

## **BRAZIL-ISRAEL INDUSTRIAL R&D COOPERATION PROGRAM**

### **Program Description and Call for Proposals**

Announcing the 3<sup>a</sup> CALL FOR PROPOSALS FOR INDUSTRIAL R&D COOPERATION BETWEEN BRAZIL AND ISRAEL.

CALL No. 03 /2014  
CALL FOR PROPOSALS FOR TECHNOLOGICAL COOPERATION  
BETWEEN BRAZIL AND ISRAEL.

The governments of Brazil and Israel signed on February 27, 2007, a Memorandum of Understanding to support joint industrial research and development (R&D) between their private sectors, aimed at the development of new products and processes for commercialization in the domestic and/or global markets. In this program, each government shall provide support to its companies for engaging in such collaborative R&D projects, once they are approved by both sides.

#### **1. GENERAL PROVISIONS**

- 1.1. The program is jointly run by the Secretariat of Innovation in the Ministry of Development, Industry and Foreign Trade of Brazil (hereinafter "MDIC") and MATIMOP, the Israeli Industry Center for R&D, on behalf of the Office of the Chief Scientist in the Ministry of Industry, Trade and Labor of Israel (hereinafter "OCS").
- 1.2. This initiative aims to encourage the development of joint R&D projects between Brazilian and Israeli companies through the process of partners matching service and funding, subject to the conditions set out in this Call, using resources from the OCS, from the Israeli side, and from the Brazilian Development Bank (hereinafter "BNDES") and the Brazilian Agency of Innovation (hereinafter "FINEP") from the Brazilian side.
  - 1.2.1. The micro and small Brazilian companies may also get support from the Brazilian Service of Support for Micro and Small (hereinafter "Sebrae") for the procurement of technology services supportable by the Sebraetec Program.
- 1.3. This Call aims to invite Israeli and Brazilian companies to draw up a proposal for cooperation in R&D that result in the development of new products, processes or services of industrial application leading to commercialization in the domestic and/or global markets.

#### **2. BASIC REQUIREMENTS FOR SUBMISSION OF THE PROPOSALS FOR COOPERATION**

- 2.1. The Call is open to Brazilian and Israeli companies who wish to jointly elaborate industrial R&D projects.

- 2.2. Under the framework of this agreement, Israeli companies and Brazilian companies that have existing ownership relations can be considered candidates for submission. Such requests are subject to the submission of an outline that clearly states the special circumstances for this project and the benefits achieved by each participant from this project.
- 2.3. The proposal for cooperation must involve at least one company in each country, which should jointly develop a new product, process or service of industrial application.
- 2.4. The proposal for cooperation may include scientific and technological institutions (academic/research entities) in its implementation, but only in the form of sub-contractors.
- 2.5. The new product/process/service must be innovative, ready-to-market, with technology risk and add value to the economies of both countries.
- 2.6. Companies must demonstrate a strategy that, given its technological, commercial and financial aspects, highlights its potential to introduce the new product/process/service into the markets of both countries and/or third countries.
- 2.7. The project should have a clear advantage and added value resulting from the cooperation between the participants from the two countries (e.g. increased knowledge base, commercial leads, access to R&D infrastructure, new fields of application, etc.).
- 2.8. The project must demonstrate adequate balance and complementarity between the two industrial partners, regarding the phases of research and development and also in the division of the result of any intellectual property rights created in the project and of the commercialization of new products and services.
- 2.9. The partners in Israel and in Brazil must be capable of implementing the project and funding their respective share.
- 2.10. The project partners should agree in advance on the allocation of intellectual property (IP) rights between their companies, as well as the commercialization strategy. This agreement must reflect a reasonable allocation and a fair return for both partners on their investment.
- 2.11. Applicants will be requested to submit their Proposal for Cooperation (item 3.2), which addresses the conduct of R&D, intellectual property rights and commercialization strategy. Such proposal must include:
  - 2.11.1. the ownership and use of knowledge (know-how) belonging to the partners prior to the project; and
  - 2.11.2. ownership and use of knowledge (know-how) and information obtained and/or developed by partners through the project.

### **3. PROCEDURES AND DEADLINES FOR SUBMISSION OF PROPOSALS**

#### **3.1. PHASE 1: PARTNER SEARCH**

- 3.1.1. Companies may fill in the Partner Search Form, which is available at the website <http://www.brasilisrael.mdic.gov.br>, to provide opportunities for Brazilian and Israeli companies to meet their potential partners and develop a proposal for cooperation in R&D.

- 3.1.1.1. Brazilian and Israeli companies must fill in the form in English at the website <http://www.brasilisrael.mdic.gov.br> .
  - 3.1.1.2. The Partner Search Form is not mandatory. Companies that already have a partner in the other country may go directly to the Cooperation Form (item 3.2)
  - 3.1.2. The partner search process will be assisted by MDIC in Brazil and MATIMOP in Israel and will include, whenever possible, a meeting agenda at conferences and business missions of different industry sectors to create opportunities for Brazilian and Israeli businessmen to meet potential partners.
- 3.2. PHASE 2: PROPOSAL FOR COOPERATION
- 3.2.1. After finding the potential partner, the proposal for technological cooperation between the Brazilian and the Israeli companies should be submitted through the Cooperation Form, which is available for download at the website <http://www.brasilisrael.mdic.gov.br> .
  - 3.2.2. The Cooperation Form must be written by both partners in English and sent in a "PDF" format (the last page should contain the digital signature of the representatives from both companies).
  - 3.2.3. Companies may submit the Cooperation Form at any time from the publication of this Call, until the deadline established at item 7.1.
  - 3.2.4. Brazilian companies must send the Cooperation Form to MDIC at the e-mail [brasilisrael@mdic.gov.br](mailto:brasilisrael@mdic.gov.br) , and Israeli companies to MATIMOP at the e-mail [ilana@matimop.org.il](mailto:ilana@matimop.org.il) .
- 3.3. PHASE 3: APPLICATION FOR FUNDING
- 3.3.1. The Brazilian and Israeli companies that have their cooperation project approved by both governments, considering the requirements on the "item 2" of this Call, will be invited to submit the complete funding application using the national procedures in their respective countries.
  - 3.3.2. Brazilian companies selected will receive from the Brazilian Committee, coordinated by MDIC, a guidance of which credit line could be applicable to the project, observing the conditions described at "item 5.1.1"
  - 3.3.3. The Israeli partner is required to submit electronically the OCS application form in accordance with OCS regulations, through the online system at <http://www.moital.gov.il/mandan/tfasim> . The bilateral cooperation form must be attached to the OCS funding application.

#### **4. EVALUATION CRITERIA AND SELECTION OF PROPOSALS FOR COOPERATION**

- 4.1. The Brazilian Committee (coordinated by MDIC) and the Israeli counterpart (OCS / MATIMOP) will jointly evaluate all the submitted proposals for cooperation and approve those eligible to applying for funding. These evaluations will be done intermittently and will obey the order in which the projects are sent.

- 4.2. Under the framework of cooperation described in "item 1" of this Call, funding of companies on both sides is contingent upon approval by both the Brazilian Committee and OCS/MATIMOP.

## 5. SUPPORTING FUNDS

### 5.1. IN BRAZIL

- 5.1.1. The financial support requested by the Brazilian companies to BNDES and to FINEP may be granted according to the available credit lines and the rules and operating procedures of each institution as well as the applicable legislation in force.
- 5.1.2. SEBRAE's grants for providing technological services to the micro and small Brazilian companies will be given accordingly with the SEBRAETEC program rules.

### 5.2. IN ISRAEL

- 5.2.1. In Israel, the funding from OCS may not exceed 50% of the eligible R&D costs. Additional top-ups may apply to companies operating in developing zones. The companies must provide the remaining funding. In certain cases, the company may be asked to provide further guarantees or documents in order to assure its financial viability.
- 5.2.2. When a project results in sales related directly to the funded project, repayments of the grant will be made according to OCS regulations.

### 5.3. ANALYSIS OF THE FINANCING REQUEST

- 5.3.1. The decision about the financial support and the conditions of this support is a prerogative of the funding institutions of each country, which will independently analyze the funding requests, according to the operational policies of each institution.

## 6. PUBLICATION OF RESULTS

- 6.1. The results of the evaluation described in "item 4.1" of this Call will be released by the competent body in each country, observing the rules and operating procedures of each institution and the applicable laws.
  - 6.1.1. The publication on the Brazilian side will be at the website <http://www.brasilisrael.mdic.gov.br/>.
  - 6.1.2. The publication on the Israeli side will be at the website [http://www.matimop.org.il/calls\\_for\\_proposals.html](http://www.matimop.org.il/calls_for_proposals.html).
- 6.2. Information regarding the request for financial assistance will be disclosed only to the applicant company, observing the rules and operating procedures of each institution, as well as applicable laws.

## 7. SCHEDULE

- 7.1. The proposed technological cooperation formalized under this Notice should follow the following schedule:

<b>Activity</b>	<b>Date</b>
Period for companies to send the Cooperation Form	From the publication of this Call until October 16, 2015
Deadline to publicize the projects approved on Phase 2	December 18, 2015