Zhejiang-Israel R&D and Pilot Cooperation Program

A bilateral framework providing financial support for collaborative industrial R&D and Pilot Projects between Zhejiang and Israeli companies

10th Call for Proposals – <u>2025</u>

About the Program

With the goal of promoting industrial R&D cooperation between Zhejiang and Israeli companies, an agreement was signed in May 2014 between the State of Israel and the Government of Zhejiang Province. The program provides Israeli and Local companies from Zhejiang province access to government funding for collaborative research and development (R&D) projects aimed at the development of products or processes leading to commercialization in the global market; as well as assistance in locating R&D partners.

This bilateral framework is jointly implemented and promoted by Zhejiang Provincial Department of Science and Technology (ZSTD) in China; and the Israel Innovation Authority in Israel.

These guidelines and information are specific to the Zhejiang (China)-Israel R&D Cooperation Program, for projects submitted under the current Call for Proposals (CFP).

ZSTD and the Israel Innovation Authority invite Zhejiang and Israeli companies to submit proposals for funding for bilateral industrial research and development (R&D) projects, involving at least one Chinese company and one Israeli company, which include science and technology (S&T) development leading to commercial success, social good and benefit to both countries.

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

This Call for Proposals is also providing support for **pilot projects** for companies who wish to **pilot, scale-up** and **adapt** their new **innovative technologies** and solutions to the Chinese market and entities' specific needs.

1. 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, fulfilling the company eligibility criteria mentioned below, 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 commercialization in the global market.
- d) The Zhejiang –Israel R&D Cooperation Program supports projects of all technology fields (except defense) with the emphasis on new energy, energy conservation, smart community, environment and resource conservation, robot technology, machinery systems technology, electronics, Information and Telecommunications, materials and nanotechnology, biotechnology & pharmaceuticals, agricultural machinery, medical devices and water treatment.
- e) The project partners should agree in advance on the IP rights and on the commercialization strategy of the product or process.¹
- f) The project should demonstrate the contribution of the participants from both countries
- g) 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

Zhejiang Applicants - Eligible applicants will be R&D performing companies registered and operating in Zhejiang.

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

3. Funding Support

¹ 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 only after the project is jointly approved.

Funding support will be provided to each partner through <u>its own</u> implementing & funding organisation (ZSTD in Zhejiang province, China, Israel Innovation Authority in Israel) in accordance with the national laws, rules, regulations and procedures in effect.

In Zhejiang Province

- 1. ZSTD will entrust Zhejiang Companies selected under the Call for Proposals to carry out the projects.
- 2. The total funding to a project from ZSTD **shall not exceed 20%** of the total approved R&D expenses of a project, up to 1.5 million yuan.
- 3. For more information on funding conditions, applicants should visit the ZSTD website.

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 Israel Innovation Authority 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 Israel Innovation Authority <u>website</u>.

4. The Application Process

To ensure the effective delivery of the CFP and reinforce the principles of bilateral partnership, ZSTD and IIA employ a joint application process for each Call for Proposals.

Applicants are required to follow the local requirements and use the provided application format with instructions and **submit their proposal by 3rd July 2025 in Israel and to ZSTD before the deadline announced on ZSTD website**. 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) must</u> <u>be submitted to both entities.</u> 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 IP and commercialization plans for the project.

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

In Zhejiang, China

The Zhejiang partner is required to submit a ZSTD Bilateral Industrial R&D Cooperation Application Form in accordance with the ZSTD regulations, through an <u>online system</u>. A copy of the Feasibility Report is required to be uploaded as well. After online verification, the application in the prescribed format bearing the applicant's official seal, along with the LOI/Draft MOU co-signed by the applicant and its Israeli partner should be submitted to ZSTD.

In Israel

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 incentive program on the <u>IIA's website</u>. In addition to the local application, an LOI/MOU and a Bilateral Application Form (BAF) must be submitted.

5. Evaluation and Selection

ZSTD in China 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 State Laws and Regulations. The successful projects will be jointly selected by the two funding organizations at a **"Joint Committee Meeting"** based on the project criteria and requirements specified in the application form. Companies who receive joint approval will be notified by their local implementing or funding agency.

Parties 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 in a timely manner.

ChinaIsraelLaunchFebruary 18th 2025Application Submission DeadlineJuly 3rd 2025

6. Timeline & Deadlines (Plan)

Final Notification to Companies

October 2025

CONTACTS

Israel

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