



# Shanghai (China) - Israel program for Industrial R&D

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

10<sup>th</sup> Call for Proposals for Joint Industrial R&D projects

# **Submission Deadlines -**

April 28, 2023: Shanghai

June 21, 2023: Israel

The government of the Shanghai Municipality, The People's Republic of China, and the government of the State of Israel signed a bilateral agreement in 2011 to form the Shanghai-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 Shanghai and one Israeli company.

The bi-lateral framework is jointly implemented by the Science and Technology Commission of Shanghai Municipality (STCSM) in Shanghai and by the Israel 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.

#### 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.
- b) The project may involve more than one company from each side; academic/research entities are eligible to join as sub-contractors only.
- c) The product should be highly innovative with significant commercial potential. The joint industrial R&D project should aim at development of products/processes leading to commercialization in the global market
- d) The project partners should agree in advance on the IP rights and on the commercialization strategy of the product or process.

Note: For the submission phase, only a Letter of Intent (LOI), 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 current Call for Proposals in accordance with the national laws, rules, regulations and procedures in effect.

### 2. Eligibility

#### In Shanghai

- 1. Eligible applicants will be R&D-performing Shanghai-registered companies operating in Shanghai.
- 2. The applying company should have a sales agreement or acquisitions, technical transformation or cooperative research with foreign partner/s. A photocopy of the agreement / deal should be provided
- 3. The proportion of the self financing and applied grants will be at least 2:1.
- 4. Project results should be industrialized in China and show significant benefit/significant new economy effectiveness.
- 5. Project can achieve a number of intellectual property rights (patent inventions)

#### 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 Organization (STCSM in Shanghai and Israel Innovation Authority in Israel) in accordance with the national laws, rules, regulations and procedures in effect.
- 2. The total support from the Government of the Shanghai Municipality is up to 1M RMB per project. The government gives the support to subsidize the R&D expenditure of the project and will decide the amount of support for each project, taking into consideration the total number of approved projects and the available funding for the program each year.
- 3. The total funding from the Government of Israel via the Israel Innovation Authority, under the Shanghai-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 present call invites companies from Shanghai to send applications until April 28, 2023.

Once the Shanghai company applies, its Israeli partner will need to send a notification to the representative in Israel Innovation Authority to notify on its partner submission and the Israeli's company intent to submit when the Israeli call for proposal opens.

Israeli companies may send applications from until June 21, 2023.

The eligibility of each application will be analyzed by both the Shanghai Science and Technology Exchange center and Israel Innovation Authority.

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

The application includes a Bilateral Application Form and a signed LOI / draft MOU, in addition to other forms and requirement of each organization.

<u>Please note: The Bilateral Application Form+ LOI / draft MOU must be signed by both Chinese and Israeli partners.</u>

**The Israeli partner** is required to submit the National Application form, in accordance with Israel Innovation Authority regulations, through an <u>online system</u> following the instructions on

the relevant Track on the <u>IIA's website</u>. The signed copies of the Bilateral Application Form + LOI/Draft MOU are required to be uploaded as well.

**The Chinese partner** will be required to submit the National Application Form, in accordance with STCSM regulations, through an <u>online system</u> upon further notice by the Science and Technology Commission of Shanghai Municipality. **Please visit the <u>website</u> to download the bilateral application form and the application guidelines.** 

## 5. Evaluation and selection of the projects

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

#### 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 Shanghai,** according to the existing rules and practices of the STCSM in supporting R&D activities of companies, currently the support for Shanghai-Israel projects is in the form of a grant.

- **7. Publication of the Results:** The Israeli and Chinese partners whose projects have been selected will be informed of the result and the amount of funding for the successful projects by their respective implementing organization **possibly in September 2023.**
- **8. Pre-Implementation Requirements:** After the award of the project, project leaders on both sides would be advised by their respective Implementation Organizations to complete necessary administrative and legal instruments before the fund release.

#### **Timeline summary:**

	Shanghai	Israel
Launch	March, 2023	Feb 1, 2023
Application Submission Deadline	April 28, 2023	June 21 2023
Joint Committee	September 2023	September 2023

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