



A bilateral framework providing financial support for collaborative industrial R&D ventures between Israeli & Chinese companies from the Shandong province

**8<sup>th</sup> Call for Proposals for Joint R&D and pilots projects**

The government of the Shandong province of The People's Republic of China, and the government of the State of Israel signed a bilateral agreement in 2013 to form the Shandong- Israel program for Industrial R&D with the primary aim of supporting joint industrial R&D projects aimed at the development of products or processes leading to commercialization in the global market.

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

The bi-lateral framework is jointly implemented by the Department of Science and Technology of Shandong Province in the Shandong province and the Israeli Innovation Authority in Israel.

**This call is open to joint projects from all technology sectors** based on merit that include science and technology (S&T) development leading to commercial success, social good and benefits to both countries.

**Joint Projects in Social Influence or Social Responsibility will be given a preference.**

**1. Common Requirements**

The criteria to be followed in order to apply to the program call are:

- a) At least two science and technology companies from the respective countries should express a desire to cooperate in the research and development of a new product or a new process , or in the adaptation of an existing product/process to the foreign market.
- b) The project may involve more than one company from each side; academic/research entities are eligible to join as sub-contractors only.
- c) R&D under the joint project should focus on either:
  - Developing Products that are highly innovative with significant commercial potential. The joint industrial R&D project should aim at the development of products/processes leading to commercialization in the global market.

**OR**

- Adapting / customizing existing product/process, belonging to the Israeli Company partner, to the needs and conditions of the Chinese market.

- d) The project partners should agree in advance on the IP rights and on the commercialisation strategy of the product or process.

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

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

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

## **2. Eligibility**

### ***In Shandong***

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

### ***In Israel***

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

## **3. Size of Investments and Matching Funds**

1. Funding support will be given to each partner by its own Implementing Organisation (Department of Science and Technology of Shandong Province in Shandong province and the Israel Innovation Authority in Israel) in accordance with the National Laws, Rules, Regulations and procedures in effect.
2. The total funding from the Government of Shandong under the Shandong-Israel R&D program financial support will be given to subsidize the R&D expenditure of the projects and will not exceed 50% of the eligible and approved costs of the R&D, in accordance with the national laws and regulations.
3. The total funding from the Government of Israel via the Israel Innovation Authority, under the Shandong-Israel R&D program financial support, will not exceed 50% of the eligible and approved costs of the R&D, in accordance with the national laws and regulations.

## **4. Submission of the project proposals**

**The 8<sup>th</sup> Call will be launched on September 11, 2023** Applicants are required to follow the local requirements and use the provided application format with instructions and **submit their proposal by February 19,2024**. Proposals that are not in the approved format will not be accepted.

In addition to the local application, an LOI/MOU and a Bilateral Application Form (BAF) must be submitted to both entities.

The BAF provides a summary of the proposed project with enough detail for the reviewers to make an initial assessment of the merits of the project.

**The BAF and Letter of Intent (LOI) / MOU must be filled and signed by both Chinese and Israeli partners and must include a detailing IP plans for the project.**

**Applications submitted after the deadline of the call period would be considered eligible for the next call period.**

The complete joint project application (bi-lateral application form) must be sent in softcopy simultaneously to Department of Science and Technology of Shandong Province in Shandong province and by email to Israel Innovation Authority in Israel in an appropriate official language (preferably in English) before the deadline of each call.

The proposal (bi-lateral application form) must be signed by both Chinese and Israeli partners.

**The Israeli partner** is required to submit the full application, in accordance with Israel Innovation Authority regulations, through an [online system](#) following the instructions on the relevant Track on the [website](#). In addition to the local application, an LOI/MOU and a Bilateral Application Form (BAF) must be submitted.

**The Chinese partner** will be required to submit the National Application Form in accordance with Department of Science and Technology of Shandong Province regulations, upon further notice by Department of Science and Technology of Shandong Province.

## 5. Evaluation and selection of the projects

The Department of Science and Technology of Shandong Province and the Israel Innovation Authority in Israel will carry out an independent evaluation of the joint R&D application and will select the eligible project to be financially supported in accordance with their National Laws and Regulations. The successful projects will be jointly selected by the two implementing organizations based on the project criteria and requirements specified in the application form.

## 6. Repayments

### In Israel

When a project results in sales of a product, service or process, the financial support must be repaid to the Israel Innovation Authority according to its regulations (in general, royalties are paid at rates beginning at 3% of sales, depending on various criteria. Royalties are payable until 100% of the amount of the grant has been repaid with interest as provided in the applicable regulations). If the project does not result in sales, no repayment is required.

### In Shandong

According to the existing rules and practices of Shandong province in supporting R&D activities of companies, currently the support for Shandong-Israel projects is in the form of grant without repayment.

## 7. Timeline & Deadlines (Plan)

<b>Launch</b>	<b>September 11,2023</b>
<b>Application Submission Deadline</b>	<b>February 19, 2024</b>
<b>Joint Committee &amp; Companies Notification</b>	<b>May 2024</b>

For further information contact:

<b>Shandong (China)</b>	<b>Israel</b>
-------------------------	---------------

Ms. Guo Xiaohong  
Program Manager  
Tel: +86 531 51751558  
Email: guoxiaohong@shandong.cn  
Shandong International Talent Exchange &  
Service Center  
  
Department of Science and Technology of  
Shandong Province  
  
No. 607 Shunhua Road, Hi-tech Zone,  
Jinan, Shandong Province, China

**For Israeli Companies:**  
For Israeli Companies:  
Growth Division  
Israel Innovation Authority  
Email: growth@innovationisrael.org.il For Foreign  
Companies:  
International Collaboration Division Israel Innovation  
Authority  
Email: apac@innovationisrael.org.il