



Ministry of Industry Trade and Labor  
Office of the Chief scientist



## **Brazil-Israel Industrial R&D Cooperation Program Program Description and Call for Proposals**

### **MINISTRY OF DEVELOPMENT, INDUSTRY AND FOREIGN TRADE - MDIC DEPARTMENT OF INNOVATION**

CALL No. 1 / 2013 – JANUARY 30, 2013

### **CALL FOR PROPOSALS FOR TECHNOLOGICAL COOPERATION BETWEEN BRAZIL AND ISRAEL.**

Announcing the 2<sup>a</sup> SECOND CALL FOR PROPOSALS FOR INDUSTRIAL R&D 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.

This program set a parallel scheme through which each government pledged to provide support to its companies for engaging in such collaborative R&D in projects that will be mutually 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 "items 4 and 5" of this Call, using resources from the Office of the Chief Scientist (OCS), from the Israeli side, and the Brazilian Development Bank (hereinafter "BNDES") and the Agency for Financing of Studies and Projects (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 - SEBRAE (hereinafter "SEBRAE") for the procurement of technology services supportable by Sebraetec Program.

1.3. This Call aims to invite Israeli and Brazilian companies in Information and Communication Technologies (ICT), Health, Defense and Renewable Energy sectors 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. PARTNER MATCHING SERVICE**

2.1 The Brazil-Israel Program offers partner matching service for companies who seek project partners for joint submission. Interested parties may use either of the following forms:

a) Partner Search Form for BR, to be filled by Brazilian companies and submitted to MDIC at <http://www.brasilisrael.hom.mdic.gov.br/>;

b) Partner Search Form for IL, to be filled by Israeli companies and submitted to MATIMOP at : [ilana@matimop.org.il](mailto:ilana@matimop.org.il)

c) Cooperation Form, to be filled jointly by both partners.

2.2 Each side will verify the completeness of the Partner Search Form, before sending it to the other side.

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

3.1. The Call is open to Brazilian and Israeli companies who wish to jointly elaborate industrial research and development projects.

3.2. Under the framework of this R&D agreement, Israeli companies and Brazilian companies, that have existing ownership relations, can be considered candidates for submission. Such requests are subject to a submission of an outline which clearly states the special circumstances for this project and the benefits achieved by each participant from this project.

3.3. 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.

3.4. The proposal for cooperation may include scientific and technological institutions (academic/research entities) in its implementation only in the form of sub - contractors.

3.5. The new product/process/service must be innovative, ready-to-market, with technology risk and add value to the economies of both countries.

3.6. 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.

3.7. The project should have an obvious 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.).

3.8. The project must demonstrate adequate balance, contribution and complementarity among the participants and be significant to both industrial partners.

3.9. The partners in Israel and in Brazil must be capable of implementing the project and funding their respectively share.

3.10. 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.

3.11. Applicants will be requested to submit their Proposal for Cooperation (PHASE 2) along with a draft collaboration agreement which addresses the conduct of R&D, intellectual property rights and commercialization strategy.

3.12. As a prerequisite for receiving funding, the partners of the proposal for cooperation must formalize their partnership through a Collaboration Agreement (as mentioned in 3.11 item) that includes, among other information, the allocation of the intellectual property (IP) rights between their companies, as well as the division of the commercialization of project results. The Collaboration Agreement must also include information about:

- a) the ownership and use of knowledge (know-how) belonging to the partners prior to the project; and
- b) ownership and use of knowledge (know-how) and information obtained and/or developed by partners throughout the project.

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

##### **4.1. PHASE 1: PARTNER Matching (if required)**

4.1.1. A Partner Search Form is available to provide opportunities for Brazilian and Israeli companies to meet their potential partners and further, develop a proposal for cooperation in R&D.

4.1.2. For the Brazilian Companies, this form must be completed in English at the electronic address <http://www.brasilisrael.mdic.gov.br>

4.1.3. The partner search process (“matchmaking”) will take place assisted by MDIC in Brazil and MATIMOP in Israel , and will include, whenever possible, a meeting agenda at conferences and missions of different industries sectors to create opportunities to Brazilian and Israeli businessmen to meet their potential partners.

4.1.4. The meeting agenda will be available at the electronic address <http://www.brasilisrael.mdic.gov.br> and <http://www.matimop.org.il>.

##### **4.2. PHASE 2: PROPOSAL FOR COOPERATION**

4.2.1. After finding the potential partner, the proposal for technological cooperation between the Brazilian and Israeli companies should be done through the Cooperation Form that must be submitted along with the draft of the Collaboration Agreement mentioned in items 3.11 and 3.12

4.2.2. The Cooperation form must be completed by both partners in English in a "PDF" format (the last page should contain the digital signature of the representatives on both countries or scanned signature). The form must be submitted respectively to MDIC and MATIMOP in accordance with the established dates of “item 8”.

4.2.3. For MDIC, the form must be submitted to the e-mail [brasilisrael@mdic.gov.br](mailto:brasilisrael@mdic.gov.br) . For MATIMOP, the form must be sent to the e-mail [ilana@matimop.org.il](mailto:ilana@matimop.org.il) .

#### 4.3. PHASE 3: APPLICATION FOR FUNDING

4.3.1. The Brazilian and Israeli companies that have submitted a proposal for cooperation meeting all the requirements specified in this Call on “item 3”, and for which the Phase 1 and 2 pre-screening resulted with a positive recommendation, will be invited to submit the complete funding application using the national procedures in their respective countries by in accordance with the established dates of “item 8”.

4.3.2. At that time, Brazilian companies selected will receive by the Brazilian Committee coordinated by MDIC, a guidance of which credit line could be applicable to the project, observing the conditions described at “item 6.1.1”

4.3.3. 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.

4.3.4. The proposed technological cooperation between the Brazilian and Israel companies should be submitted together with the draft Collaboration Agreement mentioned in subsection 3.11 and 3.12 of this announcement.

### 5. EVALUATION CRITERIA AND SELECTION OF PROPOSALS FOR COOPERATION

5.1. The Brazilian Committee (coordinated by MDIC) and the Israeli counterpart (OCS / MATIMOP) will jointly evaluate all the submitted proposals for cooperation and then will select those eligible for applying for funding.

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

### 6. SUPPORTING FUNDS

#### 6.1. IN BRAZIL

6.1.1. The financial support requested by the Brazilian companies to the BNDES and to the FINEP may be granted according to the available lines and the rules and operating procedures of each institution as well as the applicable legislation in force. 6.1.2. SEBRAE's grants for providing technological services to the micro and small Brazilian companies will be given accordingly with the SEBRATEC program rules.

#### 6.2. IN ISRAEL

6.2.1. In Israel, the funding from OCS may not exceed 50% of the eligible R&D costs. In addition, Developing Zones top-ups will apply. 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.

6.2.2. When a project results in sales related directly to the funded project, repayments of the grant will be made according to OCS regulations.

### 6.3. ANALYSIS OF THE FINANCING REQUEST

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

## 7. PUBLICATION OF RESULTS

7.1. The projects approval results described in "item 5.1" 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.

7.1.1 The publication on the Brazilian side will be at the electronic address <http://www.brasilisrael.mdic.gov.br/>.

7.1.2 The publication on the Israeli side will be at the electronic address [http://www.matimop.org.il/calls\\_for\\_proposals.html](http://www.matimop.org.il/calls_for_proposals.html).

7.2. 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.

## 8. CHRONOGRAM

8.1 The proposed technological cooperation formalized under this Notice should follow the following schedule. Activity

<b>Activity</b>	<b>Dates</b>
Phase 1 - Filling out the Form Search Partners	<b>Until November 14, 2013</b>
Phase 2 - Submission of the Cooperation Form	<b>November 14, 2013</b>
Evaluation and selection of proposals by the Brazilian Committee and the OCS / MATIMOP. Announcing Phase 2 pre-screening recommendations for submitting the funding application.	<b>December 13, 2013</b>
Phase 3 - Funding application submissions through national forms including the draft Collaboration agreement.	<b>February 7, 2013</b>

8.2 The Cooperation Forms that are delivered before the deadline in the schedule above will automatically proceed to the following phases of Evaluation and selection of proposals and Funding request, regardless of the dates stipulated.