (TRL) of 4/5. Projects operating in this program will receive financial support of between 30%-50% of the approved R&D expenditure.

\* This program's criteria stipulate that the requested funding will be up to NIS 2 million.

➤ **Look for us online: Support Program for Innovation in Selected Fields – Cyber Defense**

## Support Program for Innovation in Selected Fields – Government ICT Authority

This program, that supports pilots in the fields of government ICT (Information and Communications Technology), is operated jointly by the Innovation Authority, the Government ICT Authority, and the Tax Authority. The products submitted as part of this program must be ready for trial and without additional significant R&D content.

### Goal of the Program:

- To create and develop whole sustainable companies by advancing innovative technological solutions.
- To significantly streamline government activity.
- To position the State of Israel as a country with an innovative local market and government that tests and assimilates technologies and strengthens the connection between government, the economy, and the high-tech sector.

### Who is this program for?

- Israeli technology companies in the fields of government ICT and service for citizens.
- Look for us online: Support Program for Innovation in Selected Fields – Government ICT Authority

## Support Program for Innovation in Selected Fields – Local Authorities

This program, that supports R&D and pilot programs of innovative technological products used by local authority entities that are expected to economize and improve the services provided to citizens, is operated jointly by the Innovation Authority, the Ministry of the Interior, and the Headquarters for the National Digital Israel Initiative in the Ministry for Social Equality. The products submitted as part of this program must be ready for trial and without significant R&D content.

### Goal of the Program:

- To create and develop whole sustainable companies in the operational spheres of the Israeli local authorities by advancing innovative technological solutions.
- To develop and apply innovative technologies in the spheres of local authorities' operations.
- To economize and improve local authority entities in Israel and around the world.

### Who is this program for?

- Israeli technology companies in the fields of services provided by local authority entities.

### What do you get?

- Financial support of between 20%-50% of the approved R&D expenditure.
- Special support of 60% of the approved R&D expenditure will be given to projects with potential for an exceptional influence on the advancement of local authority systems in Israel and worldwide, to projects that constitute a technological breakthrough in their field, or to conduct a pilot program in authorities located in National Priority zones.
- The possibility to receive assistance in connecting with local authorities and examining regulatory restrictions.

➤ **Look for us online: Support Program for Innovation in Selected Fields – Local Authorities**



## Support for Innovation in Selected Fields – Ministry of Construction and Housing

This program, that supports R&D and pilot projects in the fields of construction, is operated jointly by the Innovation Authority and the Ministry of Construction and Housing. The products submitted as part of this program must be ready for trial without additional significant R&D content.

### Goal of the Program:

- › To develop and apply innovative technologies in the fields of construction and to examine their feasibility on an industrial scale and among relevant customers, including construction sites.
- › To develop and apply technology that leads to increased safety in the construction sector, to shorten the duration of planning and execution, to improve building quality, and to reduce costs of construction, building operation, and housing prices – all aimed at improving the state of the construction sector in Israel and to develop high-tech and productive Israeli industry in this field.
- › To create and develop whole sustainable companies in the construction field in Israel by advancing innovative technological solutions.

### Who is the program for?

- › Israeli technology companies in the fields of construction.

### What do you get?

- › Financial support of between 20%-50% of the approved R&D expenditure.
- › Special support of 60% of the approved R&D expenditure will be given to projects with potential for a groundbreaking level of innovation and contribution to the fields of construction.
- › A grant of an additional 10% may be awarded if most of the approved R&D activity is conducted in National Development zones or if the site approved for the pilot is located in a National Development zone.
- › The possibility to receive regulatory assistance from the Ministry of Construction and Housing to conduct a pilot program and a unique regulatory framework for this purpose.

› Look for us online: [Support for Innovation in Selected Fields – Ministry of Construction and Housing](#)

## Support Program for Innovation in Selected Fields – The Israel Securities Authority

This program supports pilots in the field of the Israel Security Authority, that will be conducted by the Authority, or will be based on its capabilities, data, or information. The products submitted as part of this program must be ready for trial (after proof of feasibility and development of most of the product) and without additional significant R&D content.

Sites for conducting the pilot will be established and operated in the offices of the Israel Securities Authority, in the offices of the supervised entity, or in the company's offices. There is no maximum budget for the pilot and a company may submit requests for several pilots (in several cycles). Among others, requests will be examined for their contribution of the pilot sites, the project's readiness for the pilot, and the degree of the company's progress to commercialization via the pilots.

### Goal of the program:

- › To support R&D projects including the establishment of pilot facilities in the field of financial technology that are expected to economize the capital markets and the financial services sectors in Israel, to increase their competitiveness, and to improve the services' quality, cost, and availability to the public.
- › To increase productivity in the financial services sectors by assimilating innovative technologies.
- › To create and develop whole sustainable companies in the fields of fintech in Israel by advancing innovative technological solutions.

### Who is the program for?

- › Israeli technology companies engaged in projects in the field of fintech, that will conduct a pilot at the Israel Securities Authority, or will be based on its capabilities, data, or information.

### What do you get?

- › Financial support of between 20%-50% of the approved R&D expenditure.
- › Special support of 60% of the approved R&D expenditure will be given to projects with potential for an exceptional influence in economizing and improving the capital markets or financial services sectors in Israel.

› Look for us online: [Support Program for Innovation in Selected Fields – The Israel Securities Authority](#)

## The Innovation Authority Center for Regulation of Innovative Technologies (C4IR) – World Economic Forum

The world is in the midst of the fourth industrial revolution – a period during which technological breakthroughs and industrial disruptive technologies are blurring geographical borders and challenging existing regulatory frameworks. Technologies such as Artificial Intelligence, Blockchain and autonomous transportation are rapidly changing our lives, creating new risks and opportunities, and raising ethical issues. Government regulations must keep up with the rapid pace of technological changes and bring progress to Israeli citizens.

To help government regulation adapt to the rapidly changing technology, the World Economic Forum founded a network of Centers for the Fourth Industrial Revolution (C4IR). This network aims to create and to share knowledge, experience and best practices related to innovative technologies' regulation by establishing collaborations between governments, leading corporations, private sector, and experts from around the world.

The C4IR network began operation in San Francisco in 2017 and operates centers in China, Japan, and India. Alongside the official centers, there are other countries that joined as 'Affiliate Centers' including South Africa, Colombia, Brazil, the UAE, Norway, and Saudi Arabia.

In January 2019, as part of Government Resolution No. 4481, it was decided that the State of Israel would join the C4IR. Accordingly, in August 2019, the Innovation Authority established the Israeli Center for Regulation of Innovative Technologies that serves as an Affiliate Center in the C4IR network.

Participation in the network will enable to advance the readiness of the Israeli market to new technologies, specifically innovative disruptive technologies that will significantly influence life in Israel. The Israeli center will work with local regulators to assist them in adopting flexible and innovative regulations that are suitable for technological developments and that allow for the promotion of innovation, research and improved services while preserving public interests (such as safety and privacy).

The Innovation Authority believes that creating a flexible, innovative regulation environment that is adapted to technological developments provides a significant opportunity to advance an innovation ecosystem for growing technologies. This environment is necessary for the Israeli high-tech industry to be able to maintain its leading technological position in these fields but also to enable the State of Israel to provide its citizens with the tremendous benefit promised by technological progress.

The Israeli Center, established in 2019, promotes technological fields at the heart of the International Center's (C4IR - WEF) activity, the development and application of which influence productivity and growth in the State of Israel. The Center promotes collaborations with the Ministries of Transport, Health and Justice in the fields of regulation of smart transportation, autonomous vehicles and drones, and in fields of Artificial Intelligence and information economics.



# Technological Infrastructure Division

### Who for?

Entrepreneurs, companies, and research institutions interested in collaborating in the field of research and development.

### What?

Support for development of R&D infrastructures, generic and applied knowledge, transfer of knowledge from academia, technological R&D collaborations, and dual defense and civilian developments.

### How?

The Division offers a range of grants to support applied research and platforms for collaborations between several entities. Technological Infrastructure Division Incentive Programs:



## Technological Infrastructure Division Incentive Programs:

- MAGNET Consortia
- Academic Knowledge Transfer Applied Research in Academia
- Knowledge Commercialization
- MEIMAD – [Leveraging of R&D in Dual Use Technologies]
- R&D Infrastructure and Equipment
- TELEM (The National Infrastructure Forum for Research and Development)

### For further details, contact:

Technological Infrastructure Division  
Email: TI@innovationisrael.org.il



# MAGNET Consortiums Incentive Program – consortiums of industrial companies and research institutions designed to develop technologies

This incentive program provides grants for R&D collaboration as part of a consortium (a group of industrial companies and research institutions developing technologies together). The different consortiums in the program enable a long-term engagement in R&D and create a supportive work environment.

For companies from industry, this is an opportunity to collaborate with other companies and research groups from academia that helps develop groundbreaking technology. For the research institutions, the collaboration with industry advances the commercialization of products based on academic research, as well as an understanding of market needs. The consortium operates for 3 years.

## Goal of the incentive program:

To assist in the development of generic technologies in important fields in the global market, in which Israeli industry has, or may have, a competitive advantage. Since this incentive program supports the funding of infrastructure technologies, it allows distribution of knowledge and cooperation between companies operating in the same field, which may be difficult to achieve otherwise.

## This incentive program includes three kinds of consortiums:

**Industrial consortium** – this consortium includes several different fields of expertise with the participation of technology leaders from Israeli industry that have a significant presence in the global market and researchers from academia with broad knowledge in the fields relevant to the consortium. The consortium's products must have a potentially large influence on the Israeli economy.

**Knowledge-Building Consortium** – this consortium focuses on applied academic studies in fields in which industry is not yet ready to play a significant part in the R&D process, but where there is significant potential to promote it via knowledge maturing. The industrial companies' role in this consortium is to serve in a supporting and mentoring capacity.

**Ma'agadon** – this consortium is relevant for a limited number of companies that receive assistance from a small number of academic researchers for focused technological development that may have a significant influence on the companies' business activity.

## Who is the incentive program for?

- › Israeli companies developing competitive products that are interested in developing innovative technologies which can be used as a basis to develop a new and advanced generation of products.
- › Israeli academic research groups engaged in scientific or technological research, seeking to promote applied research as part of a consortium, to collaborate with the industry, and to study the market needs.

## What do you get?

- › **Industry Consortium:**
  - › Israeli companies will receive up to 66% of the approved budget.
  - › A research institution will receive 100% of the approved budget (80% as a grant, 20% from the consortium companies).
- › **Knowledge-Building Consortium:**
  - › Israeli companies will receive a grant tailored to their needs, initial exposure to technologies that are developed, and the right to use the IP developed within the framework of the consortium.
  - › A research institution will receive 100% of the approved budget (80% as a grant, 20% from the consortium companies) and ownership of the developed IP.
- › **Ma'agadon:**
  - › Israeli companies will receive up to 55% of the approved budget.
  - › The research institution will receive 100% of the approved budget (80% as a grant, 20% from the consortium companies).

› **Look for us online: The MAGNET Consortiums Incentive Program - consortiums of industrial companies and research institutions developing innovative technologies.**



# Applied Research in Academia Incentive Program

This program incentivizes applied research with innovative technological feasibility originating in academia that is advanced to the stage at which an Israeli industrial company will adopt it to develop a commercial product.

## Goal of the Incentive Program:

To bridge the knowledge gap between academia and the industry's needs, with the option of leading a project to significant milestones, thereby attracting the interest of business entities and, ultimately, achieve a commercialization agreement between the two parties. Alternatively, the project may be accompanied by a corporation that envisions its subsequent commercial potential. Adding a corporation to the consortium will therefore allow the research institution, at all stages of the project, to increase its chances for commercialization in Israeli industry.

## Who is the incentive program for?

- Research groups from all Israeli research institutions – universities, colleges, and medical centers that seek to conduct applied research, building upon prior basic research conducted in research groups. The research must be innovative and original in terms of industrial application and its results should be applicable to industries in Israel and potentially have high added value for the entire economy.

## What do you get?

- Financial support in this program (with or without the guidance of a corporation) is exempt from repayment of royalties and will be awarded for a period of 1 or 2 years according to the various funding tracks detailed below. In exceptional cases, the support may be extended to a third year with a reduced grant of 66% or 75% of the approved budget.
- Note:** Projects engaged in pharmaceutical development can submit a request to fund a preliminary year, according to the funding tracks detailed below.

## Research Institutions without the support of a corporation will receive:

- An institution operating alone will receive support of 75% or 85%, up to a maximum sum of NIS 400,000 a year.
- Two collaborating research institutions will receive support of 75% or 85%, up to NIS 660,000 a year (each institution may request a maximum of NIS 400,000 a year).
- Three collaborating institutions will receive support of 75% or 85%, up to NIS 770,000 a year (each institution may request a maximum of NIS 400,000 a year).

## Research Institutions operating with the support of a corporation will receive:

- A single institution operating with a corporation will receive support of 80% or 90% of the approved budget, the maximum scope of which is NIS 550,000.
- Two collaborating research institutions will receive support of 80% or 90% of the approved budget, the maximum scope of which is NIS 700,000 a year (each institution may request a maximum of NIS 500,000 a year).
- Three collaborating institutions will receive support of 80% or 90% of the approved budget, the maximum scope of which is NIS 810,000 a year (each institution may request a maximum of NIS 500,000 a year).

## The role of the corporation supporting these projects:

- To serve as a partner in professional guidance and in determining research goals. The corporation will contribute 10% of the project's cost.
- Upon completion of the research, the corporation will receive first rights in negotiations with the research institution on the commercialization agreement.

\* In addition to the grant, projects approved by the Technology Infrastructure Division's committee may also receive support from a commercial technology expert to accelerate chances of achieving commercialization. This benefit is subject to approval from the Technological Infrastructure Division's committee. A request for changes must be submitted to receive this benefit to which a waiver and disclaimer must also be added.

## Why should you apply for this incentive program?

### For research institutions:

- Financial support for funding research processes, thus increasing the chance of success of the applied research.
- Corporate support for the research processes, thus significantly increasing future commercialization prospects.
- All rights to the knowledge gained during the research belong exclusively to the research institute applying for the grant.
- Projects approved for receiving support of a commercial technology expert will receive this support to adapt the approved R&D plan to the product's needs and industry requirements. This support also enables to establish connections with entities in the industry that can assist in helping the plan reach commercial development in the Israeli industry.

### For the accompanying corporation:

- The ability to influence, direct, and support groundbreaking academic research that will contribute to the future activity of the corporation.
- First rights in negotiations with the research institution for a commercialization agreement.
- Applied development in exchange for modest financial investment.

➤ **Look for us online: The Academic Knowledge Transfer Incentive Program**

# Knowledge Commercialization Incentive Program – From a Research Institute to an Industrial Corporation

This incentive program is intended to develop groundbreaking products via commercializing knowledge from research institutes to an industrial corporation. The program includes three sub-programs:

**MAGNETON** – encouraging the transfer and commercialization of technologies from a research institute to an industrial corporation. These technologies are based on collaboration between one or more research institutes and a single industrial corporation. They are focused on repeating and validating study results as submitted by the research institute, and on adapting the knowledge to the needs of the industrial corporation.

**Knowledge Import** – encouraging collaboration that repeats the research findings as transferred from a foreign research institute and validating them; proving feasibility and adapting the knowledge to the applicant's needs in order to advance it technologically. Development of the technology is based on collaboration between the applicant and one or more foreign research institutes, with or without one or more Israeli research institutes.

**Continued MAGNET** – requests for research programs and continued development for activities already completed as part of first year approved programs (MAGNET Consortiums) in Benefit Track 5.

## Goal of the incentive program:

**MAGNETON and Knowledge Import** – validation, adaptation, and encouragement of knowledge transfer from research institutes to industrial corporations, based on dual collaboration between one or more research institutes and a single industrial corporation.

**Continued MAGNET Sub-Program** – encouragement of continued research and development activity via collaboration between a consortium corporation and a research institute.

## Who is the incentive program for?

- **MAGNETON and Knowledge Import Sub-Programs** – are intended for Israeli industrial companies seeking to incorporate innovative technologies developed in a research institute, and striving to develop a new product or to improve an existing product based on recent studies that is relevant to their field of activity. In this sub-program, the corporation seeks to validate and verify the knowledge and its degree of suitability before using it to develop new products and services.
- **MAGNETON and Knowledge Import Sub-Programs** – are intended for academic research groups from Israeli research institutes (university and non-university) approved by the Technological Infrastructure Division that are seeking to carry out innovative and original applied research in collaboration with a leading company interested in the relevant technology. The research should be focused on technological feasibility for the industry, and the applying research institute should be the sole owner of knowledge in the project.
- **Continued MAGNET Sub-Program** – is intended for an industrial corporation that has been a member of the consortium for at least a year.

\* The incentive program is not intended for financing funded research for an owner of knowledge in academia. Academia will not serve as a sub-contractor for the project but rather, as a partner, although the funding will be provided via the corporation.

## What do you get?

- An applied research grant of up to 66% of the approved budget, up to a total of NIS 3.4 million for a period of up to 24 months.
- Grant recipients are exempt from repayment of royalties.

## Why should you apply for this incentive program?

**Commercialization of academic knowledge:** the incentive program assists research institutions in commercializing the knowledge developed through scientific research. The industrial corporation is exposed to new technology and after examining it, can integrate it in their activities and continue to develop innovative products with economic potential or upgrade existing products.

**Examination of application potential:** the knowledge transfer framework offers the industrial corporation a favorable environment to examine the reliability of the knowledge and the application potential of technologies developed in academic institutions. Without this environment, the corporation would find it difficult to carry out the examination process, which entails relatively high risk and uncertainty.

**The possibility to realize commercialization rights:** at the end of the project and at the end of the proof of concept, the company will be given the right to decide whether to exercise commercialization rights and continue developing commercial products independent of the research conducted jointly with the research institutions.

➤ Look for us online: [The Knowledge Commercialization Incentive Program](#)



## MEIMAD – Leveraging Dual Military, Defense, and Commercial R&D Incentive Program

This incentive program, in operation since January 2012, is a joint venture of the Innovation Authority, Ministry of Finance and the Defense Ministry's Administration for the Development of Weapons and Technological Infrastructure. The program supports the development of creative solutions for military needs and commercial markets.

### The MEIMAD Sub-Programs:

**MEIMAD Knowledge Transfer** – dual applied R&D in academia with the support of an industrial corporation.

**MEIMAD Knowledge Commercialization** – adaptation and transfer of dual knowledge from the research institutions to the company.

**MEIMAD Prototype Development** – pre-product R&D to prove technological capability. This sub-program is intended for a company.

### Goal of the incentive program:

To promote military and commercial R&D of dual use technologies, which on the one hand constitute a contribution to national security, and on the other hand possess financial potential.

### Who is the incentive program for?

- › Small and medium Israeli companies (up to USD 100 million in sales per year).
- › University research institutes and research centers.
- › Entrepreneurs who are yet to establish a company.

### What do you get?

- › **Knowledge Transfer** – a grant of between 80%-90% of the approved budget.
- › **Knowledge Commercialization** – a grant of between 55%-66% of the approved budget.
- › **Prototype Development** – a grant of 50% of the approved budget (in the case of an Israeli company with no more than 10 employees when submitting the request, and that was incorporated no more than 3 years prior to submitting the request – the committee may award a grant exceeding 50% but not exceeding 66% of the approved budget).

### Why should you apply for this incentive program?

**Leveraging of capabilities:** The R&D activities in this incentive program provide an opportunity to leverage capabilities from the military market to the civilian market and vice versa.

› Look for us online - MEIMAD – Leveraging Dual Military, Defense, and Commercial R&D Incentive Program

## R&D Infrastructure and Equipment Incentive Program

This incentive program enables the establishment and joint operation of R&D infrastructure for an association of users (a group of corporations operating in similar fields). The incentive program also assists in subsidizing R&D equipment for service providers, providing access to the equipment for Israeli industry.

### Goal of the incentive program:

To promote sharing of vital R&D infrastructure between users in order to create added value for companies and to share the financial burden.

### Who is the incentive program for?

- › Companies engaged in R&D and that are interested in collaborating in the establishment of R&D infrastructure critical to their activity or to distribute and assimilate new technologies.

### What do you get?

- › The Association, as an independent legal entity, receives a grant of up to 66% of the approved expenditure.
- › Association members supplement the Association's remaining expenditure.
- › Companies do not receive any grants as part of this incentive program.
- › Companies supplying equipment to the Association may receive a loan of up to 80% of the equipment's value.

### Why should you apply for this incentive program?

**Cost-effectiveness:** Pooling of resources towards a joint initiative, the establishment of which would be uneconomic for an individual company, and exposure to accessible technological wealth with/at/for minimal resources.

› Look for us online: R&D Infrastructure and Equipment Incentive Program



## TELEM (The National Infrastructure Forum for Research and Development) Incentive Program

TELEM was established in late 1997 at the initiative of the Israeli National Academy of Science. The Forum is a voluntary organization that strives to promote R&D programs and projects in scientific and technological fields through establishment of national R&D infrastructures and inter-organizational, inter-departmental and international collaborations.

### The following are voluntary members in the TELEM Forum:

- › The Chairman of the Planning and Budgeting Committee at the Council for Higher Education
- › The Chief Scientist at the Ministry of Economy and Industry
- › The Director-General of the Ministry of Science and Technology
- › The Head of the Defense Ministry's Administration for the Development of Weapons and Technological Infrastructure
- › The Deputy Director of the Budgets Division at the Ministry of Finance
- › A representative (Chairman) of the Israel Academy of Sciences and Humanities

### Projects under examination, planning, and implementation:

- › The Quantum Technologies Program
- › Mosaic – Clinical Genomic Databank
- › Smart systems – AI technologies
- › R&D infrastructures for designing miniature satellites

### Goal of the incentive program:

To establish R&D infrastructures via initiation, coordination, assessment, pooling of resources (from the budgets of the forum's member entities and other relevant participants), and assignment of responsibility for implementation and supervision of the establishment and operation of national R&D infrastructures.

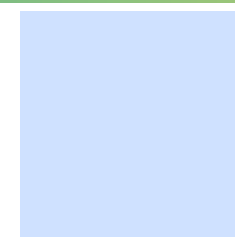
### Who is the program for?

The forum approaches members and external entities with whom contact is established through official agreements that detail each party's obligations.

› Look for us online: [TELEM Forum Incentive Program](#)

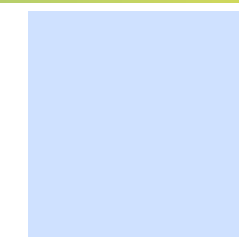


## International Collaboration Division



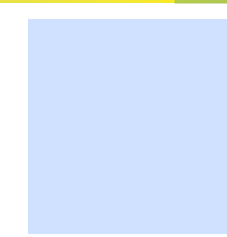
### Who for?

Companies interested in expanding to international markets.



### What?

Collaborations with companies, corporations, public entities, and leading global research institutions.



### How?

Matching grant and other tools to help technological developments penetrate global markets worldwide, EU grant programs for research and development.



### International Division Incentive Programs:

- › Bilateral R&D
- › R&D Cooperation with Multinational Corporations
- › Binational Funds
- › Bilateral Pilot Programs
- › Pilot Programs with Multinational Corporations
- › Pilot Programs with Selected Entities

### For further details, contact:

International Collaborations Division  
Email: [InternationalCollaborations@innovationisrael.org.il](mailto:InternationalCollaborations@innovationisrael.org.il)

## Bilateral R&D Incentive Program

The incentive program provides support to Israeli companies working with foreign companies on commercialization-directed programs to develop new technological products or to significantly upgrade an existing technology. The program provides financial incentive funded by the Innovation Authority parallel to funding provided by foreign entities such as states, countries, provinces, and cities worldwide. The incentive program offers a financial grant that enables to share the risk in funding the project and assistance with finding foreign technology partners.

### Goal of the incentive program:

To encourage international collaborations in all fields of innovation-based R&D, thereby assisting Israeli companies to grow via a global strategic networking system, access technological knowledge in a variety of countries, establish breakthroughs, and scale-up for their products in the global markets. This activity is aimed at increasing the competitiveness of Israeli companies in the international market.

### Who is the incentive program for?

- Israeli technology companies from all sectors of the industry that are interested in developing or significantly upgrading technology products with an international partner. Calls for proposals are published from time to time and give priority to specific technological fields.

### What do you get?

- Financial support of up to 50% of the Israeli company's approved R&D expenditure and parallel support from the foreign government for the foreign company's expenditure (varies according to the specific government).
- Companies operating in National Development Zones are eligible for 10% additional support.
- Companies operating in the areas around the Gaza Strip are eligible for 25% additional support.
- Assistance in finding an international partner.
- The incentive program has no funding cap.

➤ **Look for us online: Bilateral R&D Incentive Program**

## R&D Cooperation with Multinational Corporations (MNCs) Incentive Program

The incentive program provides support to Israeli companies interested in establishing collaborations with selected multinational corporations on commercialization-focused projects to develop new technology products or to upgrade an existing technology. The program constitutes an opportunity for Israeli companies to work with selected MNCs and a financial incentive provided by the Innovation Authority to share the risk in funding the project.

### Goal of the incentive program:

To encourage international collaborations with MNCs in all fields of innovation-based R&D. The incentive program aims to assist Israeli companies to grow and increase their competitiveness in the international market by establishing strategic collaboration with multinational corporations, integration in their technological and marketing activities, and scale-up of their products in global markets.

### Who is the incentive program for?

- Israeli technology companies, especially young and innovative startups, engaged in R&D and interested in paving their way to new markets and business channels in Israel and abroad. The participating MNCs give preference to technological fields relevant to their spheres of activity.

### What do you get?

- Financial support of up to 50% of the Israeli company's approved R&D expenditure.
- Companies operating in National Development Zones are eligible for 10% additional support.
- Companies operating in the areas around the Gaza Strip are eligible for 25% additional support.
- In-kind assistance and support from the MNC partner in the form of consultation, services, and resources. This diverse support can include access to data, production lines, complex infrastructures, unique expertise and skills, allocation of technological or business consultants to guide and direct the Israeli company, and more.
- The incentive program has no funding cap.

➤ **Look for us online: R&D Cooperation with Multinational Corporations Incentive Program**

## Not sure what is right for you?

The Planning Unit of the International Collaboration Division invites you to consult us regarding the selection of the best incentive program for you.  
Email us at: [PLU@innovationisrael.org.il](mailto:PLU@innovationisrael.org.il)

## Bi-National Funds Incentive Program

The incentive program provides support for Israeli companies collaborating with foreign companies in the US, India, Singapore, and Korea on R&D projects of new technology products or the significant upgrade of an existing technology. The program's financial incentive, financed by the bi-national funds, enables to share the risk of funding the project and also offers support in the search for foreign technology partners.

### There are currently four bi-national funds:

- › I4F – Israel-India
- › BIRD – Israel-United States
- › SIIRD – Israel-Singapore
- › KORIL – Israel-Korea

### Goal of the incentive program:

To encourage international collaborations for development and application of innovative technologies in all fields and the examination of their feasibility in order to help Israeli companies grow and increase their competitiveness in the international market by establishing strategic global connections, access to real international conditions in order to test their products, breakthrough and scale-up of their products in global markets.

### Who is the incentive program for?

- › Israeli technology companies from all industrial sectors that seek to develop or upgrade products and technologies with an international partner in the US, India, Singapore, and Korea. Calls for proposals are published from time to time and provide priority to specific technological fields.

### What do you get?

- › Assistance in finding a foreign partner.
- › Financial assistance of up to 50% of the approved R&D budget in accordance with the type of program in the fund.
- › Each fund operates different programs. Further details can be found on the funds' websites.

› **Look for us online: Bi-National Funds Incentive Program**

## Bilateral Pilot Programs Incentive Program

The incentive program supports Israeli companies' technology pilot programs in different fields that will be conducted at foreign companies or that will be based on their capabilities, data, or information. The incentive program provides financial incentive funded by the Innovation Authority that is parallel to foreign state innovation entities in leading countries, provinces, and cities worldwide, offers a financial grant that enables to share the risk in funding the technology project, and provides assistance in finding foreign technology and business partners.

Products submitted as part of this incentive program must be ready for testing (after proof of feasibility and development of most of the product) and without additional significant R&D content.

### Goal of the incentive program:

To encourage international collaborations for development and application of innovative technologies in all fields and the examination of their feasibility, thereby helping Israeli companies to grow and increase their competitiveness in the global market by establishing strategic international connections, access to real international conditions, proving their products, breakthrough and scale-up for their products in global markets.

### Who is the program for?

- › Israeli technology companies from all industry sectors that wish to develop or significantly upgrade products and technologies with an international partner. Calls for proposals are published from time to time and provide priority to specific technological fields.

### What do you get?

- › Financial support of up to 50% of the Israeli company's approved R&D expenditure and parallel support from the foreign government for the foreign company's expenditure (varies according to the specific government).
- › Companies operating in National Development Zones are eligible for 10% additional support.
- › Companies operating in the areas around the Gaza Strip are eligible for 25% additional support.
- › Assistance in finding an international partner.
- › The incentive program has no funding cap.

› **Look for us online: Bilateral Pilot Programs Incentive Program**



## Pilot Programs with Multinational Corporations (MNCs) Incentive Program

The incentive program supports Israeli companies' technology pilot programs in different fields that will be conducted at foreign companies or that will be based on their capabilities, data, or information. The program grants Israeli companies an opportunity to work with selected corporations and a financial incentive funded by the Innovation Authority to share the risk in funding the project.

Products submitted as part of this incentive program must be ready for testing (after proof of feasibility and development of most of the product) and without additional significant R&D content.

### Goal of the incentive program:

To encourage collaborations with MNCs for development and application of innovative technologies in various fields. The incentive program involves an assessment of feasibility that is aimed at assisting Israeli companies to grow and increase their competitiveness in the global market by establishing strategic connections with the corporations, integration in their technological and marketing activities, and creating scale-up for their products in global markets.

### Who is the incentive program for?

- › Israeli technology companies from all industry sectors that wish to develop or significantly upgrade products and technologies with an international partner. Calls for proposals are published from time to time and provide priority to specific technological fields.

### What do you get?

- › Financial support of up to 50% of the Israeli company's approved R&D expenditure.
- › Companies operating in National Development Zones are eligible for 10% additional support.
- › Companies operating in the areas around the Gaza Strip are eligible for 25% additional support.
- › Assistance and support from the MNC partner in the form of consultation, services, and resources. This diverse support can include access to data, production lines, complex infrastructures, unique expertise and skills, allocation of technological or business consultants to guide and direct the Israeli company, and more.
- › The incentive program has no funding cap.

› Look for us online: [Pilot Programs with Multinational Corporations Incentive Program](#)

## Pilot Programs with Prominent International Beta Sites Incentive Program

The incentive program supports Israeli companies' technological pilot programs in different fields, that will be conducted at selected foreign entities' Beta sites or that will be based on their capabilities, data, or information. This incentive is made possible by a financial grant funded by the Innovation Authority to help share the risk involved in funding the project.

Products submitted as part of this incentive program must be ready for testing (after proof of feasibility and development of most of the product) and without additional significant R&D content.

### Goal of the incentive program:

To encourage collaborations with foreign entities for development, application, and proof of value of innovative technologies in different fields. The program aims to help Israeli companies grow and increase their competitiveness in the global market by establishing strategic connections with overseas entities, access to real international conditions, proving their products, breakthroughs and scale-up of their products in global markets.

### Who is the incentive program for?

- › Israeli technology companies with products ready for trial that are interested in testing them via international collaboration with foreign entities. The relevant technological fields are detailed in the calls for proposals according to the type of participating entity.

### What do you get?

- › Financial support of up to 50% of the Israeli company's approved R&D expenditure.
- › Companies operating in National Development Zones are eligible for 10% additional support.
- › Companies operating in the areas around the Gaza Strip are eligible for 25% additional support.
- › Assistance and support from the selected entity partnering the project in the form of consultation, services, and resources. This diverse support can include access to data, production lines, complex infrastructures, unique expertise and skills, allocation of technological or business consultants to guide and direct the Israeli company, and more.
- › The incentive program has no funding cap.

› Look for us online: [Pilot Programs with Selected Entities Incentive Program](#)

## Horizon 2020 Program and Jointly Funded Associated Programs (ERA NET)

The EU Horizon 2020 Program seeks to create collaboration in areas of research, development, and innovation between Israeli and European entities from industry, academia, research institutes, and public and private organizations.

ISERD, the Israel-Europe Research and Innovation Directorate, is responsible for promoting Israeli activity in the European research arena and strives to provide Israeli entities with access to the European Framework Program. Further information on the program, events' schedule, monthly explanatory presentations, and contact details for each technological field can be found on the ISERD website.

### Goal of the incentive program:

The Framework Program – Horizon 2020, operating between 2014-2020, constitutes the world's largest platform for funding research, development, and innovation, with a total budget of 77 billion Euros over the past 7 years. Israel is a full partner in the program and Israeli entities are eligible to submit requests for grants.

The program provides direct funding for a wide range of sectors, fields of technology, and various entities according to calls for proposals and strives to promote technological excellence in Europe. The EU and the Innovation Authority also jointly fund additional associated programs called ERA.NET Co Fund.

### Who is the program for?

- › Any organization or legal entity that would benefit from cooperation in international research, development, and innovation processes: companies, startups, corporations, research and academic institutions, government agencies, hospitals, municipalities, non-profit organizations, and others.
- › Small- and medium-sized groundbreaking companies via the Accelerator EIC Program.
- › Outstanding scholars for pioneering research via the ERC Program.

### What do you get?

- › Grants to fund long-term R&D
- › High percentage financing for the project (87.5%-125%)
- › A financial grant without relinquishing IP or an obligation to pay royalties

› **Look for us online: Horizon 2020 Program and Jointly Funded Associated Programs (ERA NET)**

## Program 37 – Program for Increasing Participation of Israeli Companies in the European Framework Program - Horizon 2020

### Goal of the program:

As part of the efforts to assist and encourage Israeli entities in submitting requests to the Framework Program – Horizon 2020 and to programs that offer joint funding by the European Framework Program, the Innovation Authority has initiated the establishment of a program to support companies in seeking partners and in submitting high-quality requests to the Framework Program, as well as a track that supports long-term involvement in this program.

› **Look for us online: Program 37 – Program for Boosting Participation of Israeli Companies in the European Frameworks Program - Horizon 2020**

## The European R&D Programs – ISERD:

### The European R&D Programs – ISERD:

- › The Horizon 2020 Program and jointly funded associated programs (ERA NET)
- › Program 37 – Increasing participation of Israeli corporations in the European Framework Program – Horizon 2020
- › EU-Guaranteed Loans via The European Investment Fund (EIF)

**For further details, contact:**

<https://www.innovationisrael.org.il/ISERD>

# EU-Guaranteed Loans via The European Investment Fund (EIF)

Many innovative companies develop high-risk technologies and therefore either struggle to obtain credit or receive loans with daunting terms. To help these companies receive more affordable credit, the European Investment Fund (EIF) has launched a program that enables them to receive a European Investment Bank (EIB) state-guaranteed loan via Israeli credit entities.

**This program is part of the EU's flagship Horizon 2020 Program and is operated in Israel by the following entities:**

- Bank Leumi (via its Commercial Banking Centers in the Corporate Division and Leumi Tech)
- Peninsula Fund

## Goal of the program:

1. To enable Israeli companies at growth stages that meet the program's criteria to receive a loan at preferential terms and lower interest rates.
2. To enable companies to diversify their sources of credit via an attractive credit financing option.

## Who is the program for?

High-tech companies or innovative industrial and commercial companies that are defined as SMEs to Middle Market Companies (with up to 3,000 employees) and which are at growth stages. The loan will be given according to negotiations and financial considerations of the lending entity, and subject to the program's terms and conditions.

## What do you get?

- A loan of up to USD 8.8 million at preferential terms. 50% of the loan will be secured by EU guarantee.
- Duration of Loan – 1-10 years. The loan will be given in NIS / USD / EUR / GBP.

\* Due to the COVID pandemic, in some cases the loan will be given with European guarantee of up to 80% for working capital purposes only and with a bridging option of up to 6 months. This benefit is valid until June 2021 – further details will be provided by the financial entities operating the program in Israel.

## Why should you apply for this program?

- The program gives early stage companies, that are considered high-risk, access to credit which they would not have received or that they would have received at unaffordable terms without the program.
- The backing of the European Investment Bank – one of the world's largest and most stable banks – enables the Israeli credit entities to provide loans at especially attractive terms.
- Connecting early stage companies to government programs constitutes a "mark of quality" in strengthening their capability vis-a-vis global clients and investors.
- Companies participating in the program receive EIF guidance that helps them to build a marketing plan, to create PR film clips etc.

➤ **Look for us online: EU-Guaranteed Loans**

# Advanced Manufacturing Division

## Who for?

Companies from the manufacturing sector interested in developing products and implementing innovative technologies.

## What?

Strengthening the manufacturing industry and enhancing its competitiveness by applying R&D processes and innovation.

## How?

The Division offers a range of supportive tools – financial grants, testing of developments, and financing of consultation with technology experts.



## Advanced Manufacturing Division Incentive Programs:

- R&D Preparatory Incentive Program for Manufacturing Industry
- MOFET – R&D in the Manufacturing Industry
- Transition from R&D to Production Incentive Program

### For further details, contact:

Advanced Manufacturing Division  
Email: MFG@innovationisrael.org.il



# R&D Preparatory Incentive Program for Manufacturing Companies

The preparatory incentive program is a complementary tool operated by the Innovation Authority for the manufacturing industry. This program is intended to assist companies without prior R&D experience in leading innovation processes, or companies that require guidance of technical experts with their R&D activities.

## Goal of the incentive program:

To create an innovation-focused change in companies from the manufacturing industry sectors that will enhance their competitiveness. The expectation is that the preparatory program will enable the participating companies to attain a clear direction and definition of the innovation they are working towards. At the end of the preparatory program, and if further R&D is required, the project submitted to the follow-on R&D programs will be focused and with defined goals.

## The Preparatory Incentive Program has five secondary tracks:

- › **Basic track:** the objective of this track is to assist in formulating new products or processes. In this track, the technology expert will help the company map and examine technological capabilities in order to formulate innovative ideas. This track is intended for companies with no prior submissions to R&D programs supported by the Innovation Authority.
- › **Technological Feasibility Examination track:** this track involves a process of assessing technological feasibility and is led by a technology expert who will assist in the initial procedure of overcoming technological risks.
- › **Developing Solutions for Technical Flaws in the Production Line track:** in this track, a technology expert will analyze a specific technical problem that characterizes a flaw in the production line and will assist in formulating recommended solutions.
- › **Improving Production Productivity track:** in this track, a technology expert will analyze the production processes in order to streamline them by implementing innovative technological improvements aimed at increasing productivity.
- › **Preparation for Manufacturing track:** this track involves a process, led by a technology expert that analyzes and examines the production technology's compatibility to Mass Production. The expert will assist the company in with optimizing the product prototype, and devising a production plan necessary to prepare for Mass Production.

## Who is the incentive program for?

An Israeli manufacturing company, incorporated in the State of Israel, with sales of up to USD 70 million in the year prior to submitting the request and that meets one of the following conditions:

- › **The majority of its income stems from manufacture of products in the low R&D intensity level sectors or in the mid-low R&D intensity level sectors** (such as food, beverages, textiles, leather, wood, paper, oil products, rubber, plastics, metals, building materials). Included in this definition are companies engaged in activity that testifies to preparations for industrial manufacture of products in the low or mid-low R&D intensity level sectors.

- › **The majority of its income stems from industrial manufacture of products in the mid-high R&D intensity level technology sectors** (such as chemistry, arms and ammunition, electric equipment, manufacture of machines), or a company engaged in activity that testifies to preparations for industrial manufacture of products in the mid-high R&D intensity level technology sector, and that meet two of the following criteria:
  - › The company's manufacturing personnel is at least 30% of its total workforce but not less than 3 workers.
  - › The number of R&D employees is no more than 25.
- › **For the Preparation for Manufacturing track:** an Israeli company prior to or at the stage of small-scale testing of the product's manufacturing process.

## What do you get?

- › A grant of 66% of the approved budget (maximum budget of NIS 75,000).
- › Companies in the Israeli periphery are eligible for a grant of 75% of the approved budget (maximum budget NIS 100,000).
- › The approved budget includes the technology expert's fee, market surveys, technology and patents, laboratory tests, purchase of materials and specific equipment, and other miscellaneous expenditures related to the approved program.

## Why should I apply for this incentive program?

Companies applying for the R&D Preparatory Incentive Program will receive professional consultation to assist them in identifying technological gaps in their current capabilities, locating directions for possible development, identifying flaws in the production process, improving productivity and, when necessary, preparation of a more comprehensive R&D program (follow-on Innovation Authority programs).

› Look for us online: [R&D Preparatory Incentive Program for Manufacturing Industry](#)

# MOFET - R&D in the Manufacturing Industry

The MOFET Incentive Program is intended to assist factories with executing clear R&D plans for the development of new products; Development of new manufacturing process; or advancing production productivity.

## Goal of the incentive program:

To strengthen the Industry competitiveness, locally and globally, by applying innovation and R&D processes. Companies interested in examining compliance to MOFET submission criteria may apply to the Innovation Authority via a designated form that can be found on the Authority website.

## Who is the incentive program for?

The incentive program is for companies that meet one of the following criteria:

1. **An industrial company** that was incorporated in Israel and that most of its revenue stems from industrial manufacturing of products in the low R&D intensity technology sectors (such as food, beverages, textiles, leather, wood products, paper products) or in the mid-low R&D intensity level technology sectors (such as oil, rubber, plastic, and metal products, building materials).
2. **An industrial company** that was incorporated in Israel and that meets all 3 of the following criteria:
  - a. Most of its revenue stems from industrial manufacture of products in the mid-high R&D intensity level technology sectors (such as chemicals, arms and ammunition, electric equipment, production of machines) or in the high R&D intensity level technology sectors (such as pharmaceuticals, computers, electronic and medical equipment, aircraft manufacture).
  - b. The company's manufacturing personnel is at least 30% of its total workforce but not less than 3 workers.
  - c. The number of R&D employees is no more than 25.
3. **A company preparing for industrial production:** companies engaged in activity that testifies to preparations for industrial manufacture of products, with the objective of establishing a production factory in Israel. This activity includes at least two of the five activities that appear in the regulations of Incentive Benefit no. 36 – Encouragement of Technological Innovation in the Manufacturing Industry.

The full and binding list of conditions and criteria appears under Incentive Benefit no. 36 – Encouragement of Technological Innovation, which can be found on the Authority website.

## What do you get?

- **Support of 30%-50% of the approved project R&D budget:**
  - An additional 10% for R&D projects conducted in the Israeli periphery.
  - An additional 10% if at least 20% of the project's budget is allocated to a recognized Israeli academic or research institute (such as The Israel Institute of Metals, The Israel Plastics and Rubber Center, The Israel Ceramic & Silicate Institute etc.).
- **Recognition of unique R&D expenses for all companies meeting the incentive program's conditions, such as:**
  - Expenses for the development of molds that will be subsequently incorporated into the company's production line with a budget up to NIS 500,000.
  - Direct expenses for the development of unique production machinery with a budget up to NIS 500,000.
  - Direct expenses for the development of a prototype or testing capability; And small Scale-up expenses. with a budget up to NIS 1 million.
  - Expenses for the acquisition of knowledge that constitutes an integral part of the R&D program with a budget up to NIS 250,000.
  - Expenses for product commercialization and marketing activities in Israel and abroad, of up to 15% of the plan's approved budget.
  - Expenses for courses and professional education programs for professional employees in fields of content relevant to the approved program, up to NIS 25,000.
  - Manufacturing companies that meet the program criteria, and manufacture in Israel may be entitled to an exemption from royalties. For the full exemption conditions, please refer to the Innovation Authority website.

## Why should you apply for this incentive program?

**Entry to new markets:** the incentive program enables all manufacturing factories to implement advanced trends in their field of operation, via technological solutions that accord them a competitive advantage and enable entry to new markets.

**Improved R&D conditions:** the incentive program offers improved terms for small and medium manufacturing companies at the initiation of their R&D activity and which manufacture their products in Israel, to enter into and carry out R&D programs.

**Attractive Financing Model:** the incentive program offers financial support of up to 70%, with royalty-exemption benefits (for companies meeting the criteria).

➤ **Look for us online: MOFET - R&D in the Manufacturing Industry**

# R&D to Production Transition Incentive Program

The incentive program provides support for the development of innovative production processes. The program will accept requests where two thirds of the budget is allocated to these production processes.

The program is intended for companies and factories producing or preparing to produce in Israel and that are interested in conducting one (or both) of the following processes:

- › An innovative production process
- › A manufacturing process of an innovative product

The incentive program will support R&D in **production processes, for example:**

1. Machine development / manufacture facilities / pilot facilities / testing facilities / calibration facilities in the **transition from R&D to production**. Examples include development of a production line to support a new product during the transition from a lab product to mass production.
2. Machine development / manufacture facilities / pilot facilities / testing facilities / calibration facilities **that enable production with advanced technology**. Examples include the transition from a unit production process to a continuous production process with integrated advanced control capabilities.
3. Performance of simulations / analyses / experiments and calculations aimed at **determining and verifying the production parameters**. Examples include performing a simulation and testing of new parameters determined for operating a semi-factory facility.
4. **Development of a production process that significantly improves the product's attributes**. Examples include development of thermal or energetic processes that significantly improve a product's mechanical or electric attributes.

## Goal of the incentive program:

To assist companies in successfully transitioning from R&D to Production ramp-up. Projects submitted to the open call will focus on process design to manufacturability, with the aim of advancing the manufacture of innovative products and advancing production via innovative manufacturing processes in Israel.

## Who is the incentive program for?

- › An Israeli company that manufactures tangible products in the mid-high or high R&D intensity level technology sectors (not via a sub-contractor) with a yearly income that does not exceed USD 70 million.
- › An Israeli company in preparatory stages for manufacture of tangible products in Israel, that has performed at least two of the following:
  1. Signed a purchase, lease, rent or sublet agreement for an available building appropriate for production activity.
  2. Purchased machines for the production process.
  3. Hired designated production personnel.

4. Received authorization for state-funded supportive grants to establish a factory or a production process.
5. Prepared a detailed business plan for the establishment of a factory or production process, including presentation of available sources of finance to complete preparation for production.

## What do you get?

- › Approved R&D plans may be eligible for a grant of 30%-50% of approved R&D expenses.
- › An additional of 10% for R&D projects in the Israeli periphery.

## Recognition of unique R&D expenses:

- › Expenditure for development of molds to be subsequently integrated into the company's production line that does not exceed NIS 500,000.
- › Direct expenses for development of unique production machines that do not exceed NIS 500,000.
- › Direct expenses for the development of a prototype or testing capability; And small Scale-up expenses. with a budget up to NIS 1 million.
- › Expenditure for purchase of knowledge that constitutes an integral part of the R&D plan that does not exceed NIS 250,000.
- › Expenses for courses and professional education programs for professional employees in areas relevant to approved program's fields of content that do not exceed NIS 25,000.
- › Expenses for commercialization and marketing the program's products in Israel and abroad that do not exceed 15% of the program's approved budget.

## Why should you apply for this incentive program?

**A quantum leap for the company:** development of a production process for advanced products using advanced technology in the factory's production process.

**Financial support for the transition from R&D to production:** support and guidance during an early stage company's transition from product development to mass production.

**Remove barriers:** collaboration between the Innovation Authority and various government entities allows to remove barriers and advance the establishment of new factories in Israel.

› **Look for us online: R&D to Production Transition Incentive Program**



# Societal Challenges Division

## Who for?

Organizations engaged in the development of human capital for high-tech, and entrepreneurs who offer solutions for social and public challenges.

## What?

The Division addresses two areas: increasing the number of skilled personnel for the high-tech industry and encouraging R&D that provides solutions for social and public challenges.

## How?

Grants to increase the number of skilled high-tech personnel and to encourage social and public R&D projects.



## Societal Challenges Division Incentive Programs:

### Human Capital Programs:

- > Coding Bootcamps
- > High-Tech Specialization for First Job Employees (Juniors)
- > Advanced Technology Studies Association
- > Back to Tech
- > Foreign High-Tech Expert Visa
- > Preferential Funding for Women, Ultra-Orthodox, and Minorities
- > Human Capital for High-Tech Fund
- > Emergency Incentive Program

### R&D Programs:

- > GovTech – (“Mimshal-Tech”) – Encouraging Technological Innovation Directed at Public Sector Challenges.
- > “Ezer-Tech” – Incentive Program for Encouraging Assistive Technological Solutions for the Disabled
- > Grand Challenges Israel - GCI (“Etgar”) Incentive Program – Technologies for Health and Sustainable Development in Developing Countries

### For further details, contact:

Societal Challenges Division Email: SC@innovationisrael.org.il

## Human Capital Programs:

### Coding Bootcamps Incentive Program

In response to the shortage of skilled high-tech personnel, the Authority has launched a program that supports extra-academic courses (coding bootcamps) aimed at increasing the supply of programmers and data science graduates in Israel. These courses locate candidates with significant potential, provide them with the necessary theoretical and practical knowledge, and train them, in a short period of time, for work in the high-tech industry. The graduates can therefore make a real and immediate contribution to the company. The bootcamps were chosen in a competitive procedure for a period of three years.

#### Goal of the incentive program:

To increase the number of graduates acquiring relevant practical training and who are then placed in development roles at high-tech companies with a salary of at least NIS 14,000 (within 15 months after finishing the course).

#### Who is the incentive program for?

- > Professional training companies, non-profit associations, academic institutions, and high-tech companies interested in establishing or expanding an extra-academic coding training program.

#### Selected Coding Bootcamps:

- > Infinity Labs
- > Elevation Academy
- > Experis Academy
- > Israel Tech Challenge (ITC)
- > Primrose
- > Kav Mashve
- > Appleseeds Academy

#### What do you get?

- > **Conditional Funding:** NIS 7,500 per graduate in an existing course / NIS 12,000 per graduate in a new course. The conditional funding will become a grant when the course reaches the determined number of trainees and at least 50% placement of graduates in the industry.
- > **Placement Grant:** awarded for placement of graduates in development positions in the high-tech industry with a salary of at least NIS 14,000 (within 15 months after finishing the course) for at least 9 months. The sum of the grant increases according to the graduate's salary. Incentives will be awarded for graduates belonging to one of the population sectors currently under-represented in the high-tech industry.

#### Why should you apply to this incentive program?

**Financial incentive for training and placement:** of bootcamp graduates in development roles at leading high-tech companies with further incentives given for the integration of women and other sectors currently under-represented in high-tech.

**Innovation Authority stamp of quality:** The Innovation Authority will award bootcamps a stamp of quality based on criteria determined in the benefit track. This is an indication for candidates and employers of the program's quality and potential for success as well as its supervision by the Authority.

**Promotion of coding bootcamp activity:** assistance with significant promotion of existing (or new) bootcamp activity and with increasing the number of graduates that find development jobs in the industry.

➤ **Look for us online: Coding Bootcamps Incentive Program**

## High-Tech Specialization for First Job Employees (Juniors) Incentive Program

In response to the shortage of skilled personnel for the Israeli high-tech industry, the Innovation Authority has launched the high-tech internship incentive program that provides grants to support high-tech companies that create employee specialization programs. As part of these programs, new graduates with a university degree or a degree in practical engineering in technology professions ("juniors") will be accepted and trained for entry-level development roles. The juniors' training model will be adapted to the company's needs and may be based on the company's internal resources and/or external organizations and trainers.

### Goal of the incentive program

To integrate new technology profession graduates from higher education institutions into development roles in high-tech companies, as part of the effort to combat the shortage of skilled professionals in the Israeli high-tech industry.

### Who is the incentive program for?

- High-tech companies with up to 1,000 employees in Israel.
- High-tech companies with 30 or more R&D employees or that have received a grant from the Innovation Authority in selected programs.
- Most of the company's activity is not R&D activity commissioned by another client.

### What do you get?

- NIS 50,000 for a candidate eligible for internship, for a period of six months.

### Why should you apply to this incentive program?

**Financial support:** participation of the Innovation Authority in the cost of new employees' training and internship.

**Internal training processes:** encouraging companies to create internal training processes for new employees that are suitable to the company's specific needs.

**Training program:** the training program may include (new or existing) internal training or training with an external training supplier. The training program and its subjects will be determined by the company and in accordance with its needs.

➤ **Look for us online: High-Tech Specialization for First Job Employees (Juniors) Incentive Program**

## The Advanced Technology Studies Workshop (HaSadna) Incentive Program

The huge demand for experts in advanced technology professions requires innovative models for training experts in this field and for upgrading skilled professionals already employed in the high-tech industry. This incentive program supports the creation of a joint advanced training framework for engineers in high-tech companies, led by the industry, in advanced development professions.

The Innovation Authority supports a group of high-tech companies (at least five) that will join forces and offer training in advanced development professions for their engineers and development personnel, simultaneously to their work in the industry. The training may be based on external and internal professional entities and will also include individual components for each company as well as open elements to develop Israel's advanced technologies communities. The Innovation Authority will finance 66% of the winning offers' training expenses, up to a budget of NIS 2 million a year for a period of three years.

**The incentive program is open to training proposals in all fields of advanced technology required for the industry, and especially in the following fields:**

- Artificial Intelligence (AI)
- Bio-Convergence – biologically inspired engineering
- Smart Robotics
- Semiconductor design and development
- Requests may be submitted in other fields with reasoning and justification regarding their relevance to the industry.

### Goal of the incentive program:

- To offer a solution for the shortage in skilled personnel in advanced development professions needed by high-tech companies.
- To prepare the economy for the future waves of technology: creating reserves of leading personnel.
- To create an innovative model for training engineers in the industry (life-long learning).
- To create a new collaborative training model that is also suitable for small and medium-sized companies.
- To allow spillover of knowledge, to create a network and community around the field of technological knowledge.

### Who is the incentive program for?

- Israeli high-tech companies owned by an Israeli parent company or foreign parent company.

### What do you get?

- A grant of NIS 2-6 million for a workshop for a duration of 3 years.

### Why should you apply to this incentive program?

**Low risk:** The Innovation Authority finances 66% of the activity, including the salary of the group's director.

**Pooling resources:** dividing the efforts and resources among several high-tech companies so that the whole is greater than the sum of all the individual parts.

**Tailored training:** a study program that is adapted to the needs of the participating companies.

**Community network:** creating a community network between the participants around a technological field of knowledge.

➤ **Look for us online: Advanced Technology Studies Workshop (HaSadna) Incentive Program**

## Back to Tech Incentive Program

The Back to Tech Incentive Program (formerly: The National Program for the Return of Israeli Academics) seeks to increase the number of skilled workers in the Israeli high-tech industry with Israeli technology professionals living abroad who have accumulated knowledge and experience in the global high-tech industry. The program is for Israelis seeking to integrate into the industry in Israel while maintaining a continuous dialogue with employers interested in employing high-quality and experienced personnel.

The program operates in conjunction with many high-tech companies, the defense industries, and other sectors seeking to integrate skilled high-tech personnel in the various professions. The list of employers participating in the program is posted on the Authority website.

### Goal of the incentive program:

To increase the number of skilled personnel in the Israeli high-tech industry with Israeli technology professionals living abroad who have accumulated knowledge and experience in the high-tech industry.

### Who is the incentive program for?

- › Candidates: returning Israeli technology professionals who have accumulated knowledge and experience in technology fields abroad, and who have the potential to integrate back into the high-tech industry in Israel.
- › Employers: in the Israeli high-tech industry who are interested in employing high-quality personnel with international experience upon their return to Israel from abroad.

### What do you get?

- › Employers: high-quality skilled personnel with experience in a range of technological fields who can occupy development roles in the company.
- › Candidates: work at one of Israel's leading high-tech companies.

The registration forms can be found on the Innovation Authority website. When registering, please include a C.V. and summary of your vocational experience. After declaring that you plan to return to Israel during the coming year or that you have returned during the last year, your summary will be sent discretely and free of charge to employers in the Israeli high-tech industry. Upon completing the registration, you will be allocated a password that will enable you access to your personal area on the website and update your details.

### Why should you apply to this incentive program?

- › Connections ahead of your return to Israel: the program will assist in establishing connections between Israeli technology professionals living abroad who are interested in returning and reintegrating into the sector in Israel, and high-tech companies in Israel seeking to employ high-quality and experienced technology personnel.

› Look for us online: [Back to Tech Incentive Program](#)

## Visas for Foreign High-Tech Experts Incentive Program

As part of the efforts to contend with the shortage of skilled high-tech personnel in Israel, the Innovation Authority, together with the State Population and Immigration Authority, launched in 2018 a specially designated visa program for foreign high-tech experts.

### Goal of the incentive program:

To alleviate the bureaucratic process involved in bringing a foreign expert from abroad for high-tech companies in Israel.

### Who is the incentive program for?

- › High-tech companies seeking skilled personnel in various fields.

### What do you get?

- › A work visa for up to 1 year, with the option to extend it each year for up to 5 years.
- › A work visa for the expert's spouse upon receipt of the foreign expert visa.
- › An expedited processing of the request (6-10 business days).

### Criteria for receiving a visa:

**In order to process a visa request, the expert must meet the following criteria:**

- › The foreign expert must be a citizen of one of the countries that are exempt from the requirement to issue a tourist visa to Israel.
- › The expert's salary will be at least double the average wage in Israel.
- › The company submitting the request is a high-tech company authorized by the Innovation Authority.<sup>1</sup>

› For details, contact: Email: [Aviya.Asher@innovationisrael.org.il](mailto:Aviya.Asher@innovationisrael.org.il)

<sup>1</sup> <https://innovationisrael.org.il/rules/4883>



## Preferential Financing for Women, Ultra-Orthodox, and Minorities

As part of the R&D Fund Incentive Program, startups owned by women, ultra-Orthodox, and minorities can receive grants at preferential funding terms. The R&D Fund program supports commercial companies in developmental stages of new products or upgrading an existing technology. The program awards the largest financial incentive offered by the State of Israel for R&D activity of Israeli companies and is open to all fields in order to strengthen and advance the Israeli economy.

### Goal of the incentive program:

To encourage technological innovation with the aim of strengthening and advancing the Israeli economy via support for startups including diverse companies owned by female entrepreneurs and companies with substantial investment in diverse fields of R&D such as: hardware, software, communications, complex systems, life sciences, medical devices, cyber, IOT, fintech, cleantech, and others.

### Who is the incentive program for?

- Startup companies owned by female and/or ultra-Orthodox and/or minorities entrepreneurs.

### What do you get?

**Companies owned by female entrepreneurs or those from the ultra-Orthodox or minorities sectors are eligible for preferential terms for the first two years as follows:**

- A grant of 75% of the project's approved budget in the first year, up to NIS 2.5 million.
- A grant of 70% of the project's approved budget in the second year, up to NIS 5 million.
- A company interested in a larger budget may submit a request according to the regular terms (a total budget of up to NIS 10 million; a grant of 30% or 50% of the approved budget).
- Recognition of marketing expenses of up to 15% of the approved budget.

### Why should you apply to this incentive program?

#### Increased Grants for specific populations.

**High-Risk innovative R&D:** the program enables to engage in high developmental risk R&D aimed at developing innovative technologies and future products. These products grant the company a significant competitive advantage, enable to penetrate new markets, and promote growth of the Israeli economy.

**Assistance during establishment stages:** the program enables young startup companies to overcome the difficult stages of establishing a startup and of raising funds during the product's development stage.

**Positive signal to investors:** the possibility of raising supplementary financing for up to six months after the project's approval assists companies in their efforts to mobilize investment during the early stages of operation.

**Attractive funding model:** the program assumes the risks associated with the company's development stage but does not participate in the profits or future successes. The companies receiving benefits undertake to repay the received funding to the Innovation Authority via royalty payments from sales, but only if the project succeeds in reaching the commercialization stage according to royalties' directives.

➤ Look for us online: [Preferential Financing for Women, Ultra-Orthodox, and Minorities](#)

## Human Capital for High-Tech Fund

The R&D employees in Israel's high-tech industry are one of the most important resources preserving the State of Israel's leading position and competitiveness, thereby contributing greatly to its economy. The Societal Challenges Division of the Innovation Authority has designed a new incentive program aimed at sustaining these capabilities and at offering a solution to the challenges facing the Israeli high-tech sector. This program supports a range of innovative solutions that will assist in the building of an infrastructure for high-quality personnel as a necessary condition to creating whole companies and sustaining the Israeli high-tech industry.

### Goal of the incentive program:

To advance programs operating in the recruitment, sorting, training, internship, and placement of new and existing employees in the high-tech industry (with an emphasis on R&D positions).

### Who is the incentive program for?

- Companies and NGOs offering various human capital programs designed for the high-tech industry.

### What do you get?

#### ➤ Programs in the establishment / initial stage:

- Requests for a budget of up to NIS 1 million.
- Approved requests will receive a grant of 50%, 60%, or 70% of the approved budget, according to the committee's decision.

#### ➤ Programs in the growth / scale up stage:

- Requests for a budget of up to NIS 15 million.
- Approved requests will receive a grant of 30%, 40%, or 50%\* of the approved budget, according to the committee's decision.

\* In special cases, in which the research committee will decide that the program's innovation and uniqueness are exceptional, it may approve a special grant of 60% or 70% of the approved budget of programs in the growth stage.

### Why should you apply to this incentive program?

**To influence the high-tech industry:** an opportunity to offer innovative and ambitious solutions to human capital challenges identified on the ground and thereby, to influence the Israeli high-tech industry.

**Attractive financing model:** the program awards significant financial benefits and offers participation in risks involved in recruitment and training.

**Repaying the grant subject to designated goals:** a company receiving approval for its request will not be obligated to return the grant to the Innovation Authority, subject to meeting goals and milestones as defined by the Research Committee.

**Quality mark support:** support from the Innovation Authority that is provided only following a comprehensive professional assessment of the project, serves as a mark of quality for companies in the industry and makes it easier for them to develop in the long-term.

➤ Look for us online: [Human Capital for High-Tech Fund](#)

## Emergency Incentive Program for Swift Training and Placement

This incentive program was established as an urgent response to those seeking work due to the Corona crisis. The program finances swift training and placement of workers in high-demand technology professions in all fields of the industry.

\* This program is an extension of the Human Capital for High-Tech Fund.

### Goal of the incentive program:

To significantly increase the number of employees in technology professions in Israel via swift training and placement programs. The current imperative is to offer programs that can be implemented quickly, with preference to involvement and specialization provided by the employer. Preference will also be given to programs providing a solution for a large number of people seeking employment in the following professions:

- › R&D positions such as Software Engineer, Algorithm Programmer, AI and ML specialist (Data Scientist), and others.
- › R&D supportive positions such as QA Automation and DevOps. The full list of professions is published on the Authority website.

### Who is the incentive program for?

- › Training frameworks and employers (including a group of employers interested in collaboration) offering training and placement programs in a range of technology professions in R&D fields and in R&D supportive professions as detailed on the Innovation Authority website.
- › The incentive program allows to offer flexible models of training and placement such as physical/online/combined training:
- › Training and placement in technology professions in the industry
- › On the Job Training (OJT) - Direct training and placement by the employer

### What do you get?

The grants are awarded according to the different groups of technology professions, as detailed on the Innovation Authority website, as follows:

- › Training grant: NIS 5,000-11,000
  - › Placement grant: NIS 11,000-24,000
- \* Additional grants will be awarded for high-salary placement.

### Why should you apply to this incentive program?

**Not just core high-tech professions:** the program offers substantial grants for training and placement in diverse technology professions that are not considered core high-tech professions, thus enabling to train thousands of unemployed people and place them in a quick and efficient procedure in a range of sectors.

**Support that is a mark of quality:** support from the Innovation Authority that is provided only following a comprehensive professional assessment of the project, serves as a mark of quality and guarantees that the program's graduates receive the best tools and skills to optimally integrate into the industry.

**A flexible and modular program:** grants are awarded based on success at each stage.

## R&D Programs

## Gov-Tech (“Mimshal-Tech”) – for Encouragement of Technological Innovation Directed at Public Sector Challenges

This incentive program is the result of collaboration between the Innovation Authority and the Israeli Ministry for Social Equality's “Digital Israel” project. The program is intended to encourage and assist companies and NGOs offering an innovative technological solution for public sector challenges in the fields of education, health, welfare, economy, law, local government, human capital, and others.

### The public sector challenges may be one or more of the following:

- › Improving government service to the public
- › Streamlining and enhancing processes in the public sector and public services
- › Providing the public with access to information
- › Protecting the public sector databases

### Goal of the incentive program:

- › To assist in the development of products and processes that will provide a solution for public sector challenges and needs via innovative technological solutions. The solution developed in the program will enable to improve the quality of service provided by government offices or public entities.

### Who is the incentive program for?

- › Industrial corporations and NGOs seeking to develop R&D programs directed at public sector challenges.

### What do you get?

- › For requests of up to NIS 500,000 – a grant of 75% of the approved budget.
- › For requests of between NIS 500,000 – NIS 1.5 million:
  - › A grant of 40%, 50%, or 60% of the approved budget.
  - › An additional 10% for Area ‘A’ Development Regions
  - › Startups owned by entrepreneurs from a group with preferential financing terms will be given the option for a grant of 75% in the first year and 70% during the second year.
    - Startup: a company not more than 5 years old when submitting the request.
    - Groups with preferential financing terms are defined as those of minorities and/or ultra-Orthodox and/or women (where at least 33% of the company's share capital is held by an entrepreneur from this group), all subject to the regulations of Benefit Program No. 1.

### Why should you apply to this incentive program?

**Attractive financing model:** The incentive program offers participation in the risks involved in the development process, but not in the revenues or future achievements. A supported company will repay the funding received by payment of royalties from sales, only if the entrepreneur successfully achieves commercialization.

**Assistance in Initial Stages:** the incentive program enables startup companies to overcome the difficulties involved in the initial stages and in recruiting capital during product development.

**Support that is a local and global quality mark:** support from the Innovation Authority, that is provided only following a comprehensive professional assessment of the project, serves as a quality mark for companies in the industry and makes it easier for them to recruit investors and to market their products in Israel and worldwide. This quality mark may also assist in value propositions to strategic partners abroad, to create a basis for long-term collaboration, and to penetrate foreign markets.

**First significant customer:** the program constitutes the initial interface before conducting pilots at government facilities, using government infrastructures in order to conduct feasibility and applicability tests of the proposed solution.

➤ **Look for us online: GovTech (“Mimshal-Tech”) – for Encouragement of Technological Innovation Directed at Public Sector Challenges**

## “Ezer-Tech” – Incentive Program for Encouraging Assistive Technological Solutions for the Disabled

This incentive program is the result of collaboration between the Innovation Authority and the National Insurance Institute funds. The program aims to encourage R&D of assistive technologies for the disabled in order to allow them equal opportunity and full integration in society and the labor market.

### Goal of the incentive program:

Assistive technologies possess the potential to generate dramatic change in the lives of people with disabilities and to enable them to conduct healthy, independent, and respectable lives as well as integrating and contributing in all spheres of life: employment, education, leisure etc. The program's goal is to encourage R&D of industrial products that provide technological solutions for the disabled and thereby enable them a normative lifestyle and integration into society and the labor market.

### Who is the incentive program for?

- Israeli companies and nonprofit organizations interested in developing technologies that serve groups with physical, emotional, or cognitive disabilities, who collectively represent up to 5% of the population.

### What do you get?

- For requests of up to NIS 500,000 – a grant of 75% of the approved budget.
- For requests of between NIS 500,000 – NIS 1.5 million:
  - » A grant of 40%, 50%, or 60% of the approved budget.
  - » An additional 10% for Area 'A' Development Regions
  - » Startups owned by entrepreneurs from a group with preferential financing terms will be given the option of a grant of 75% in the first year and 70% during the second year.

\* Groups with preferential financing terms are defined as those of minorities and/or ultra-Orthodox and/or women (where at least 33% of the company's share capital is held by an entrepreneur from this group), all subject to the regulations of Benefit Program No. 1.

### Why should you apply to this incentive program?

**Support at a higher rate than usual:** R&D projects in this incentive program receive greater than usual support from the Innovation Authority.

**Exemption from royalty repayment for NGOs:** Nonprofit organizations are exempt from paying royalties, usually mandated in most of the Authority's incentive programs.

➤ **Look for us online: “Ezer-Tech” – Incentive Program for Encouraging Assistive Technological Solutions for the Disabled**



# Grand Challenges Israel (“Etgar”) Incentive Program – Technologies for Health and Sustainable Development in Developing Countries

This program is the joint initiative of the Innovation Authority and ‘Mashav’ (Israel’s Agency for International Development Cooperation at the Ministry of Foreign Affairs) as part of the global Grand Challenges Initiative that aims to develop technological solutions for health, water, and food security challenges in developing countries.

## Goal of the incentive program:

To encourage R&D directed at finding innovative technological solutions for health, water, and food security challenges in developing countries. The program encourages Israeli technological innovation in this field and enables entry to new markets while at the same time, expressing the desire to assist these countries.

## Who is the incentive program for?

- › Companies and entrepreneurs in the areas of health, security, and food, targeting markets in developing countries.

## What do you get?

- › Funding of up to 90% of the budget, providing the project its initial “push”. The project is also exempt from royalties’ payments on income received from the target countries.
- › Exposure to new markets and potential partners. The program creates bridges and collaborations between the entrepreneurs and potential partners in the target markets, among others through the global partners of the Grand Challenges Initiative: the aid agencies of the US and the UK, philanthropic foundations, research institutes etc.

## Why should you apply for this incentive program?

Support of 70%, 80%, or 90% of the approved budget up to a maximum of NIS 500,000.

- › Look for us online: **Grand Challenges Israel (“Etgar”) Incentive Program – Technologies for Health and Sustainable Development in Developing Countries**



# The Processing Stages of an Application for R&D Support

- 1 Submission of application
- 2 Receipt of request and appointment of Sector Head
- 3 Appointment of technical evaluator
- 4 Review and submission of technical evaluation
- 5 Financial review (optional)
- 6 Authority’s comments and recommendations on technical evaluation
- 7 Discussion and decision to approve/reject the request
- 8 Notification of the decision is sent to the company
- 9 Preparation of documents to implement the project
- 10 Signature of documents and compliance with conditions
- 11 Signature of approval
- 12 Advance of payments against quarterly reports

Note: Changes may apply to the process detailed above in some of the incentive programs

› Look for us online: for further details – see the Innovation Authority website



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