

Shenzhen(China)-Israel R&D Cooperation Program

中国深圳-以色列产业研发计划 12th Call for Proposal

A bilateral framework providing financial support for collaborative industrial R&D Projects between Israeli & Chinese companies from the city of Shenzhen

1. About the Program

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

The bi-lateral framework is jointly implemented by the Shenzhen Science, Technology & Innovation Commission (SZSTI) in the Shenzhen municipality and Israel Innovation Authority (IIA) in Israel.

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

2. Common Requirements & Criteria

In order to apply to the current call for proposals, companies and projects must meet the following criteria:

- 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 the development of products/processes leading to commercialisation in the global 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 after receiving a formal funding approval.

- 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.

3. Eligibility

In Shenzhen

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

In Israel

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

4. Funding Support

Funding support will be provided to each partner through its own implementing & funding organisation (Shenzhen Science, Technology & Innovation Commission (SZSTI) in Shenzhen municipality and Israel Innovation Authority (IIA) in Israel) in accordance with the National Laws, Rules, Regulations and procedures in effect.

In Shenzhen

According to the existing rules and practices of Shenzhen Science, Technology & Innovation Commission (SZSTI) in supporting R&D activities of companies, the support for Shenzhen-Israel projects is in the form of grant without repayment.

The total funding from the Government of Shenzhen municipality under the Shenzhen-Israel R&D program is up to a maximum amount of 3 million RMB <u>per call</u>. The financial support will be given to subsidize the R&D expenditure of the projects and will not exceed 50% of the eligible and approved R&D costs, and, in accordance with the national laws and regulations.







In Israel

- 1) Funding will be provided in the form of a conditional grant to the projects selected under the Call for Proposals.
- 2) The total funding from the Government of Israel via the IIA will not exceed 50% of the eligible and approved costs of the R&D, in accordance with the national laws and regulations.
- 3) 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.
- 4) For more information on funding conditions, applicants should visit the website of Israel Innovation Authority:

https://innovationisrael.org.il/

5. The Application Process

The Call will be launched on February 1st, 2023. Applicants are required to follow the local requirements and use the provided application format with instructions and submit their proposal by June 21st, 2023. Proposals that are not in the approved format will not be accepted.

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

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 plan for the project.

The Israeli partner is required to submit the full IIA application, 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 Chinese partner will be required to submit the application form in accordance with Shenzhen regulations.

Applicants are required to follow the local requirements and use the provided application format with instructions and submit their proposal. Proposals that are not in the approved format will not be accepted.

In Shenzhen

The Chinese partner will be required to submit the National Application Form in accordance with SZSTI regulations, either through an online system and submission of printed document in required format upon further notice by SZSTI. For further information please check the website of Shenzhen Science, Technology and Innovation Commission (www.szsti.gov.cn)

In Israel

The Israeli partner is required to submit an IIA National Application form in accordance with the IIA regulations, through an <u>online system</u>. A signed copy of the







Bilateral Application Form and the LOI are required to be uploaded as well. Please review the program condition also on IIA <u>website</u>.

6. Evaluation and selection of the projects

The Shenzhen Science, Technology & Innovation Commission (SZSTI) in Shenzhen municipality and the IIA 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.

Final Approval for funding and the notification to companies is pending the approval of the project by the foreign counterpart and the joint decision from the Joint Committee being held by both countries. Results will not be shared with the companies before the Joint Committee.

7. <u>Timeline & Deadlines (Plan)</u>

Launch	February 1 st , 2023
Application Submission Deadline	June 21 st , 2023
Joint Committee & Companies Notification	September- October, 2023

8. Contacts:

For further information please contact program managers in Shenzhen/Israel:

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